



भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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(701-750)



सत्यं वद। धर्मं चर।

“speak the truth abide by the law”

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Latest @ ICS

Info Capsule Series 17

Feedback on Company Forms in MCA21-V3 Portal

As you are aware, the Ministry of Corporate Affairs w.e.f. August 31, 2022 migrated filing of 9 Company Forms from MCA 21 V2 to V3 Portal. The Ministry of Corporate Affairs w.e.f. January 23, 2023, has launched second set of Company Forms covering 56 forms on MCA21-V3 Portal for filing purposes. The list of all 56 Company Forms is available on MCA website. The Institute of Company Secretaries of India, in its attempt to further facilitate the stakeholders and ensure smooth transition and implementation, is sharing your feedback to the Ministry of Corporate Affairs (MCA) on regular basis. Such feedback is constantly and closely monitored by MCA at all levels for timely resolution. We request you to share your inputs/ issues/suggestions on filing of Company Forms in MCA V3 at the link given below:

<https://forms.gle/m5NGoCbt4TibuD196>

We thank you for your continued support and hope for association in the future as well.

Ministry of Corporate Affairs

Info Capsule Series 17

MCA calls meetings on website snags (June 13, 2023)

The Government has called a series of stakeholder meetings to discuss the ongoing issues with MCA 21, the website of the Ministry of Affairs (MCA). In a tweet, the Ministry said these meetings will be attended by representatives from LTIMindtree that maintains the site. Apart from four metro cities, meetings will be held in Ahmedabad, Hyderabad and Guwahati. The Ministry, along with LTIMindtree, will strive towards resolution of the issues by June 30, 2023.

For details:

<https://timesofindia.indiatimes.com/business/india-business/mca-calls-meetings-on-websitesnags/articleshow/100950856.cms?from=mdr>

MCA-Important Update (July 24, 2023)

- The Ministry of Corporate Affairs (MCA) vide issuing important update dated July 24, 2023 has informed the stakeholders about the below mentioned data:
- 16,665 LLP got incorporated from 1st April 2023 to 19th July 2023, which is higher than the previous years count of 8,764 for the same period.
- 2,46,826 LLP forms have been filed from 1st April 2023 to 19th July 2023, which is higher than the previous years count of 1,86,653 for the same period.
- 11,865 Company Incorporation forms have been filed from 1st July 2023 to 19th July 2023, which is higher than the previous years count of 10,208 for the same period.
- 56,782 Company 46 forms have been filed from 1st July 2023 to 19th July 2023, which is higher than the previous years count of 54,988 for the same period.

For details:

<https://www.mca.gov.in/content/mca/global/en/notificationstendernews-updates/updates.html>

The Companies (Incorporation) Second Amendment Rules, 2023 (August 02, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification dated August 02, 2023 has notified “the Companies (Incorporation) Second Amendment Rules, 2023” which shall come into force on the date of its publication in the Official Gazette. According to the amendment Form RD-1 {Form for filling application to Central Government (Regional Director)} has been substituted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=jYQ0wTBvMQwmTluXHncG0A%253D%253D&type=open>

Ministry of Corporate Affairs-Important update (August 12, 2023)

1,086 requests of ICSI and 184 requests of ICAI for Merger/Deactivation of User ids have been executed in system. Professionals are requested to contact the respective Institutes for Merger/Deactivation/Degradation of their MCA User ids.

For details:

<https://www.mca.gov.in/content/mca/global/en/home.html>

Ministry of Corporate Affairs-Important update (August 16, 2023)

Stakeholders please note that VPD V3 Beta version is available under Document Services from 7pm to 10pm. It is for testing purposes only and forms prior to May 2023 are available for download.

For details:

<https://www.mca.gov.in/content/mca/global/en/home.html>

Ministry of Finance

Info Capsule Series 17

Secretary, Department of Financial Services (DFS), holds review meeting under Financial Inclusion Schemes with heads of PSBs and other organisations [PIB Dated July 21, 2023]

Dr. Vivek Joshi, Secretary, Department of Financial Services (DFS), Ministry of Finance, chaired a review meeting with heads of Public Sector Banks (PSBs). The review meeting was also attended by Chairman NABARD. During the meeting, the progress under various social security (Jan Suraksha) schemes including Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Pradhan Mantri Mudra Yojana (PMMY), and Stand Up India. Dr. Joshi urged the PSBs to achieve the targets allocated to them under the various schemes for financial inclusion for the current financial year at the earliest. The issues related to digital transactions were discussed in the meeting with special focus on promotion of digital payments. Aspirational Blocks Programme (ABP) was also discussed.

Roadmap to making India a \$5 trillion economy [PIB Dated August 1, 2023]

The Government's roadmap for making India a \$5 trillion economy comprises focussing on growth at the macro level and complementing it with all-inclusive welfare at the micro level, promoting digital economy and fintech, technology-enabled development, energy transition and climate action and relying on a virtuous cycle of investment and growth. The Government's Road Map was put into effect in 2014. This was stated by Union Minister of State for Finance Shri Pankaj Chaudhary in written reply to a question in Rajya Sabha.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1944734>

Ministry of Environment, Forest and Climate Change

Info Capsule Series 17

e-Waste Management (July 20, 2023)

Central Pollution Control Board (CPCB) estimates the e-waste generation at national level based on the countrywide sales data provided by producers, and average life of notified electrical and electronic equipment (EEE), as mandated under the E-waste Management Rules, 2016. As per the information available with CPCB, e-waste generated in the country from twenty-one (21) types of EEE notified under the E-Waste (Management) Rules, 2016 in the financial year (FY) 2020-21 and 2021-22 was estimated as 13,46,496.31 Tonnes and 16,01,155.36 tonnes respectively, which is not substantial as compared to other major economies of the world. Ministry has comprehensively revised the previous set of Rules and notified the E-Waste (Management) Rules, 2022 in November, 2022 and the same is enforce since 1st April, 2023. These new rules intend to manage e-waste in an environmentally sound manner and put in place an improved Extended Producer Responsibility (EPR) regime for ewaste recycling wherein all the manufacturer, producer, refurbisher and recycler are required to register on portal developed by CPCB.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1941054>

Biological Diversity Act (August 07, 2023)

The Government of India has taken several steps for conservation of biodiversity which includes survey, inventorization, taxonomic validation and threat assessment of floral and faunal resources; assessment to develop an accurate database for planning and monitoring as well as conservation and protection of forests; establishment of a protected area network of National Parks, Wildlife Sanctuaries, conservation and community reserves; designating Biosphere Reserves for conservation of representative ecosystems; undertaking of species oriented programmes, such as Project Tiger, Project Elephant, Project Dolphin; complemented with ex-situ conservation efforts.

A total of 1,02,718 species of fauna and 54,733 species of flora have been documented in the 10 biogeographic zones of the country. For ensuring protection of flora and fauna within protected areas, management plans are prepared by State Forest Departments which inter alia include a schedule of activities to be take-up over a period of ten years. The Wild Life (Protection) Amendment Act, 2022 provides for diligence to be taken before approval of any activity is accorded by the State Government within a protected area to ensure conservation and protection of biodiversity.

As per Section 37 (1) of the Biological Diversity Act, 2002 the State Government may, from time to time in consultation with the local bodies, notify in the Official Gazette, areas of biodiversity importance as Biodiversity Heritage Sites.

For details:

<https://pib.gov.in/PressReleaseframePage.aspx?PRID=1946410>

Ministry of Micro, Small & Medium Enterprises

Info Capsule Series 17

Employment To Youth By MSMEs (July 20, 2023)

Ministry of Micro Small and Medium Enterprises, MSME, through Khadi & Village Industries Commission, is implementing Prime Minister's Employment Generation Programme (PMEGP) in the country including Madhya Pradesh State to set up new micro units. Under PMEGP, General Category beneficiaries can avail Margin Money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For Special Categories such as SC / ST / OBC / Minorities / Women / Ex-serviceman / Transgenders / Differently-abled / NER / Aspirational Districts / Hill and Border areas etc., the Margin Money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of project is Rs. 50 lakh in the manufacturing sector and Rs. 20 lakh in the service sector.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1941075>

Role of MSME Sector in the Country (August 07, 2023)

As per the latest information received from Ministry of Statistics & Programme Implementation, the share of MSME Gross Value Added (GVA) in all India Gross Domestic Product (GDP) during the year 2019-20, 2020-21 and 2021-22 was 30.5%, 27.2% and 29.2% respectively. The share of MSME manufacturing output in all India Manufacturing output during the year 2019-20, 2020-21 and 2021-22 was 36.6%, 36.9% and 36.2% respectively. As per the information received from Directorate General of Commercial Intelligence and Statistics (DGCIS), the share of export of MSME specified products in all India exports during the year 2020-21, 2021-22 and 2022-23 was 49.4%, 45.0% and 43.6% respectively. As on 02.08.2023, as per Udyam Registration Portal, the total number of persons employed in MSMEs which were registered from 01.07.2020 to 01.08.2023 in India was 12,36,15,681.

For details:

<https://pib.gov.in/PressReleaseframePage.aspx?PRID=1946375#:~:text=As%20per%20the%20latest%20information,27.2%25%20and%2029.2%25%20respectivelyb>

Schemes to Support MSMEs (August 10, 2023)

The Micro, Small and Medium Enterprises (MSMEs) sector plays an important role in the growth of the Indian economy. As per the latest information received from Ministry of Statistics & Programme Implementation, the share of MSME Gross Value Added (GVA) in all India Gross Domestic Product (GDP) during the year 2021-22 was 29.2% and the share of MSME manufacturing output in all India Manufacturing output during the year 2021-22 was 36.2%. The Ministry of MSME is implementing MSME Champions Scheme, a Central Sector Scheme. MSME Champions Schemes comprising three components i.e., MSME Sustainable (ZED), MSME-Competitive (Lean) & MSME-Innovative (for Incubation, IPR, Design and Digital MSME) for promoting competitiveness amongst Micro, Small and Medium Enterprises (MSMEs).

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1947397>

Securities Laws & Capital Market

Info Capsule Series 17

SEBI's SCORES platform disposes of 2,457 complaints in May (June 11, 2023)

A total of 2,457 complaints against companies and market intermediaries have been disposed of through SEBI's SCORES platform in May 2023. At the beginning of May, as many as 2,984 complaints were pending, and 2,626 fresh complaints were received, according to the data released by markets regulator SEBI. The regulator also noted that as of May 2023, 28 complaints were pending for more than three months, the data showed. These complaints were related to investment advisers, research analysts, corporate governance/ listing conditions, minimum public shareholding, venture capital funds and takeover/ restructuring.

For details:

<https://www.moneycontrol.com/news/business/markets/sebis-scores-platform-disposes-of-2457-complaints-in-may10777341.html>

Execution-only platform providers for MF schemes must get registered: SEBI (June 13, 2023)

The Securities and Exchange Board of India (SEBI) has made it mandatory for providers of execution-only platforms for direct plans of mutual fund schemes to get registered in case they wish to offer services. While investors may find it convenient to avail services of such online platforms, those who are not clients of such intermediaries under the regulations may not have recourse or protection for the risks associated with the transactions.

In order to strike a balance between investor convenience and protection, SEBI laid necessary regulations. The execution only platforms (EOPs) may be granted registration under two categories - Category 1 EOP as an agent of asset management companies (AMC), registered with AMFI, or Category 2 EOP as an agent of an investor, registered as a stock broker. The need to put in a framework to facilitate execution-only platforms (EOPs) for direct plans of mutual fund schemes was proposed by the market regulator in December last year. The regulator on June 13, 2023, Tuesday provided the detailed framework, which will come into force from September 1, 2023.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/execution-only-platform-providers-for-mf-schemes-must-get-registered-sebi/articleshow/100971538.cms>

SEBI releases compliance rules for REITs, InvITs (June 27, 2023)

SEBI came out with disclosure formats for compliance reports on governance and annual secretarial for emerging investment vehicles - REITs and InvITs. These would come into force from FY24 onwards, SEBI said in four circulars. Under the format for compliance report on governance, SEBI said infrastructure investment trusts (InvITs) and real estate infrastructure trusts (REITs) will have to disclose the name of the investment managers, the composition of the board of directors of the investment managers as well as the composition of committees, meetings of the board of directors, along with meetings of committees, on a quarterly basis. In addition, the regulator has issued separate formats for the financial year that need to be submitted by the investment managers of InvITs and REITs. For the governance report, such investment managers are required to submit a quarterly compliance report to the stock exchanges within 21 days from the end of each quarter. The report needs to be signed either by the compliance officer or the chief executive officer of the investment manager. With regard to the annual secretarial compliance report, SEBI said the investment manager will have to appoint a practising company secretary on an annual basis to examine the compliance of all applicable rules, consequent to which, the practising company secretary is required to submit a report to such investment managers.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-releases-compliance-rulesfor-reits-nvits/articleshow/101291668.cms>

SEBI discontinues fee payment via demand draft (June 28, 2023)

SEBI on June 27, 2023 said it will no longer accept demand drafts concerning the fee charged for requesting informal guidance about applicability of rules. Now, the regulator will accept the fee by way of direct credit into its bank account. SEBI's Informal Guidance Scheme enables certain entities to request for informal guidance regarding the applicability of laws and regulations administered by the markets regulator in the form of "No Action Letters" or "Interpretive Letters" from the markets watchdog. To give this effect, the SEBI (Informal Guidance) Scheme has been amended.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-discontinues-fee-paymentvia-demandraft/articleshow/101318449.cms>

SEBI Board Meeting (June 28, 2023)

The SEBI Board met on June 28, 2023 where it, inter-alia, approved the following:

- The proposal for reducing the time period for listing of shares in a public issue from the existing six days to three days, from the date of issue closure (T Day). The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 01, 2023 and mandatory on or after December 01, 2023.
- The amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requiring listed entities having outstanding listed NCDs (as on December 31, 2023) to list their subsequent issuances of NCDs at the stock exchange(s). This new requirement which will come into effect from January 01, 2024, is aimed at facilitating transparency in price discovery of non-convertible debt securities; better disclosures to investors and the market, and avoiding ISIN level confusion and possible mis-selling of unlisted bonds.
- The proposal to additionally facilitate participation by entities desiring direct participation (not through a clearing member) in repo transactions in corporate bonds of the Limited Purpose Clearing Corporation (LPCC)
- The sponsor of InvIT/ REIT be required to hold a certain minimum unitholding on a reducing scale for the entire life of the InvIT/REIT. The mandatory minimum unitholding shall be locked-in and be unencumbered.
- The proposal for introduction of Self-Sponsored Investment Manager/Manager i.e. an Investment Manager/ Manager who also takes on the responsibilities of the Sponsor of InvIT/REIT.
- The amendments to the SEBI (Infrastructure Investment Trusts) Regulations, 2014 and SEBI (Real Estate Investment Trusts) Regulations, 2014 to provide nomination rights to unitholders holding ten percent or more of the total outstanding units of the InvIT/REIT, either individually or collectively, on the board of directors of the Investment Manager/Manager. This ensures pro-rata rights to all unitholders.
- The amendment to SEBI (Foreign Portfolio Investors) Regulations, 2019, inter-alia covering to mandate enhanced disclosures from certain class of foreign portfolio investors (FPIs), including furnishing granular level details about ownership and economic interests. The new norms will be applicable for FPIs that concentrate holdings in a single corporate group.
- Strengthening of investor grievance handling mechanism through SCORES and linking the new platform with the Online Dispute Resolution Mechanism.
- The SEBI Annual Report: 2022-23. In compliance with Section 18(2) of SEBI Act, 1992, the Annual Report would be submitted to the Central Government.

For details:

https://www.sebi.gov.in/media/press-releases/jun-2023/sebi-board-meeting_73278.html

Master Circular for listing obligations and disclosure requirements for Nonconvertible Securities, Securitised Debt Instruments and/ or Commercial Paper (June 30, 2023)

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), prescribes the continuous disclosure requirements for issuers of listed Nonconvertible Securities, Securitised Debt Instruments and Commercial Paper. Multiple circulars have been issued, over the years, covering the operational and procedural aspects thereof.

For effective regulation of the corporate bond market and to enable the issuers and other market stakeholders to get access to all the applicable circulars at one place, SEBI has issued this Master Circular. This circular is updated till June 30, 2023. This circular shall come into force with effect from August 1, 2022.

SEBI (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 (July 04, 2023)

SEBI has notified the SEBI (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 vide gazette notification dated July 03, 2023. The 'Dispute Resolution Mechanism' has been inserted in SEBI various Regulations viz. Merchant Bankers; Registrars to an Issue and Share Transfer Agents; Debenture Trustees; Mutual Funds; Custodian; Credit Rating Agencies; Collective Investment Schemes; KYC (Know Your Client) Registration Agency; Alternative Investment Funds; Investment Advisers; Research Analysts; Infrastructure Investment Trusts; Real Estate Investment Trusts; Listing Obligations and Disclosure Requirements; Foreign Portfolio Investors; Portfolio Managers; and Vault Managers. They shall come into force on the date of their publication in the Official Gazette.

SEBI amends guidelines for institutional placement of units by InvITs, REITs (July 05, 2023)

SEBI amended the guidelines for preferential issue and institutional placement of units by Infrastructure Investment Trusts and Real Estate Investment Trusts. The changes have been made after receiving feedback from stakeholders. In two separate but similarly-worded circulars issued for InvITs and REITs, SEBI has mentioned about pricing for institutional placement of units. The institutional placement should be made at a price not less than the average of the weekly high and low of the closing prices of the units of the same class quoted on the stock exchange during the two weeks preceding the relevant date. The relevant date for deciding the price would be the date of the meeting in which the board of directors of the manager decides to open the issue.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-amends-guidelines-for-institutional-placement-of-units-byinvits-reits-10911311.html>

SEBI looking to mandate FPIs to use RFQ platform for 10% of secondary transactions (July 06, 2023)

SEBI proposed mandating Foreign Portfolio Investors (FPIs) to undertake at least 10 per cent of their total secondary market trades in corporate bonds by value on the RFQ (Request For Quote) platform of the stock exchanges. The proposal is aimed at increasing the liquidity on the RFQ platform and enhancing the transparency and disclosures pertaining to investments in corporate bonds, which in turn will encourage investment by FPIs in the corporate bond segment. RFQ, which was launched on BSE and NSE in February 2020, is an electronic platform that enables multilateral negotiations to take place on a centralised online trading platform with straight-through processing of clearing and settlement to complete the trade. A wide variety of debt securities are available for trading on the RFQ platform.

For details:

<https://www.moneycontrol.com/news/business/markets/sebilooking-to-mandate-fpis-to-use-rfqplatform-for-10-ofsecondary-transactions-10915191.html>

SEBI says tightened FPI regulations, but tax havens pose a global challenge (July 11, 2023)

SEBI has said that despite tightening norms to lift the veil around the 'opaque structure' of Foreign Portfolio Investors (FPIs), the regulator has faced a wall since entities actually controlling FPIs are in jurisdictions which leave ambiguity around entities that have economic interest in FPIs, but no ostensible control. An expert committee appointed by the Supreme Court had in May had said that the difficulties experienced by SEBI in identifying holders of economic interest were at least partly because of the repeal, in 2019, of the 2014 provisions on "opaque structures". The expert committee was set up to investigate if there was violation of the minimum public shareholding norms and if there was a failure to disclose transactions with related parties. In its affidavit submitted in the Supreme Court, SEBI said that with the regulatory changes governing FPIs in 2018 and 2019, it had tightened the disclosure requirement for beneficial owners (BOs) of FPIs.

Master circular for compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities (July 11, 2023)

SEBI, from time to time, has been issuing circulars pertaining to the compliance requirements specified in the SEBI (LODR) Regulations, 2015. This Master Circular has been prepared in order to enable the users to have access to the provisions of the applicable circulars, issued till June 30, 2023, at one place. The Master Circular provides a chapter-wise framework for compliance with various obligations under the SEBI (LODR) Regulations, 2015. The circulars issued by SEBI listed out in the Appendix shall stand rescinded with the issuance of this Master Circular.

SEBI puts in place regulatory framework for value chain ESG disclosures for listed entities (July 12, 2023)

Markets watchdog SEBI came out with a regulatory framework for listed entities on ESG disclosures on supply chain and assurance. ESG refers to Environment, Social and Governance. In a bid to address the need for ESG disclosure assurance, SEBI has introduced BRSR Core, a sub-set of the BRSR (Business Responsibility and Sustainability Report), comprising nine Key Performance Indicators (KPIs) for several E, S and G factors that need to be assured. Under the framework, large listed companies will have to make disclosures and obtain assurance as per 'BRSR Core' for their value chain. Keeping in view the relevance to the Indian market context, few new KPIs have been identified for assurance such as job creation in small towns, openness of business and gross wages paid to women. Further, for better global comparability, intensity ratios based on revenue adjusted for purchasing power parity have been included.

For details:

<https://www.moneycontrol.com/news/business/sebi-puts-in-place-regulatory-framework-for-value-chainedisclosures-for-listed-entities-10948501.html>

Disclosure of material events / information by listed entities under Regulations 30 and 30A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (July 13, 2023)

SEBI has issued this circular consists of four annexures with respect to disclosure requirements under regulations 30 and 30A of the SEBI (LODR) Regulations, 2015 which are given below:

Annexure I specifies the details that need to be provided while disclosing events given in Part A of Schedule III.

Annexure II specifies the timeline for disclosing events given in Part A of Schedule III.

Annexure III provides guidance on when an event / information can be said to have occurred.

Annexure IV provides guidance on the criteria for determination of materiality of events / information. This circular shall come into force from July 15, 2023.

Now, listed firms will have to make all business deals public (July 18, 2023)

Listed companies must disclose to the public all information on business deals and arrangements that have a bearing on their prospects. SEBI last week tightened the listing obligations and disclosure requirements (LODR) regulations that mandated firms to reveal all contracts and arrangements pertaining to strategic, technical, manufacturing, and marketing tie-ups to boost transparency. Till now, companies enjoyed the discretion of determining whether a piece of information or event would be 'material' enough to be disclosed to the public. The changes are aimed at ensuring that key criteria relevant for the market and investors are disclosed within specified timelines rather than a discretion-based approach. A noteworthy change is the implication on existing events or continuing events, which become material due to the objective parameters, will mandate that companies will now need to retrospectively look back at all those events to check if a disclosure is needed. The amendments effective July 15 will require companies to disclose to shareholders all deals without exception.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/now-listed-firms-will-have-to-make-allbusiness-dealspublic/articleshow/101840513.cms>

SEBI, exchanges ease trading rule for stocks under enhanced surveillance framework (July 18, 2023)

The Securities and Exchange Board of India (SEBI) in a discussion with the stock exchanges decided to ease rules for trading in stocks that remain under the enhanced surveillance measures (ESM) framework. Under the existing ESM framework rule, stocks were allowed to trade only once a week. However, trading in them will now be allowed on all days, the exchanges said in a circular. In trade-for-trade settlement with a price band of 2%, trading in stocks will be allowed on all days. However, the rule of 100% margin remains unchanged, the exchanges said.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-exchanges-ease-trading-rule-for-stocksunder-enhancedsurveillance-framework/articleshow/101881187.cms>

Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) - Extending framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level to all listed companies in a phased manner. (July 19, 2023)

The framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level to all listed companies in a phased manner is extended to all the listed companies. To ensure smooth implementation of the framework, glide path has been prescribed by SEBI. It is provided that for top 1,000 companies in terms of BSE Market Capitalization as of June 30, 2023 (excluding companies part of benchmark indices), the PAN freeze start date is October 1, 2023. For next 1,000 companies in terms of BSE Market Capitalization as of June 30, 2023 and remaining companies listed on BSE, NSE & MSEI, the PAN freeze start date is January 1, 2024 and April 1, 2024 simultaneously. Further, it is prescribed that for the companies getting listed on Stock Exchanges post issuance of this circular, the PAN freeze begins from 1st day of the second quarter from the quarter in which the company gets listed. The procedure for implementation of the system is enclosed at Annexure- A to this circular and the flowchart for the same is enclosed at Annexure- B to this circular.

SEBI aims to introduce instant settlement in stock markets by FY25 (July 25, 2023)

Capital markets regulator SEBI is aiming to introduce instantaneous settlement of trades on the stock exchanges by next fiscal, its Chairperson Madhabi Puri Buch said on July 24, 2023, Monday. SEBI, which has trimmed the settlement timelines to as short as one day after transaction, is looking to shorten the same further and instantaneous settlements are not far, she told reporters in Mumbai. SEBI’s plans hinge on the success of the newly introduced Application supported by blocked amount (ASBA) for secondary market transactions, Buch said, adding that she is confident of succeeding on the recent introduction.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-aims-to-introduce-instant-settlement-in-stockmarkets-by-fy25-11020421.html>

Online Resolution of Disputes in the Indian Securities Market (July 31, 2023)

Disputes between Investors/Clients and listed companies or any of the specified intermediaries / regulated entities in securities market arising out of latter’s activities in the securities market, will be resolved in accordance with this circular and by harnessing online conciliation and/or online arbitration as specified in this circular. It is provided that an investor/client shall first take up his/her/their grievance with the Market Participant by lodging a complaint directly with the concerned Market Participant. If the grievance is not redressed satisfactorily, the investor/client may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. After exhausting all available options for resolution of the grievance, if the investor/client is still not satisfied with the outcome, he/she/they can initiate dispute resolution through the ODR Portal.

SEBI clarifies on format for seeking clients' trading preferences (August 01, 2023)

SEBI clarified that new format for seeking clients' trading references prescribed by it last month will not be applicable to members registered exclusively with commodity derivatives exchanges. Such members will use the format as prescribed by erstwhile Forward Markets Commission (FMC) in February 2015, SEBI said in a circular. Under the format, the member must specify the names of the exchanges where the member has membership, date of consent for trading on the concerned exchange and signature of the client.

For details:

<https://www.financialexpress.com/market/sebi-clarifies-onformat-for-seeking-clientstradingpreferences/3195823/>

Audit of firm-level performance data of Portfolio Managers (August 02, 2023)

SEBI had prescribed that Portfolio Managers are required to audit firm-level performance data on an annual basis as per its Master Circular dated March 20, 2023. In order to have uniformity, it has been decided that Association of Portfolio Managers in India ('APMI'), in consultation with SEBI, shall specify standardised Terms of Reference ('ToR') for aforesaid audit of firm-level performance data. The standard ToR specified by APMI shall be applicable with effect from October 01, 2023, and shall be mandatorily followed by all Portfolio Managers for the purpose of annual audit of firm-level performance data. Further provided that the Portfolio Managers shall submit the confirmation of compliance with the requirement of annual audit of firm-level performance data in line with the standard ToR specified by APMI, to SEBI within 60 days from the end of each financial year. '

Offer for Sale framework for sale of units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (August 03, 2023)

SEBI vide its Circular dated January 10, 2023 specified the comprehensive framework on Offer for Sale (OFS) of shares including units of REITs and InvITs through stock exchange mechanism. Vide this circular, SEBI has modified the aforesaid framework and prescribed that OFS for sale of units of REITs and InvITs by sponsor(s) or sponsor group entities, and other unit holders are permitted only in units of listed REITs and listed InvITs. However, in case of OFS for listed InvITs, the trading lot shall be same as the trading lot prescribed for such InvITs in the secondary market in terms of SEBI (Infrastructure Investment Trusts) Regulations, 2014.

SEBI provides clarity on online resolution of disputes framework (August 05, 2023)

SEBI provided more clarity on the framework concerning online resolution of disputes in the Indian securities market. Providing clarity on initiation of the dispute resolution process, SEBI said that an investor will have to first take up his/her grievance with the market participant by lodging a complaint directly with the concerned market participant. If the grievance is not redressed satisfactorily, the investor can escalate the same through the regulator's SCORES portal. After exhausting these options for resolution of the grievance, if the investor is still not satisfied with the outcome, he/she can initiate dispute resolution through the Online Dispute Resolution (ODR) portal. ODR institution that receives the reference of the complaint will appoint a sole independent and neutral conciliator from its panel of conciliators. Such a conciliator will have relevant qualifications as well as expertise and should not be linked to any disputing party.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-provides-clarity-on-online-resolution-of-disputesframework/articleshow/102434670.cms>

SEBI to enhance reporting of group-level transactions (August 08, 2023)

SEBI is planning to enhance the reporting of group-level transactions by conglomerates. The regulator said details on cross holdings and material financial transactions within a conglomerate are among matters it is examining for disclosures on an annual basis. "While listed entities are subject to comprehensive disclosure requirements, the same levels of disclosure requirements are not applicable to unlisted companies," SEBI said in its annual report. "Therefore, there is a need to identify, monitor and manage the risks introduced into the securities market ecosystem by unlisted companies in a conglomerate with a complex set of listed and unlisted associates." Separately, the regulator said it is reviewing the eligibility criteria for introduction and continuation of stocks in the derivatives segment.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-to-enhance-reporting-of-group-level-transactions/articleshow/102515234.cms>

SEBI puts in place mechanism to reverse erroneous, off market securities' transfer (August 08, 2023)

The market regulator has set in place a new mechanism to reverse erroneous transfer of securities made to a demat account. SEBI had said, in an earlier circular, that depositories were asked to put in place a one-time password (OTP) authenticated system to get the client's consent for off-market transfer of securities. But depository representatives appraised the regulator of the difficulty of getting the OTP confirmation when they have to reverse wrongly made transfers. Taking these concerns into account, SEBI has now put in place an alternative mechanism that does not include an OTP verification.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-puts-in-place-mechanism-to-reverse-erroneous-off-market-securities-transfer-11126581.html>

Consultation Paper on Review of framework for borrowings by Large Corporates (August 10, 2023)

SEBI has released a consultation paper on “Review of framework for borrowings by Large Corporates (LC)”. For the purpose of identifying any entity as LC, the threshold for the outstanding long-term borrowings is proposed to be increased to Rs.500 crore or above, which is in line with the present threshold for an entity to be called as ‘high value debt listed entity’. Further, it is proposed that the term “incremental borrowings” may be replaced with “qualified borrowings” and requirement of rating as a criterion for identifying any entity as LC may be removed. The comments/ suggestions on the queries sought may be provided by August 31, 2023 as per the prescribed format.

SEBI’s SMART ODR platform open to all market participants to register (August 16, 2023)

All market participants can now open an account on the SMART Online Dispute Resolution (ODR) platform, which went live earlier this month. Smart ODR can be accessed through the URL <https://smartodr.in/login>. This is the regulator’s attempt to combine online conciliation and online arbitration for resolution of disputes in the securities market. Market Participants have been advised to complete the entire registration procedures within the timelines as prescribed in the SEBI circular dated July 31, 2023.

For details:

<https://www.moneycontrol.com/news/business/markets/sebis-smart-odr-platform-open-to-allmarketparticipants-to-register-11204231.html>

SEBI notifies rule, gives board representation to REITs’ unit holders (August 18, 2023)

To boost corporate governance norms, markets regulator SEBI has notified rules introducing special rights to unit holders of REITs who can now nominate representatives on the boards. Also, the regulator has introduced the concept of a self-sponsored real estate investment trust (REIT). Further, principles of stewardship code would apply to members, nominated by the unit holders, on the board of directors of investment managers of REIT. Further, the director so nominated would recuse from voting on any transaction in which such nominee director or the unit holder who nominated such nominee director is a party.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-notifies-rule-gives-boardrepresentation-toreits-unitholders/articleshow/102841260.cms>

Direct Tax

Info Capsule Series 17

CBDT notifies "Yamuna Expressway Industrial Development Authority" for section 10(46) of Income tax Act, 1961 [Notification No. 48 Dated July 11, 2023]

The Central Government notifies 'Yamuna Expressway Industrial Development Authority', (PAN AAALT0341D), an authority constituted by the State Government of Uttar Pradesh, for the purpose of clause (46) of section 10 of the Income-tax Act, 1961, in respect of the certain specified income arising to that Authority subject to fulfilment of certain conditions.

Income tax 12th Amendment Rules 2023 [Notification No. 50 Dated July 17, 2023]

The Central Board of Direct Taxes introduces the twelfth amendment to the Income Tax Rules 1962, specifically addressing proposals related to International Financial Services Centers (IFSC) mentioned in the Finance Act 2023. Notification amends Income Tax rule 21AK and rule 114AAB. The amendment primarily focuses on provisions related to nonresident income, offshore banking units, alternative investment funds, and reporting requirements. It provides exemptions for income accrued from non-deliverable forward contracts or offshore derivative instruments, subject to specified conditions. The amendment also revises reporting form (FORM NO. 10CCF Report under section 80LA (3) of the Income-tax Act, 1961) and clarifies the eligibility criteria for deductions under section 80LA.

For details:

incometaxindia.gov.in/communications/notification/notification-50-2023.pdf

ITC to hive off hotels business into separate entity; stock slumps (July 25, 2023)

ITC Limited on Monday (July 24, 2023) said its board has in principle approved the demerger of its hotel business into a separate entity, to be called ITC Hotels. The Kolkata-headquartered firm will hold 40 per cent stake in the new company, while the balance 60 per cent will be owned by the company's shareholders in proportion to their existing shareholding. The new scheme of arrangement will be considered at a board meeting on August 14. The company said in a statement the demerger would help the new entity attract investors and strategic partners whose investment focus and risk profiles are aligned more sharply with the hospitality industry. "It will unlock value of the hotel's business for shareholders," it noted "by providing them a direct stake in the new entity along with an independent market driven valuation thereof". Chairman Sanjiv Puri said that in the proposed reorganisation, "both ITC and the new entity will continue to benefit from institutional synergies." ITC's hotels business, which comprises 120 hotels with a combined 1,600 rooms, reported gross revenues of Rs 2,585 crore in FY23 and earnings before interest and tax (ebit) of about Rs 532 crore. In comparison, market leader Indian Hotels clocked in revenues of Rs 5,810 crore and net profits of around Rs 1,000 crore. As such, ITC's hotels business would command a lower multiple.

CBDT condoning delay for claiming Deduction u/s 80P for AY 2018-19 to AY 2022-23 [Circular No. 13 Dated July 26, 2023]

The CBDT has issued Circular regarding the condonation of delay for returns of income claiming deduction under section 80P (deduction in respect of income of co-operative societies) of Income Tax Act for various assessment years from AY 2018-19 to AY 2022-23. In order to mitigate genuine hardship in cases, the Board directs that the Chief Commissioners of Income-tax (CCSIT) / Directors General of Income-tax (DGSIT) are authorised to deal with such applications of condonation of delay pending before the Board, upon transfer of such applications by the Board, and decide such applications on merits, in accordance with the law. The CCSIT/DGSIT shall examine the following while deciding such applications - (i) the delay in furnishing the return of income within the due date was caused due to circumstances beyond the control of the assessee with appropriate documentary evidence/s; (ii) where delay in furnishing return of income was caused due to delay in getting the accounts audited by statutory auditors appointed under the respective State Law under, the date of completion of audit vis-à-vis the due date of furnishing the return of income; and (iii) any other issue indicating towards tax avoidance or tax evasion specific to the case, which comes into the light in the course of verification and having bearing either in the relevant assessment year or establishing connection of relevant assessment year with other assessment year/s. The CCSIT/DGSIT shall preferably dispose the application within three months from the end of the month in which such application is received from the applicant or transferred by the Board. No order rejecting the application under section 119(2)(b) of the Act shall be passed without providing the applicant an opportunity of being heard.

New Income Tax Rule 6ABBB (Form 3AF) for Amortisation of External Preliminary Expenditure u/s 35D [Notification No. 54 Dated August 1, 2023]

CBDT notifies new Income Tax Rule 6ABBB on “Form of statement to be furnished regarding preliminary expenses incurred under section 35D” which prescribes e-filing of the statement in Form 3AF one month before the ITR due date specified under section 139(1), using DSC or EVC. Prior to amendment in Section 35D, preliminary activities were required to be performed by the assessee inhouse or by an CBDT approved external company, which posed numerous challenges to the successful implementation of new projects. To simplify the process of claiming amortisation for these preliminary expenses, Finance Act 2023 has amended section 35D of the Income Tax Act to remove the requirement of incurring expense on conducting such activities through CBDT approved companies, as part of the measures to ease compliance. The assessee will now only be required to provide a statement containing the specifics of this expenditure in the prescribed form 3AF in the prescribed manner.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-54-2023.pdf>

CBDT notify "Haryana Water Resources (Conservation, Regulation and Management) Authority" under section 10(46) [Notification No. 63 Dated August 16, 2023]

The Central Government notifies, ‘Haryana Water Resources (Conservation, Regulation and Management) Authority’ (PAN AADAH3590A), an Authority established by the State Government of Haryana, for the purposes of the clause (46) of section 10 of the Income tax Act, 1961, in respect of the certain specified income arising to that authority subject to fulfilment of certain conditions.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-63-2023.pdf>

Indirect Tax

Info Capsule Series 17

Goods & Services Tax

CBIC plans tighter GST regulation norms using geo-tagging, biometrics (July 3rd 2023)

GST authorities plan to introduce biometric authentication and geo-tagging for both existing and new registrants if they match as risky entities availing input tax credit fraudulently. Geo-tagging of all entities is being planned by the officers of the CBIC to authenticate that the address provided during GST registration is the place from where the entity operates, Central Board of Indirect Taxes and Customs (CBIC) Chairman said.

Goods & Services

Tax GSTN can seek info from ED on any case (July 09, 2023)

The Union finance ministry, through a gazette on Friday, empowered the Goods and Services Tax Network (GSTN) under the Prevention of Money Laundering Act (PMLA) to formally seek from the Enforcement Directorate information relating to any case the latter may be investigating or information in its possession. The GSTN is the 25th agency to get such a legal mandate after 24 other enforcement and intelligence agencies. The GSTN runs its own Business Intelligence and Fraud Analytics (BIFA) tool which started in 2019. This is intended to provide intelligence inputs to state and central GST authorities with advanced analytics to detect frauds in the administration of GST. Now, it is legally binding on the ED to share information with the GSTN where it finds implication of tax administration and money laundering related to the implementation of GST.

For details:

<https://timesofindia.indiatimes.com/india/now-gstn-canseek-info-from-ed-on-anycase/articleshow/101602937.cms?from=mdr>

Goods & Services Tax

Recommendations of 50th meeting of GST Council (July 11, 2023)

GST Council recommends Casino, Horse Racing and Online gaming to be taxed at the uniform rate of 28% on full face value. GST Council recommends notification of GST Appellate Tribunal by the Centre with effect from 01.08.2023. GST Council recommends exemption of cancer-related drugs, medicines for rare diseases and food products for special medical purposes from GST tax. Recommends bringing down rates from 18 percent to 5 percent on 4 items - Uncooked, unfried & extruded snack palettes, fish soluble paste, LD slag to be at par with blast furnace slag, and imitation zari thread. GST Council also recommends several measures for streamlining compliances in GST

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1938812>

Goods & Services Tax

Clarification by Central Board of Indirect Taxes & Customs (CBIC) on certain issues in Goods and Services Tax (GST) (July 17, 2023)

Central Board of Indirect Taxes & Customs (CBIC) made few clarifications on certain important issues in Goods and Services Tax (GST) as on July 17, 2023. They are as follows:

1. Clarification on charging of interest under section 50(3) of the CGST Act, 2017, in cases of wrong availment of IGST credit and reversal thereof (Circular No. 192/04/2023);
2. Clarification to deal with difference in Input Tax Credit (ITC) availed in FORM GSTR3B as compared to that detailed in FORM GSTR-2A for the period 01.04.2019 to 31.12.2021 (Circular No. 193/05/2023);
3. Clarification on TCS liability under Sec 52 of the CGST Act, 2017 in case of multiple Ecommerce Operators in one transaction. (Circular No. 194/06/2023);
4. Clarification on availability of ITC in respect of warranty replacement of parts and repair services during warranty period (Circular No. 195/07/2023);
5. Clarification on taxability of shares held in a subsidiary company by the holding company (Circular No. 196/08/2023);
6. Clarification on refund related issues (Circular No. 197/09/2023-GST);
7. Clarification on issue pertaining to e-invoice (Circular No. 198/10/2023-GST); and
8. Clarification regarding taxability of services provided by an office of an organisation in one State to the office of that organisation in another State, both being distinct persons (Circular No. 199/11/2023).

For details:

<https://taxinformation.cbic.gov.in/>

Goods & services Tax

GST Council to finalise taxing rules on online gaming on August 2 (July 27, 2023)

The Goods and Services Tax (GST) Council, which is expected to meet on August 2, will finalise draft rules on taxing online gaming, casinos, and horse racing, government officials told Business Standard. At its meeting on July 11, the all-powerful Council decided to levy a uniform 28 per cent tax on the full face value or bet amount for these entities. The Centre was expected to bring in a legislative amendment to facilitate this during the ongoing monsoon session of Parliament, enabling the inclusion of online gaming and horse racing under actionable claims. Currently, most online gaming platforms pay an 18 per cent tax on the commission collected for each game. Those involved in betting or gambling attract a 28 per cent GST. For horse racing, GST is levied at 28 per cent on the total bet value.

For details:

https://www.business-standard.com/economy/news/gstcouncil-to-finalise-taxing-rules-on-online-gaming-on-august-2-123072600936_1.html

Goods & Services Tax

Notification- special procedure to be followed by the electronic commerce operators in respect of supplies of goods through them by composition taxpayers (Notification No. 36/2023- Central Tax- August 04, 2023)

The Central Government, on the recommendations of the Council, hereby notifies the electronic commerce operator who is required to collect tax at source under section 52 as the class of persons who shall follow the special procedure in respect of supply of goods made through it by the persons paying tax under section 10 of the said Act, namely: the electronic commerce operator shall collect tax at source under sub-section (1) of section 52 of the said Act in respect of supply of goods made through it by the said person and pay to the Government as per provisions of subsection (3) of section 52 of the said Act.

For details:

<https://taxinformation.cbic.gov.in/view-pdf/1009818/ENG/Notifications>

Goods & Services Tax 28% GST on casinos, online gaming, racing to up revenue collection: Finance Minister (August 08 2023)

Finance Minister on Tuesday (August 08), said the 28% GST on full face value of supplies in casinos, race courses and online gaming will result in higher revenues. The online gaming segment grew by 28% in 2021 to reach USD 1.9 billion, as per NITI Aayog estimates referred in the Draft National Policy for Growth of Animation, Visual Effects, Gaming, Comic & Extended Reality sector in India prepared by the Information and Broadcasting Ministry. Finance minister said online gaming companies supplying actionable claims and some horse race clubs paying 18% on platform fee/commission are disputing the 28% levy on actionable claims in the form of betting and gambling before various legal fora. "It is anticipated that the levy of 28% on full face value, as recommended in the 50th GST Council meeting, will result in increase of revenue from current levels," FM added.

For details:

https://www.business-standard.com/finance/news/28-gst-on-casinos-online-gaming-racing-to-up-revenue-collection-fm-123080800421_1.html

Environment, Social and Governance

Info Capsule Series 17

ESG integration across alternatives continues in spite of refocus on returns (June 26, 2023)

Preqin, a leader in alternative assets data, tools, and insights, published its annual environmental, social and governance (ESG) report: ESG in Alternatives 2023. The report shows that has been a three-fold increase in annual capital raised between 2020 and 2022, rising from \$29bn to \$92bn. Of this, Europe-based ESG funds are the most prominent, having secured over three quarters (79%) of aggregate capital, followed by 14% in North America and 7% in APAC. Recent years of fundraising growth have seen average ESG fund size dial up from \$400mn in 2017 to closer to \$600mn in 2022.

For details:

<https://www.hubbis.com/news/esg-integration-across-alternatives-continues-in-spite-ofrefocus-on-returns>

MAS and SGX Group Team with the CDSC to Boost Emissions Reporting for Companies (June 27, 2023)

The Secretariat of the Climate Data Steering Committee, Monetary Authority of Singapore (MAS) and Singapore Exchange (SGX Group) have signed a MoU to collaborate on strengthening access by stakeholders around the world to key climate transition-related data. Launched by French President Emmanuel Macron and United Nations (UN) Secretary-General's Special Envoy on Climate Ambition and Solutions Michael R. Bloomberg, the CDSC brings together global regulators, policymakers, and civil society organisations to advise on the key data needed to support and accelerate the global net zero transition.

Nestlé Moves Away from Carbon Offsets to Focus on Emissions Reductions Across Brands (July 03, 2023)

Global food and beverage company Nestlé will shift away from the use of offsets to achieve carbon neutral brands, focusing instead on actual emissions reductions in its operations and value chain, according to a company spokesperson, following media reports that the company was walking away from carbon neutral pledges for some brands. Nestlé announced a commitment in 2019 to achieve net zero greenhouse gas (GHG) emissions by 2050, and in 2020 the company published its “time bound plan” to reach its climate goals, which also include targets to achieve a 20% emissions reduction by 2025 and 50% by 2030.

PepsiCo Selects 10 Hispanic-Owned Food and Beverage Startups to Join the Greenhouse Accelerator Program (July 06, 2023)

PepsiCo, Inc. announced the 10 finalists chosen to participate in the Greenhouse Accelerator Program: Juntos Crecemos (Together We Grow) Edition. For the first time in its history, the program is focused on supporting emerging Hispanic businesses that provide products, services and technology solutions across the food and beverage industry.

ESG Fintech to Play Critical Role in Net-Zero Journey (July 10, 2023)

As the world races to achieve net-zero carbon emissions, the financial services sector is facing the challenge of reducing its financed emissions. Against this backdrop, ESG fintech, which leverages data and technology for environmental, social, and governance (ESG) purposes, will be playing a crucial role in helping the sector achieve its ambitions, a new report by KPMG Singapore says.

For details:

<https://fintechnews.sg/75674/green-fintech/esg-fintech-to-play-critical-role-in-net-zerojourney/>

IFRS to Take Over Responsibilities of the TCFD (July 10, 2023)

The IFRS Foundation’s International Sustainability Standards Board (ISSB) will take over responsibility for monitoring progress of companies’ climate-related disclosures from the Financial Stability Board’s (FSB) Task Force on Climate-related Financial Disclosures (TCFD) as of next year, following a request from the FSB.

For details:

<https://www.esgtoday.com/issb-to-take-over-responsibilities-from-tcfd/>

Banking and Insurance

Info Capsule Series 17

RBI permits banks to undertake compromise settlement of wilful defaults, fraud accounts (June 12, 2023)

All Regulated Entities (REs) will be required to put in place board-approved policies for undertaking compromise settlements, with the borrowers as well as for technical write-offs laying down the process to be followed for all compromise settlements and technical write-offs, with specific guidance on the necessary conditions precedent, the RBI has said in a notification.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-permits-banks-to-undertakecompromise-settlement-of-wilful-defaults-fraudaccounts/articleshow/100939162.cms>

Indian banks, NBFCs can weather global banking stress: Report (June 14, 2023)

Credit profiles of Indian banks and Non-Banking Financial Companies (NBFCs) will remain resilient despite the challenging global environment, Moody's Investors Service and ICRA said in a report on June 13, 2023. The credit quality of these lenders will be aided by strong domestic demand, improving credit conditions for bank borrowers, strengthened solvency and funding of rated Indian financial institutions.

First Loss Default Guarantee may help expand digital lending, spur competition (June 15, 2023)

The Reserve Bank of India (RBI)'s circular on First Loss Default Guarantee (FLDG) can help expand the digital lending ecosystem, according to an India Ratings and Research report. The FLDG norms will also increase participation of potential players in digital lending, which could increase the business sustainability of these lending service providers, and increase competition within the segment. The credit agency expects the profitability of originators to improve by 5-15% of the portfolio subject to originator-partner relationship. However, this would depend on the nature of the relationship.

For details:

<https://www.financialexpress.com/industry/bankingfinance/first-loss-default-guarantee-may-help-expand-digital lending-spur-competition/3125902/>

Shri Swaminathan J appointed as RBI Deputy Governor (June 26, 2023)

Shri Swaminathan J took charge as the Deputy Governor of Reserve Bank of India on June 26, 2023. The Government of India, on June 21, 2023 has appointed him to the post of Deputy Governor, Reserve Bank of India, for a period of three years from the date of joining the post or until further orders, whichever is earlier. As Deputy Governor, Shri Swaminathan will look after Consumer Education and Protection Department, Department of Supervision, Financial Inclusion and Development Department, Inspection Department, Premises Department and Rajbhasha Department.

For details:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55929

HDFC-HDFC bank merger likely to be effective July 1 (June 28, 2023)

The merger of HDFC Corp with the country's largest private lender HDFC Bank will likely take effect July 1, Chairman of India's mortgage-lending pioneer Deepak Parekh said on June 28, 2023. The combined entity will have an asset base of around ₹18 lakh crore, or in excess of \$200 billion. The boards of HDFC and the private bank will meet on June 30 to clear and approve the merger, Parekh told the media in Mumbai.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-hdfcbank-merger-likely-to-be-effective-july-1/articleshow/101322236.cms>

RBI releases the Financial Stability Report, June 2023 (June 28, 2023)

The Reserve Bank released the 27th issue of the Financial Stability Report (FSR), which reflects the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC) on risks to financial stability and the resilience of the Indian financial system.

The Reserve Bank launches its Centralised Information Management System (CIMS) at the 17th Statistics Day Conference (June 30, 2023)

The Reserve Bank of India organised its 17th Annual Statistics Day Conference on June 30, 2023 as a part of the 'National Statistics Day' celebrations in the memory of Late Professor Prasanta Chandra Mahalanobis, who made invaluable contributions to the Indian statistical system and economic planning. On this occasion, Shri Shaktikanta Das, Governor launched the Reserve Bank's next generation data warehouse, viz., the Centralised Information Management System (CIMS).

For details:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55962

Withdrawal of ₹2000 Denomination Banknotes – Status (July 03, 2023)

The Reserve Bank of India had announced the withdrawal of ₹2000 banknotes from circulation on May 19, 2023. The total value of ₹2000 banknotes in circulation, which amounted to ₹3.62 lakh crore on March 31, 2023 had declined to ₹3.56 lakh crore as at the close of business on May 19, 2023. According to the data received from the banks, the total value of ₹2000 banknotes received back from circulation after the announcement on May 19 is ₹2.72 lakh crore up to June 30, 2023. Consequently, ₹2000 banknotes in circulation as at the close of business on June 30 stood at ₹0.84 lakh crore. Thus, 76% of the ₹2000 banknotes in circulation as on May 19, 2023 have since been returned.

HSBC returns to private banking in India to tap growing wealth (July 04, 2023)

HSBC Holdings Plc said it began private banking operations in India, marking a return to the market as Europe's largest lender seeks to serve the nation's growing rich. The business is aimed at professionals, entrepreneurs and their families with investable assets of more than \$2 million, the London-based bank said in a statement on July 04, 2023. The move underscores how global wealth managers are increasingly competing with local firms to manage India's fortunes. The nation overtook China as the world's most populous earlier this year and the number of ultra-high-net-worth individuals in India with more than \$30 million to invest is predicted to increase 58% by 2027, according to the bank.

Report of the Inter-Departmental Group (IDG) on internationalisation of INR (July 05, 2023)

The Reserve Bank of India (RBI) on July 05, 2023 placed on its website the report of Inter-Departmental Group (IDG). The report and its recommendations reflect the views of the IDG and do not in any way reflect the official position of the Reserve Bank of India. The recommendations of the report will be examined for implementation. An IDG of the RBI India was formed to examine the internationalisation of INR. The objective of the IDG was to review the extant position of INR as an international currency and to frame a road map for the internationalisation of INR.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55989

RBI appoints Shri P. Vasudevan as new Executive Director (July 06, 2023)

The Reserve Bank of India (RBI) has appointed Shri P. Vasudevan as Executive Director (ED) with effect from July 03, 2023. Prior to being promoted as ED, Shri P. Vasudevan was the Chief General Manager- in-charge of the Department of Payment and Settlement Systems. Shri P. Vasudevan has, over a span of nearly three decades in the Reserve Bank, served in supervision of banks and non-banking financial companies, payment and settlement systems and other areas in the Reserve Bank, including a stint as Member of Faculty in Bankers' Training College. He has worked in the Central Office as well as Bengaluru, Mumbai and New Delhi Regional Offices of the Reserve Bank.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56003

FM Nirmala Sitharaman nudges PSU banks to take swift action against frauds, wilful defaulters (July 09, 2023)

Finance Minister Nirmala Sitharaman has asked Public Sector Banks (PSBs) to take swift action in cases concerning fraud and wilful defaults to reduce bad loans and take steps to accelerate growth momentum, sources said. Banks have written off Rs. 11.17 lakh crore bad loans from their books in the last six years till the financial year 2021-22. The Non-Performing Assets (NPAs), including those in respect of which full provisioning has been made on completion of four years, are removed from the balance sheet of the bank concerned by way of write-off.

Expedite loan sanction, disbursement for projects under Rs 10,000 crore UIDF: Financial services secretary (July 10, 2023)

Financial Services Secretary Vivek Joshi on July 10, 2023 asked officials to expedite sanction and disbursement of loans to eligible projects under Rs 10,000-crore Urban Infrastructure Development Fund (UIDF) announced in Budget. The early sanction and disbursement will help create better infrastructure in Tier 2 and Tier 3 cities, Joshi said at an event organised to mark the 35th anniversary of the National Housing Bank (NHB). Finance Minister Nirmala Sitharaman in her 2023-24 Budget speech announced the setting up of UIDF through the use of priority sector lending shortfall for the creation of urban infrastructure in Tier 2 and Tier 3 cities.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/expediteoansanction-disbursement-for-projects-under-rs-10000-crore-uidf-financial-services-secretary/articleshow/101645172.cms>

Governor, Reserve Bank of India meets MD & CEOs of Public and Private Sector Banks (July 11, 2023)

The Governor, Reserve Bank of India held meetings with the MD & CEOs of Public Sector Banks and select Private Sector Banks on July 11, 2023 at Mumbai. The meetings were also attended by Deputy Governors, Shri M. Rajeshwar Rao and Shri Swaminathan J., along with a few senior officials of the RBI. The Governor in his introductory remarks, while noting the good performance of the Indian banking system despite various adverse global developments, stressed that it is in times like these, banks need to be extra careful and vigilant. The Governor also emphasized the need for MD&CEOs to pay special attention to strengthening the governance in the banks and focus on the tripod of banking stability consisting of compliance, risk management and audit functions.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56032

Strong loan growth to propel NBFC earnings in Q1: Analysts (July 13, 2023)

Non-Banking Financial Companies (NBFC) will likely post a strong earnings performance in the June quarter due to strong credit growth and improved asset quality, according to analysts. The brokerage added that the strong new business volumes in the quarter under review were fuelled by a healthy demand for vehicle finance, mortgages, personal loans, business loans and even gold loans.

For details:

<https://www.financialexpress.com/industry/banking-finance/strong-loan-growth-to-propel-nbfc-earnings-in-q1-analysts/3167613/>

Reserve Bank of India and Central Bank of the UAE sign two MoUs to (i) establish a Framework to Promote the Use of Local Currencies for Crossborder Transactions and (ii) cooperation for interlinking their payment and messaging systems (July 15, 2023)

The Reserve Bank of India (RBI) and the Central Bank of UAE (CBUAE) signed two MoUs on July 15, 2023 in Abu Dhabi for (i) establishing a Framework to Promote the Use of Local Currencies viz. the Indian rupee (INR) and the UAE Dirham (AED) for cross-border transactions; and (ii) cooperation for interlinking their payment and messaging systems. The MoUs were signed by the Governor of the Reserve Bank of India, Shri Shaktikanta Das and the Governor of the Central Bank of UAE, H.E. Khaled Mohamed Balama. The MoU on establishing a framework for the use of local currencies for transactions between India and UAE, aims to put in place a Local Currency Settlement System (LCSS) to promote the use of INR and AED bilaterally. The MoU covers all current account transactions and permitted capital account transactions.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56054

Universal Postal Union to evaluate UPI platform for cross border remittances (July 19, 2023)

The Universal Postal Union will evaluate UPI for integrating the Unified Payment Interface with cross-border remittances using global postal network, an official release said on July 18, 2023. Director General of Universal Postal Union (DG UPU) Masahiko Metoki, who is on a three-day visit to India for the inauguration of UPU Regional Office, also met Minister of Communications, Electronics and IT Ashwini Vaishnaw on July 18, 2023. "During the interaction, DG UPU appreciated India's expansion of physical post offices riding on the waves of digital infrastructure and advocated the replication of similar models in other countries. He also agreed to evaluate UPI platform for integrating it with cross-border money remittance through postal channels," the release added.

Merger to enable HDFC Bank to take big exposure in infra projects: CEO (July 20, 2023)

A bigger balance sheet after the merger with HDFC Ltd. will enable HDFC Bank to take a larger exposure in infrastructure projects, Sashidhar Jagdishan, the bank's Managing Director and Chief Executive Officer (CEO), said on July 19, 2023. "This means we can participate more meaningfully in India's growth story and contribute to nation building," the CEO said in his message to the shareholders. The merger came into effect on July 1, 2023. "In light of all this, the pace at which we aim to grow - we could be creating a new HDFC Bank every four years," he added.

Banks write off over ₹2.09 lakh crore bad loans in FY23, ₹10.57 lakh crore written off in the last five years (July 24, 2023)

Banks in India wrote off bad loans totaling more than ₹2.09 lakh crore during the FY23, according to information obtained through Right to Information (RTI) queries. This brings the total loan write-offs by the banking sector to a significant ₹10.57 lakh crore in the past five years, as per data provided by the Reserve Bank of India (RBI) to The Indian Express.

For details:

<https://www.livemint.com/industry/banking/bankswrite-off-over-rs-2-09-lakh-crore-bad-loans-in-fy23-rs-10-57-lakh-crore-written-off-in-the-last-five-years11690172407086.html>

RBI permits banks to open vostro accounts from 22 countries for trade in rupee (July 26, 2023)

The Reserve Bank has permitted 20 banks operating in the country to open 92 Special Rupee Vostro Accounts (SRVAs) of partner banks from 22 countries as part of efforts to promote bilateral trade in local currencies, the Government said on July 26, 2023. In a written reply to Lok Sabha, Minister of State for Commerce and Industry Som Parkash also informed that an MoU has been signed between the Reserve Bank of India (RBI) and the Central Bank of UAE on July 15. This would enable exporters and importers to invoice and pay in their respective domestic currencies enabling the development of a bilateral foreign exchange market.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-permits-banksto-open-vostro-accounts-from-22-countries-for-trade-in-rupee/articleshow/102144580.cms>

Reserve Bank of India clarifies on Star Series Banknotes (July 27, 2023)

It has come to the notice of the Reserve Bank that the validity of banknotes with a Star (*) symbol present on the number panel has recently been the subject of discussions on some social media platforms. In this connection, it is informed that the Star (*) symbol is inserted in the number panel of a banknote that is used as replacement for defectively printed banknotes in a packet of 100 pieces of serially numbered banknotes. A banknote with a Star (*) symbol is identical to any other legal banknote, except that in the number panel a Star (*) symbol is added between the prefix and the serial number. The Star (*) symbol is an identifier that it is a replaced / reprinted banknote. Information about the “Star Series” banknotes is available on the RBI website as part of FAQs (https://rbi.org.in/scripts/FS_FAQs.aspx?Id=136&fn=2753) on Indian Currency (Question 9 of Section B).

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56103

RBI sets targets for lenders on CBDC, unclaimed deposits (July 31, 2023)

The Reserve Bank of India (RBI) has taken a cue from the Finance Ministry, implementing a system of assigning business targets to banks for promoting initiatives like the Central Bank Digital Currency (CBDC) and the recovery of unclaimed deposits. Bankers said the regulator is constantly monitoring actions of lenders to meet the targets. For instance, RBI has given a target to generate one million daily digital currency transactions by December, despite bankers' saying benefits of the Central Bank Digital Currency is limited, considering the popularity of the Unified Payments Interface (UPI) platform.

For details:

<https://www.livemint.com/industry/banking/rbi-sets-targets-for-lenders-on-cbdcunclaimed-deposits-11690743187700.html>

Withdrawal of ₹2000 Denomination Banknotes - Status (August 01, 2023)

The Reserve Bank of India had announced the withdrawal of ₹2000 banknotes from circulation on May 19, 2023. The total value of ₹2000 banknotes in circulation, which amounted to ₹3.62 lakh crore on March 31, 2023 had declined to ₹3.56 lakh crore as at the close of business on May 19, 2023. According to the data received from the banks, the total value of ₹2000 banknotes received back from circulation is ₹3.14 lakh crore up to July 31, 2023. Consequently, ₹2000 banknotes in circulation as at the close of business on July 31 stood at ₹0.42 lakh crore. Thus, 88% of the ₹2000 banknotes in circulation as on May 19, 2023, have since been returned.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56132

Mastercard launches CVC-less payments (August 04, 2023)

Payment network Mastercard on August 03, 2023 launched CVC (Credit Verification Code)- less online transactions for its debit and credit cardholders who have tokenised their cards on merchant platforms. CVC is the three-digit number printed on the back of debit and credit cards. According to the Reserve Bank of India (RBI)'s guidelines, merchants will collect CVC only once while tokenising the card. From the second transaction onwards, cardholders will be required to select their tokenised card from the checkout page, confirm the one-time password and complete the transaction without entering the CVC.

For details:

<https://www.financialexpress.com/industry/banking-finance/mastercardlaunches-cvc-less-payments-for-tokenised-credit-debit-cards/3198916/>

Banks may soon have all Saturdays off; 5-day workweek possible: Report (August 07, 2023)

According to a report by the Business Line, the demand put forward by bank employee unions to declare all Saturdays as a bank holiday has been accepted by India's Bank Association on the 28th July meeting. Now, the representative body of management of Indian banks has forwarded the petition to the Ministry of Finance for its approval.

For details:

<https://www.livemint.com/industry/banking/indian-banksbank-holidays-5-day-working-psbs-private-banksnews11691381793006.html>

RBI releases the results of Forward Looking Surveys (August 10, 2023)

The Reserve Bank of India on August 10, 2023 released on its website the results of the following Surveys:

1. Consumer Confidence Survey (CCS) - July 2023
2. Inflation Expectations Survey of Households (IESH) - July 2023
3. OBICUS Survey on manufacturing sector - Q4:2022-23
4. Industrial Outlook Survey of the Manufacturing Sector for Q1:2023-24
5. Survey of Professional Forecasters on Macroeconomic Indicators- Round1 83rd
6. Bank Lending Survey for Q1:2023-24
7. Services and Infrastructure Outlook Survey for Q1:2023-24

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56181

Reserve Bank of India to Launch the Pilot Project for Public Tech Platform for Frictionless Credit (August 14, 2023)

As part of the Statement on Developmental and Regulatory Policies released on August 10, 2023, Reserve Bank of India (RBI) has announced the development of a Public Tech Platform for Frictionless Credit. The Platform is being developed by Reserve Bank Innovation Hub (RBIH), a wholly owned subsidiary of RBI. The Public Tech Platform would enable delivery of frictionless credit by facilitating seamless flow of required digital information to lenders. The end-to-end digital platform will have an open architecture, open Application Programming Interfaces (APIs) and standards, to which all financial sector players can connect seamlessly in a 'plug and play' model. The Pilot of the Platform shall commence on August 17, 2023.

For details: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56200

Banks likely to raise deposit rates to meet credit demand (August 17, 2023)

With the excess liquidity in the banking system getting absorbed due to the Reserve Bank of India's (RBI) Incremental Cash Reserve Ratio (I-CRR) measure, banks are likely to raise deposit rates on select tenors to meet higher credit demand ahead of the upcoming festive season. Last week, the RBI asked banks to maintain an Incremental Cash Reserve Ratio (I-CRR) of 10 per cent on the increase in their Net Demand and Time Liabilities (NDTL) between May 19, 2023, and July 28, 2023. Lenders have to maintain I-CRR from the fortnight starting on August 12.

RBI launches उद्गम - UDGAM - Centralised Web Portal for searching Unclaimed Deposits (August 17, 2023)

The Governor, Reserve Bank of India launched a Centralised Web Portal उद्गम UDGAM (Unclaimed Deposits - Gateway to Access inforMation). This portal has been developed by RBI for use by members of public to facilitate and make it easier for them to search their unclaimed deposits across multiple banks at one place. The Reserve Bank of India had announced the development of a centralised web portal for searching unclaimed deposits as part of the Statement on Developmental and Regulatory Policies dated April 06, 2023. The launch of the web portal will aid users to identify their unclaimed deposits/ accounts and enable them to either claim the deposit amount or make their deposit accounts operative at their respective banks. Reserve Bank Information Technology Pvt. Ltd. (ReBIT), Indian Financial Technology & Allied Services (IFTAS) and participating banks have collaborated on developing the portal.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56216

Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans (August 18, 2023)

At the time of sanction of EMI based floating rate personal loans, Regulated Entities (REs) are required to take into account the repayment capacity of borrowers to ensure that adequate headroom/ margin is available for elongation of tenor and/ or increase in EMI, in the scenario of possible increase in the external benchmark rate during the tenor of the loan. However, in respect of EMI based floating rate personal loans, in the wake of rising interest rates, several consumer grievances related to elongation of loan tenor and/or increase in EMI amount, without proper communication with and/or consent of the borrowers have been received. In order to address these concerns, the REs are advised to put in place an appropriate policy framework meeting the specified requirements for implementation and compliance.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12529&Mode=0>

RBI nudges banks to settle UAE trades in rupee, dirham: Report (August 21, 2023)

India's central bank is nudging local banks to ask their clients to settle trade between the United Arab Emirates and India using the dirham (AED) or Indian rupee (INR) to reduce U.S.-dollar-based transactions, five sources told Reuters. The move is part of the Reserve Bank of India's broader aim of promoting settlement in local currencies with countries with which India has a trade deficit, with the knock-on effect of boosting the rupee's global reach, three banking sources said.

For details:

<https://indianexpress.com/article/business/banking-and-finance/reserve-bank-nudgesbanks-settle-uae-trades-rupee-dirham-8902476/>

Competition Law

Info Capsule Series 17

Coal India Vs CCI : SC holds that CIL falls under competition act despite being a PSU (June 15, 2023)

The Supreme Court on June 15 held that Coal India Limited cannot seek an exemption from Competition Act, 2002 because it is a public sector undertaking under Coal Mines (Nationalisation) Act, 1973. As a consequence of this order, public sector undertakings such as Coal India Limited (CIL) will now come under the purview of Competition act and the Competition Commission of India. The case will now be heard on aspects such as the correctness of penalty levied by CCI on CIL and other aspects. CIL had filed an application contending that since it operates coal mines covered by the Coal Mines (Nationalisation) Act, 1973 it would not be in the purview of the Competition Act, 2002. CCI opposed the plea and contended that there is no constitutional challenge to any provision of the Competition Act.

For details:

<https://www.moneycontrol.com/news/trends/legal/coal-india-vs-cci-sc-holds-that-cil-fallsunder-competition-act-despite-being-a-psu-10799881.html>

CCI approves acquisition of TCNS Clothing Co. Limited by Aditya Birla Fashion and Retail Limited (June 27, 2023)

The proposed combination involves acquisition of 51% of the Expanded Share Capital of the Target by the Acquirer TCNS Clothing Co. Limited (Target) by the Aditya Birla Fashion and Retail Limited (Acquirer). The Acquirer is a listed company and is part of the Aditya Birla conglomerate. It is engaged in retailing of branded products within the apparel, footwear and accessories segment, through its retail stores, online retail platforms and ecommerce marketplaces. The Target is a listed company engaged in the business of manufacturing, distribution and sale of women's apparel, jewellery, footwear, and beauty products, currently undertaken under the brands i.e., W, Aurelia, Wishful, Elleven and Folk Song.

For details:

<https://www.cci.gov.in/antitrust/press-release/details/304>

Competition Law CCI approves acquisition of Marnix Lux by Concentrix Corporation and shareholding in combined company by the shareholders of Marnix Lux (July 04, 2023)

The proposed combination envisages indirect acquisition of Marnix Lux SA (Marnix Lux) by Concentrix Corporation, and acquisition of approximately 22% shareholding in combined company by the shareholders of Marnix Lux. Concentrix Corporation is a USA based publicly listed company. It is said to be engaged in providing customer experience services, a segment of Information Technology and Information Technology enabled Services. Marnix Lux is the parent company of Webhelp S.A.S. (Webhelp). Webhelp is said to be active in the provision of business process outsourcing services and specialised services.

CCI approves proposed combination involving acquisition of shareholding up to 59.38% of Unichem Laboratories Limited by Ipca Laboratories Limited (July 27, 2023)

The Competition Commission of India (CCI) approves the proposed combination involving acquisition of shareholding up to 59.38% of Unichem Laboratories Limited by Ipca Laboratories Limited. Ipca Laboratories Limited (Acquirer) is a pharmaceutical company that manufactures formulations and active pharmaceutical ingredients for various therapeutic segments. Unichem Laboratories Limited (Target) is active in the sale of formulations, active pharmaceutical ingredients, intermediates, and contract manufactured finished formulation dosages, globally. The proposed combination pertains to proposed acquisition of ~33.38% of the issued and paid-up equity voting share capital (on a fully diluted basis) of the Target by the Acquirer pursuant to a share purchase agreement. Further, since the Acquirer is acquiring >25% shareholding in the Target, which is a listed company, the Acquirer is required to make an open offer for the purchase of equity shares up to 26% of the Target's equity share capital in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, the Acquirer will acquire up to 59.38% shareholding of the Target (Proposed Combination). The CCI approved the proposed combination subject to compliance of undertaking voluntarily submitted by the Parties.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1943378>

CCI approves merger of Tata Cleantech Capital Limited (TCCL) and Tata Capital Financial Services Limited (TCFSL) into Tata Capital Limited (TCL) (August 08, 2023)

The proposed combination is a merger of TCFSL and TCCL into TCL. TCL is registered with the Reserve Bank of India (RBI) as a Systematically Important NonDeposit Accepting Core Investment Company (CIC) and primarily holds investments in its subsidiaries, which are engaged in lending and offering a wide array of services and products in the financial services sector, including advising and / or management of private equity funds, as are permitted under the directions and guidelines issued by the RBI for CICs from time to time. TCFSL is a wholly-owned subsidiary of TCL and is registered with the RBI as a Systemically Important Non-Deposit Accepting Non-Banking Financial Company and is mainly engaged in the lending services and offering services and products in the financial services sector. TCCL is a subsidiary of TCL and is registered with the RBI as a Systemically Important NonDeposit Accepting Non-Banking Financial Company. TCCL engages in the business of providing cash flow-based finance and advisory services for projects in renewable energy, energy efficiency, waste management, water management and other infrastructure projects.

For details:

<https://www.cci.gov.in/media-gallery/press-release/details/308/0>

Commission approves acquisition of certain stake of IBS Software Pte Limited by Pelipper HoldCo SARL (August 16, 2023)

The proposed combination relates the acquisition of approximately 30% of the issued share capital on a fully diluted basis of IBS Software Pte Limited (Target) from Techware Singapore Holdings Pte. Ltd., a portfolio company of Blackstone Inc. (Seller) by Pelipper HoldCo SARL (Acquirer). The Acquirer is a special-purpose-vehicle indirectly wholly-owned by investment funds advised by Apax Partners LLP (AP). AP is a limited liability partnership incorporated under the laws of United Kingdom and the parent of a number of entities which provide investment advisory services to private equity funds investing in a range of industry sectors. The Acquirer is neither active in India nor does it have any planned business activities in India. The Target is the parent company of IBS group of companies (Target Group), that is mainly active as a software vendor, predominantly for the aviation industry and the travel industry. The Target also provide IT services to its own existing customers, mainly aviation, tour & cruise, hospitality and energy resources industries. The Target Group is primarily active as a provider of software solutions to the travel industry globally, managing mission-critical operations for customers in the aviation, tour & cruise, hospitality and energy resources industries. Target Group's solutions for the aviation industry cover fleet and crew operations, aircraft maintenance, passenger services, loyalty programs, staff travel & air-cargo management. The Target Group also runs a real-time B2B and B2C distribution platform providing hotel room inventory, rates, and availability to a global network of hospitality companies and channels. For the tour and cruise industry, the Target Group provides a comprehensive customer-centric, digital platform that covers onshore, online and on-board solutions.

For details:

<https://www.cci.gov.in/media-gallery/press-release/details/309/0>

Food Safety and Standards Authority of India

Info Capsule Series 17

Extension of time for enforcement of amended Regulation 4(7) of Food Safety and Standards (Advertising and Claims) Regulations, 2018 (July 5, 2023)

Food Safety and Standard Authority of India (FSSAI) through Food Safety and Standards (Advertising and Claims) Second Amendment Regulations, 2022 has inter alia amended regulation 4(7) of the principal regulation. The amended regulation reads as under: '4(7) Where the meaning of a trade mark, brand name or fancy name containing adjectives such as "natural", "fresh", "pure", "original", "traditional", "authentic", "genuine", "real", appearing in the labelling, presentation or advertising of a food is such that it is likely to mislead the consumer as to the nature of the food, in such cases a disclaimer shall be mentioned prominently on the front of pack of the label stating that - "This is only a brand name or trademark, or fancy name and does not represent its true nature; (relevant one may be chosen as applicable)" : Provided that the font size of the above disclaimer shall not be less than 1.5 mm for principal display panel upto 100 cm² , not less than 2 mm for principal display panel between 100 - 200 cm² and not less 3 mm in case of principal display panel above 200 cm² . '. An extension of six months was given for the applicable date for the abovesaid amendment. Now, FSSAI has further extended the date of applicability of said regulation for another 6 months from 13th June, 2023.

For details:

https://www.fssai.gov.in/upload/notifications/2022/12/63998e33c2ad6Gazette_Notification_Amendment_14_12_2022.pdf

https://www.fssai.gov.in/upload/advisories/2023/07/64a669e74d46edirection_Ads_0607_2023.pdf

FSSAI set to meet international regulators on food safety system (July 12, 2023)

The Food Safety and Standards Authority of India (FSSAI), under the aegis of the Union Ministry of Health and Family Welfare, will hold a meeting with global food regulators, including G20 countries, on July 20-21. The meeting is aimed at strengthening the food safety system and regulatory framework across the global food value chain, according to a report in the Mint. According to the apex food regulator, the food safety and regulatory system in India needs to constantly evolve to counter the emerging food hazards, and pandemic scenarios. An official said that the FSSAI is seeking participation of food regulators from around 60 countries, including G20 member countries.

For details:

https://www.business-standard.com/india-news/fssai-set-to-meet-internationalregulators-on-food-safety-system-123071200370_

Technology and Automation

Info Capsule Series 17

Meta launches \$250K mixed reality fund for 5 Indian startups, details here (June 29, 2023)

Meta on Wednesday declared a fresh Mixed Reality (MR) programme in India that has an award of \$250,000 for homegrown new companies and developers to construct applications and experiences. They can assemble applications utilising Meta's Presence Platform, the organisation's expansive scope of machine perception and AI capabilities for the Meta Quest Platform and Metaverse. The company claims that the fund aims to foster innovation and establish a national XR technology ecosystem.

For details:

https://www.business-standard.com/technology/tech-news/meta-launches-250k-mixedreality-fund-for-5-indian-startups-details-here-123062900118_1.html

EU announces specialized testing and evaluation centers for AI (June 29, 2023)

The European Commission has announced that it will cofund four testing and experimentation facilities, or TEFs, for AI exploration, in order to support responsible AI development and ease compliance with the EU AI Act, which is in the final stages of approval before being enacted into law.

For details:

<https://www.computerworld.com/article/3701228/euannounces-specialized-testing-and-evaluation-centers-forai.html>

DoT Launches Bharat 6G Alliance to Drive Innovation and Collaboration in NextGeneration Wireless Technology (July 03, 2023)

Telecom sector is a continuously evolving sector with high technological obsolescence. It has seen transformation from Wire-line to Mobile services, which has become lifeline of the people. Mobile services have also seen transformation from 2G to 3G to 4G to 5G and now 6G is in horizon.

In furthering the vision of Hon'ble Prime Minister of Universal and Affordable connectivity, developing indigenous technology, developing telecom and semiconductor manufacturing ecosystem, taking lead in 6G Technology, on July 03, 2023, Shri Ashwini Vaishnaw, Hon'ble Union Minister for Railways, Communications, Electronics & Information Technology in presence of Shri Devusinh Chauhan, Hon'ble Minister of State for Communications announced:

- Formation of the Bharat 6G Alliance (B6GA), a collaborative platform consisting of public and private companies, academia, research institutions, and Standards development organizations.
- The website for Bharat6G Alliance was also launched, the link for the same is <https://bharat6galliance.com>
- B6GA will forge coalitions and synergies with other 6G Global Alliances, fostering international collaboration and knowledge exchange.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1937088>

Use of Technology in Judicial Institutions (July 21, 2023)

As part of the National eGovernance Plan, the eCourts Mission Mode Project is under implementation for ICT development of the Indian Judiciary based on the "National Policy and Action Plan for Implementation of Information and Communication Technology in the Indian Judiciary". eCourts project is being implemented in association with e-Committee Supreme Court of India and Department of Justice. Phase I of the project was implemented between 2011-2015. Phase II of the project extended from 2015-23. The Government has taken the various e-initiatives to make justice accessible and available for all.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1941500>

Digitalization of the Supreme Court and High Court Records (August 09, 2023)

Digitization of court records is an administrative matter falling under the domain of the respective High Courts and the Supreme Court of India and the Government has no direct role in it. The eCourts Mission Mode Project is a national eGovernance project for ICT enablement of district/subordinate courts of the country with a view to facilitate faster disposal of cases by speeding up court processes and providing transparent on-line flow of information on case status, orders/judgments etc. to the judiciary as well as litigants, lawyers and other stakeholders. The National Judicial Data Grid (NJDG), is an online repository of case statistics, as a result of digitalized case records, from the High Courts and the District and Subordinate Courts of the country. It provides information relating to judicial proceedings/decisions of the computerized courts of the country. Approximately 3000 Court Complexes replicate live data of filing, registration, scrutiny, objections, case status, cause list, judgment and orders on real-time basis.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1947489>

How AI, Blockchain technology are taking India's insurance industry to next level (August 20, 2023)

We live in a VUCA world which stands for volatility, uncertainty, complexity, and ambiguity no industry is safe from the uncertainties it brings. One must always seek a different approach to harness the organization's potential to survive and thrive in this evolving world. Insurance is also no exception to this VUCA world and must constantly adapt and embrace changes. As a sector, insurance has long followed the traditional business models, which involved largely manual processes. Though the model has been quite robust, the insurance industry is reinventing itself to new heights where it is going through a profound change and transformation primarily driven by technological advancements focusing on enhancing the customer experience at each touch point. Insurance companies are leveraging their industry experience and the new age of innovative advancements to provide their customers with more personalized and customizable product solutions and related services.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/how-ai-blockchaintechnology-are-taking-indias-insurance-industry-to-next-level/articleshow/102872373.cms>

International Financial Services Centres Authority

Info Capsule Series 17

Co-location facility offered by the Stock Exchanges (June 23, 2023)

The term “Co-location” also synonymously referred to as “proximity hosting” is defined as the facility offered by the Stock Exchanges to eligible market participants such as BrokerDealers and data vendors, whereby their trading or data-vending systems are allowed to be located within or at close proximity to the premises of the Stock Exchanges and are allowed to connect to the trading platform of the Stock Exchanges through direct and private network. International Financial Services Centres Authority (IFSCA) has issued a circular addressing Stock Exchanges and Broker-Dealers in the International Financial Services Centre (IFSC) with regard to Co-location facility offered by the Stock Exchanges. The circular inter alia provides for Fair and equitable co-location services, Connectivity at the co-location facility, Disclosure of information pertaining to co-location services, Third party Co-location services, Measurement of Latency, Managed Co-location Services etc.

Extension of last date for submission of comments/ suggestions on Consultation paper on the proposed IFSCA (Payment Services) Regulations (July 03, 2023)

IFSCA issued the Consultation paper on the proposed IFSCA (Payment Services) Regulations on June 13, 2023. These regulations inter alia provides for:

1. Procedure for applying to provide a “Payment Service”
2. Types of authorisations
3. Providing initial capital
4. Governance requirements
5. Exemption from the requirement of authorisation
6. Safeguarding the funds of the users

The draft regulations were placed on the website of the IFSCA at <https://ifsc.gov.in/PublicConsultation>. General public and stakeholders were requested to forward their comments/suggestions through e-mail to Mr. Supriyo Bhattacharjee at supriyo.b@ifsc.gov.in and Mr. Vaibhav Sattavan at vaibhav.sattavan@ifsc.gov.in on or before July 5, 2023. Now, the last date for submission of comments/suggestions by general public and stakeholders is extended to July 26, 2023. The comments may be provided in MS Word or MS Excel format only.

For details:

<https://ifsc.gov.in/Viewer?Path=Document%2FReportandPublication%2Fdraft-ifscapayment-services-regulations-2023-for-public-consultation-web-1-13062023113322.pdf&Title=Consultation%20paper%20on%20proposed%20IFSCA%28Payment%20Services%29%20Regulations%2C%2020XX&Date=13%2F06%2F2023>

<https://ifsc.gov.in/Viewer?Path=Document%2FReportandPublication%2Fextension-of-time-consultation-paper-on-ps-regulations03072023104619.pdf&Title=Extension%20of%20time%20for%20providing%20comments%2Fsuggestions%20on%20consultation%20paper%20on%20proposed%20IFSCA%28Payment%20Services%29%20Regulations%2C%2020XX&Date=03%2F07%2F2023>

International Financial Services Centres Authority (IFSCA) and Climate Policy Initiative sign MoU to cooperate on Sustainable Finance [PIB Dated July 11, 2023]

The International Financial Services Centres Authority (IFSCA) and Climate Policy Initiative - India (CPI) have signed a Memorandum of Understanding (MoU) for mutual assistance and cooperation to increase mobilisation of global sustainable capital flows into India. Shri Praveen Trivedi, Executive Director, IFSCA, said, this MoU between IFSCA and CPI, focusing on broad areas of sustainable finance, is a step towards achieving a key objective to develop an ecosystem for mobilising global capital towards sustainable projects.”

Dr. Dhruva Purkayastha, India Director, Climate Policy Initiative, said, “As per the Landscape of Green Finance, report published by CPI in 2022, total tracked climate investments are of the order of \$40 to \$50 billion per year for FY2018 to FY2020, of which approximately 85% were through domestic sources. This is not sufficient to address the widening gap between required investment and financing to meet the India climate investment requirement. Greater international capital flows are required for a successful low carbon transition in India. IFSCA can play a critical role in enabling climate investments in India from international sources through the capital markets route. The MoU between IFSCA and CPI, aims to support the mobilisation of sustainable finance in India.”

International Business News

Info Capsule Series 17

India doubles its share of global commercial services exports between 2005 and 2022: World Bank & WTO report (July 04, 2023)

India has doubled its share of global commercial services exports to 4.4% in 2022 from 2% in 2005, according to a World Bank and World Trade Organization (WTO) report. China and India doubled their share of global commercial services exports from 2005 to 2022, from 3.0% to 5.4%, and from 2.0% to 4.4%, respectively, according to the report.

For details:

<https://www.thehindu.com/business/Economy/india-doubles-its-share-of-globalcommercial-services-exports-between-2005-and-2022-world-bank-wtoreport/article67038912.ece>

Vedanta inches closer to regain control over Zambia copper assets (July 17 2023)

The Zambian government placed Konkola Copper Mines Plc, 79.4% owned by Vedanta, into provisional liquidation in 2019, and has since been locked in legal battles with the company over the asset. The Zambian government placed Konkola Copper Mines Plc, 79.4% owned by Vedanta, into provisional liquidation in 2019, and has since been locked in legal battles with the company over the asset. Former President Edgar Lungu accused the company of lying about profits and expansion plans, before declaring “divorce” with Vedanta and moving to liquidate Konkola. President Hakainde Hichilema’s government has struggled to find a solution since winning power in August 2021. The dispute has resulted in a slump in production. Vedanta has pledged to invest \$1 billion in the assets to double annual integrated production to 100,000 tons of copper, with the potential to boost to 200,000 tons in the medium term.

For details:

https://www.business-standard.com/companies/news/vedanta-inches-closer-to-regaincontrol-over-zambia-copper-assets-123071700373_1.html

Business and Economic News

Info Capsule Series 17

'We will ban 3 types of games in India': Union Minister Rajeev Chandrasekhar on online gaming (June 12, 2023)

Amid various cases of online gaming addiction, and even a recent incident of religious conversion via games, Union Minister Rajeev Chandrasekhar has announced that three types of games will be banned in India. Chandrasekhar told ANI that the govt has already prepared a blueprint of the new rules. He specified the three types of games that will be banned. However, he did not mention the parameters that will be used to classify games under any of the three categories. He claimed that the following types of games will be banned in India:

- Games that involve betting
- Games can be harmful to the user
- Games that involve a factor of addiction

For details:

<https://www.businesstoday.in/tech-today/news/story/we-will-ban-3-types-of-games-inindia-union-minister-rajeev-chandrasekhar-on-online-gaming-385186-2023-06-12>

NTPC climbs up 52 positions to 433rd rank in Forbes' "The Global 2000" List of top companies (June 14, 2023)

NTPC Limited, India's largest power generation company, has climbed 52 positions to secure the 433rd rank in Forbes' "The Global 2000" List for 2023. Rising from 485th rank in the list in the year 2022, the climb of 52 positions in just one year demonstrates NTPC's emergence as a strong force in the global market. It is evidence of the company's steady expansion, sound financial condition, and persistent dedication to excellence.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1932320>

U20 Engagement Group of G20 to host 2 Days Mayoral Summit in Ahmedabad (June 26, 2023)

The city of Ahmedabad is all set to host the Urban20 (U20) Mayoral Summit on 7-8 July, 2023. This Mayoral Summit is expected to bring together several city leaders and Mayors from across G20 nations. The summit will also be attended by delegates representing various cities, knowledge partners, Indian and international organizations, academic institutes and dignitaries from the Government of India and the State Government. U20 is an Engagement Group under India's G20 presidency. It is a city diplomacy initiative, comprising cities from G20 countries, emphasizing the role of cities in taking forward the global agenda for sustainable development through collaboration among cities. Ahmedabad is the U20 Chair for the current sixth cycle and is supported by the National Institute of Urban Affairs (NIUA) as the Technical Secretariat, and the Ministry of Housing and Urban Affairs (MoHUA) as the nodal ministry.

For details:

<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1935357>

Group of organisations write to MCA over concerns around impact of Digital Competition Bill (June 26, 2023)

A total of 58 organisations and individuals representing different stakeholder communities from across the country including the Cyber Cafe Association of India (CCAOI), Internet Society Chapters of India, India Internet Foundation (IFF) and Consumer Unity & Trust Society (CUTS International) have written to the Secretary of the Ministry of Corporate Affairs (MCA) Dr Manoj Govil urging the MCA to hold an "open consultative public engagement process" while drafting the Digital Competition Bill and to take concerns around the impact of the Bill on end consumers and small businesses.

For details:

https://economictimes.indiatimes.com/tech/technology/group-of-organisations-write-to-mca-over-concerns-around-digital-competition-bill/articleshow/101273498.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

RBI releases the Financial Stability Report, June 2023 (June 28, 2023)

The Reserve Bank released the 27th issue of the Financial Stability Report (FSR), which reflects the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC) on risks to financial stability and the resilience of the Indian financial system.

Data protection bill gets cabinet nod, major provisions likely to be kept (July 05, 2022)

The central government has retained the major provisions of the draft Digital Personal Data Protection Bill, 2022, including penalties for data breaches, parental consent for children's data, and deemed consent, in the final version to be tabled in Parliament, informed sources. The Union Cabinet on Wednesday (July 04, 2023) approved the draft Bill released for public consultation in November 2022. The government received as many as 21,666 suggestions from industry stakeholders and legal experts, a senior government official told reporters. The Bill will continue with a principle-based approach, and it will be followed by a rulebook, said an official.

The Bill, which seeks to enforce the fundamental right to privacy of citizens, has the provision of penalties ranging up to Rs. 250 crore for each instance of data fiduciaries failing to take safeguards to prevent personal data breaches. It also requires online platforms to take clear and informed consent from the user (principal) before collecting any personal data. "There are several items listed in the draft Bill based on the impact on the people, the number of people affected, the extent of harm, etc. One should look at the penalty amount basis the overall impact of a breach," said the official.

For details:

https://www.business-standard.com/economy/news/data-protection-bill-gets-cabinet-nod-major-provisions-likely-to-be-kept-123070500826_1.html

HDFC merger poses increased competition in deposits segment for PSBs: Govt (July 07, 2023)

The Finance Ministry had apprised PSBs of rising competition in deposits segment from the recent merger of HDFC as the housing loan customers will be tapped by HDFC bank for retail banking. The direction came during a meeting chaired by Finance Minister Smt. Nirmala Sitharaman on Thursday where the PSBs were told to take swift actions in fraud and willful defaulters cases and build a strong internal audit framework with a focus on having robust risk management practices.

For details:

https://www.business-standard.com/industry/banking/hdfc-merger-poses-increased-competition-in-deposits-segment-for-psbs-govt-123070601001_1.html

CII business confidence index rebounds on capital expenditure push (July 09, 2023)

Business confidence improved in the first quarter of this fiscal on the back of strong fundamentals, driven by healthy domestic demand and moderating oil and commodity prices, according to the Confederation of Indian Industry-Business Confidence Index (CII-BCI) survey. The survey revealed that business confidence improved to 66.1 in the first quarter (Apr-Jun FY24) from 64 in the previous quarter. However, it remained lower than 66.9 in the same quarter last year. The survey was conducted from May to June 2023, and covered around 180 firms of varying sizes. The reading reaffirmed the positive momentum seen in a host of recent high frequency indicators such as goods & services (GST) collection, air and rail passenger traffic among others in the first quarter. The respondents noted that the robust capex momentum of the government, strong domestic drivers and robust financial system will be the top three drivers of growth in the current fiscal.

For details:

https://www.business-standard.com/economy/news/capex-domestic-drivers-financial-system-to-drive-growth-in-fy24-cii-123070900549_1.html

Startups will increase 10 times in the next 4-5 years (July 16, 2023)

Union Minister of State for Skill Development & Entrepreneurship and Electronics & IT, Shri Rajeev Chandrasekhar, highlighted India's remarkable progress in building unicorns and startups, how they have successfully entered areas in emerging technologies, such as AI, Web 3, and deep tech. Speaking at the JITO Incubation Innovation Foundation (JIIF) 6th Foundation Day & Investors/Startup Conclave in Hyderabad, the Minister engaged with industry leaders and aspiring young entrepreneurs. Shri Rajeev Chandrasekhar emphasised the transformative journey India has embarked upon since 2014. From being predominantly focused on IT and ITes, the next 4-5 years will witness substantial growth for startups and unicorns, the Minister said during his interaction.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1939976>

Under the Startup India initiative, 'Action Plan' for Startups unveiled to create a vibrant startup ecosystem in the country (August 02, 2023)

In order to build a strong ecosystem for nurturing innovation, startups and encouraging private investments in the startup ecosystem of the country, the Government launched the Startup India initiative on 16th January 2016. Startup India is an initiative of the Government and not a Scheme. As per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19th February 2019, entities are recognized as 'startups' under Startup India initiative by the Department for Promotion of Industry and Internal Trade (DPIIT). Since the launch of the Startup India initiative in 2016, DPIIT has recognised 98,119 entities as startups as on 30th April 2023. In order to meet the objectives of the initiative, the Government unveiled an Action Plan for Startups comprising of schemes and incentives envisaged to create a vibrant startup ecosystem in the country. The Action Plan comprises of 19 action items spanning across areas such as "Simplification and handholding", "Funding support and incentives" and "Industry-academia partnership and incubation".

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1945152>

Govt. curbs import of personal computers, laptops over 'security risk' (August 03, 2023)

Citing "security risks", the Government has imposed import restrictions on laptops, tablets, personal computers, and other similar data-processing units. Although China was not mentioned, the restrictions would mean such items could be sourced only from "trusted partners" via a licensing regime. In FY23, India imported \$8.8 billion worth of the seven items now under the licensing regime. In that amount, products worth \$5.1 billion (58 per cent) were sourced from China. The Directorate General of Foreign Trade (DGFT) issued the notification, clarifying that airline passengers returning to India could still carry such items purchased abroad.

"The said restriction shall not be applicable to imports under baggage rules, as amended from time to time," it stated. Exemption will also apply to purchases of such items from ecommerce portals, by post or courier. "Imports shall be subject to payment of duty as applicable," the DGFT said. The move coincides with India's efforts to become a major electronics manufacturer. The government has initiated the production-linked incentive (PLI) scheme for information technology hardware to encourage domestic manufacturing of such items.

For details:

https://www.business-standard.com/economy/news/govt-restricts-imports-oflaptops-tablets-to-boost-domestic-manufacturing-123080300342_1.html

Several landmark initiatives taken up under NEP 2020 for the transformation of Education Sector (August 07, 2023)

National Education Policy 2020 (NEP 2020) unequivocally endorses and envisions a substantial increase in public investment in education by both the Central government and all State Governments to reach 6% of GDP. The Policy also calls for the rejuvenation, active promotion, and support for private philanthropic activity in the education sector. As far as Ministry of Education is concerned, there has been increase in budget allocation from Rs. 99,311.52 crore (2020-21) to Rs. 1,12,899.47 crore (2023-24), which is around 13.68 % increase. As per Analysis of Budgeted Expenditure on Education 2018-19 to 2020-21, total expenditure on education as percentage of GDP has shown increasing trend and for the year 2020-21 it is 4.64%.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1946419>

Make in India initiative to make India a hub for manufacturing, design and innovation (August 09, 2023)

Make in India initiative was launched on September 25, 2014, to facilitate investment, foster innovation, building best in class infrastructure, and making India a hub for manufacturing, design and innovation. Government has taken a series of policy initiatives to improve the economic situation and convert the disruption caused by COVID 19 into an opportunity for growth. These includes the Atmanirbhar Bharat packages, introduction of Production Linked Incentive (PLI) Scheme in fourteen (14) sectors, investment opportunities under National Infrastructure Pipeline (NIP) and National Monetisation Pipeline (NMP), India Industrial Land Bank (IILB), Industrial Park Rating System (IPRS), soft launch of the National Single Window System (NSWS), etc. In addition to ongoing schemes of various Departments and Ministries, Government has taken various steps to boost domestic and foreign investments in India. These include the introduction of Goods and Services Tax, reduction in corporate tax, improving ease of doing business, FDI policy reforms, measures for reduction in compliance burden, measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP) and QCOs (Quality Control Orders), to name a few.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1947211>

Business and Economics News Corporate Affairs Ministry assessing need to ramp up bench strength of NCLT (August 20, 2023)

The Ministry of Corporate Affairs (MCA) is contemplating an increase to the existing strength of the National Company Law Tribunal (NCLT) benches to handle the growing case load. The Ministry is currently analysing the time taken by each bench to dispose of matters and the total number of cases being handled by each bench.

For details:

https://www.business-standard.com/india-news/corporate-affairs-ministry-assessing-need-to-ramp-up-bench-strength-of-nclt-123082000315_1.html

Pronouncement

Info Capsule Series 17

July 05, 2023	Mukesh Kumar (Appellant) Vs. Ambrane India Pvt Ltd and Other (Respondents)	National Company Law Appellate Tribunal Principal Bench, New Delhi Company Appeal (AT)(INS) NO.659/2022
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Admission of an application under Section 7 of IBC if fulfils certain criteria is a Rule, however, rejection of such application is an Exception

Judgment

Hon'ble NCLAT inter-alia held that provisions for the admission of a petition under Section 7 of the IBC there are certain relevant criteria. There must be debt and default. If an application fulfils the said criteria, the Adjudicating Authority is to admit such application. However, proviso 1st to Section 7 (5) speaks that only for rejection of an application reasons are required to be assigned. Meaning thereby if an application fulfils certain criteria, the Adjudicating Authority is to admit the said application and while admitting there is no requirement for assigning detailed reasons. However, if the Adjudicating Authority is going to dismiss the application as per provisions contained Section 7 of the IBC reasons are mandatory. Accordingly, it is evident that admission of an application under Section 7, if fulfils certain criteria is a rule, however, rejection of such application is an exception.

For details:

<https://ibbi.gov.in/uploads/order/ea4a799f7e820fb793819e81f9dde3b4.pdf>

July 10, 2023	Siddharth Sahib Singh (Petitioner) vs. Apex Council Of DDCA(Respondent)	High Court of Delhi W.P.(C) 8634/2023 & CM APPLs. 32755/2023, 32804/2023, 33377/2023
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Power of the NCLT under Section 245 & 244 of the Companies Act, 2013

Judgement

In the above case, Hon'ble Delhi High Court refused to entertain a writ petition filed by the petitioner and granted liberty to the petitioner to approach the NCLT for the redressal of its grievances and inter alia observed that "Section 245 of the Companies Act gives the power to the NCLT to restrain a company from committing an act which is ultra vires the articles or memorandum of the company. It also restrains the company from committing breach of any provision of the company's memorandum or articles and to declare a resolution altering the memorandum or articles of the company as void if the resolution was passed by suppression of material facts or obtained by misrepresentation to the members or depositors and also restrain its directors from acting on such resolution..... .

Though Section 244(1)(b) of the Companies Act provides that an application under Section 241 of the Companies Act can be entertained only if it is supported by one-fifth of the total number of members of the company but the NCLT has power to waive of this requirement. The Petitioner, therefore, ought to have approached the NCLT and if the NCLT would have refused to waive off the stipulated requirement of support of one-fifth members of the company then it was always open for the Petitioner to approach this Court by contending that no equally efficacious alternative remedy is left to him. It cannot be said that if this Court does not exercise its jurisdiction under Article 226 of the Constitution of India an irreversible damage would be caused to the DDCA and the same cannot be rectified by the Courts or that the DDCA will be subjected to an irreparable loss which needs urgent restraint orders."

For details:

<https://ibbi.gov.in/uploads/order/ab0ce6736dab232c3a45cab0b692be3a.pdf>

July 17, 2023	<i>Paschimanchal Vidyut Vitran Nigam Ltd. [(Appellant(S))] Vs. Raman Ispat Private Limited & Ors. [Respondent(S)]</i>	<i>Supreme Court of India Civil Appellate Jurisdiction Civil Appeal No. 7976 of 2019</i>
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Section 238 of the IBC overrides the provisions of the Electricity Act, 2003

Judgement

The Hon'ble Supreme Court of India inter alia observed that the views expressed by the present judgment finds support in the decision reported as *Sundaresh Bhatt, Liquidator of ABG Shipyard v. Central Board of Indirect Taxes and Customs* 2022 SCC Online SC 1101. In that case, Section 142A of the Customs Act 1962 was in issue - authorities had submitted that dues payable to it were to be treated as 'first charge' on the property of the assessee concerned. In the resolution process, it was argued that the Customs Act, 1962 acquired primacy and had to be given effect to. This court, after noticing the overriding effect of Section 238 of the IBC, held as follows:

“55. For the sake of clarity following questions, may be answered as under:

(a) Whether the provisions of the IBC would prevail over the Customs Act, and if so, to what extent?

The IBC would prevail over the Customs Act, to the extent that once moratorium is imposed in terms of Sections 14 or 33(5) of the IBC as the case may be, the respondent authority only has a limited jurisdiction to assess/determine the quantum of customs duty and other levies. The respondent authority does not have the power to initiate recovery of dues by means of sale/confiscation, as provided under the Customs Act.....

Similarly, in *Duncans Industries Ltd. v. AJ Agrochem*, (2019) 9 SCC 725, Section 16G of the Tea Act, 1953 which required prior consent of the Central Government (for initiation of winding up proceedings) was held to be overridden by the IBC. In a similar manner, it is held that Section 238 of the IBC overrides the provisions of the Electricity Act, 2003 despite the latter containing two specific provisions which open with non-obstante clauses (i.e., Section 173 and 174). The position of law with respect to primacy of the IBC, is identical with the position discussed in *Sundaresh Bhatt, Liquidator of ABG Shipyard v. Central Board of Indirect Taxes and Customs*, 2022 SCC Online SC 1101.

26 June 2023	Ashish Vohra [Complainant(s)] Vs. M/S. Raheja Developers Ltd [Opp.Party(s)]	National Consumer Disputes Redressal Commission New Delhi Consumer Case No. 1099 of 2017
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Brief Facts:

Complainant has filed a complaint for directing the opposite party to (i) handover possession of the unit allotted to him in the project “Raheja Revanta” and pay delay compensation in the form of interest @18% per annum on his deposit, from due date of possession till the delivery of possession; (ii) pay Rs.1000000/-, as compensation for deficiency in service, mental agony and harassment; (iii) pay Rs.200000/-, as litigation costs; and (iv) any other relief which is deemed fit and proper in the facts of the case. At the time of argument, the counsel for the complainant prayed for refund of entire amount deposited by the complainant with interest. The opposite party took preliminary objection that the complainant already owned a house and this floor was booked for commercial purposes and the complainant is not a consumer but has not adduced any evidence to prove that the complainant was engaged in the business of purchasing and selling the properties.

Judgement

Relying upon Section 14 (1)(d) of Consumer Protection Act, 1986 as well as judgments in *Consumer Utility & Trust Society Jaipur vs. Chairman & Managing Director, Bank of Baroda, Calcutta and Anr.* (1995) 2 SCC 150; *Branch Manager Indigo Airlines vs. Kalpana Rani*- MANU/SC/0095/2020; *Ishwar Rawat vs. HUDAMANU/CF/0142/2008*; *BB Patel vs. DLF Universal Limited* - SC Civil Appeal No.1106 of 2009 dated 25.01.2002; *Jagad Bandhu Chatterjee vs. Nilima Rani*- SC- MANU/SC/0490/1969 and *Raheja Developers Limited vs. State of Haryana by Punjab & Haryana High Court* dated 12.01.2023, the counsel for the opposite party submitted that the opposite party has not committed any negligence, therefore, opposite party is not liable to pay any compensation. Hon’ble National consumer Disputes Redressal Commission observed that the argument of the counsel for the opposite party is not liable to be accepted. The opposite party advertised the project as most iconic project and induced the home buyers to purchase a house in it. The project was advertised in the year 2011 and for about 12 years the opposite party did not even provide the basic amenities which are necessary for habitation. It is only in the year 2023 the opposite party has filed a writ for issue of mandamus directing the government authorities to develop the basic infrastructure. By that time, the opposite party has collected more than 95% of consideration from the buyers. This is not only negligence but a gross negligence. In view of the fact that till today the opposite party has not been able to complete the project nor obtained occupation certificate nor there has been any basic amenities for habitation, the relief is liable to be moulded and relief of refund as prayed during argument is liable to be granted. Supreme Court in *Experion Developers Pvt. Ltd. vs. Sushma Ashok Shiroor* (2002) SCC Online SC 416 held that in case of refund, interest @9% per annum is a just compensation. In view of aforesaid discussions, the complaint is partly allowed. The opposite party is directed to refund entire amount deposited by the complainant with interest @ 9% per annum from date of respective deposit till the date of refund, within a period of two months from the date of this judgement.

For details:

<https://cms.nic.in/ncdrcusersWeb/GetJudgement.do?method=GetJudgement&caseidin=0%2F0%2FCC%2F1099%2F2017&dtofhearing=2023-06-26>

17 July, 2023

*T. Sudhakar Pai & Ors (Appellants)
Vs. M/S Manipal Academy of Higher
Education & Ors (Respondent)*

*Karnataka High Court Commercial
Appeal No.404 of 2022*

To pass an Order for Civil Imprisonment under Order XXXIX Rule 2A of the Code of Civil Procedure, 1908, the Court has to Consider Certain Factors or Circumstances.

Hon'ble Karnataka High Court in the aforesaid case inter alia, observed that considering the object of the provision, an order directing civil imprisonment should not be passed as a matter of course. To pass an order for civil imprisonment, the Court has to consider one or more factors or circumstances namely;

- a. the nature/gravity of the disobedience or breach, and the manner in which order is violated, (b) the loss caused to the party on account of disobedience or breach,
- b. whether the damage caused can be restored in some way or the other or is something irreversible,
- c. circumstances under which the breach or disobedience is committed,
- d. whether the breach or disobedience complained is an isolated act or it is a continuous act, (f) previous history, if any, where the contemnor is held guilty of breach or disobedience of the Court order,
- e. whether the case calls for a situation where the message is to be sent, by passing an order of civil imprisonment, that willful breach or disobedience of the Court order will be viewed seriously,
- f. and more importantly, the Court has to consider whether civil imprisonment is an effective way to prevent a further breach,
- g. the timing of the apology if any, tendered by the contemnor, the tenor and tone of the language used in the affidavit tendering the apology,
- h. the compliance if any, made to undo the disobedience or breach complained,
- i. to an extent, the educational qualifications/ positions of the contemnor and whether the acts committed by the contemnor make mockery of the Court order.

Further, the High Court also makes it clear that the criteria mentioned above are not exhaustive but are illustrative and this Court is not saying that all the criteria have to be satisfied before ordering attachment of the property or civil imprisonment of the contemnor. After considering the aforementioned factors or circumstances, if the Court is of the view, that the evidence led before it warrants civil imprisonment, then the Court can impose civil imprisonment on the contemnor for such duration not exceeding three months. Again, the duration of civil imprisonment depends on the circumstances referred to above.

For details:

<https://indiankanoon.org/doc/27620104/>

21.07.2023	Swornalata Dash (Petitioner) Vs. State of Odisha and Others (Opposite Parties)	High Court of Orissa W.P.(C) No.620 OF 2015 (An application under Articles 226 and 227 of the Constitution of India)
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Maternity Leave Cannot Be Compared or Equated with Any Other Leave as it is the Inherent Right of Every Woman Employee

The Hon'ble High Court in the above-mentioned case inter alia observed that maternity leave cannot be compared or equated with any other leave as it is the inherent right of every woman employee which cannot simply be denied on technical grounds. It would be preposterous to hold otherwise as it would militate against the very process designed by nature. If a woman employee is denied this basic human right it would be an assault on her dignity as an individual and thereby offend her fundamental right to life guaranteed under Article-21 of the Constitution, which has been interpreted to mean life with dignity. In this context, the following observations of the Apex Court in the case of *Municipal Corporation of Delhi v. Female Workers (Muster Roll)* and another (*supra*) are highly relevant; *"A just social order can be achieved only when inequalities are obliterated and everyone is provided what is legally due. Women who constitute almost half of the segment of our society have to be honoured and treated with dignity at places where they work to earn their livelihood. Whatever be the nature of their duties, their avocation and the place where they work; they must be provided all the facilities to which they are entitled. To become a mother is the most natural phenomena in the life of a woman. Whatever is needed to facilitate the birth of child to a woman who is in service, the employer has to be considerate and sympathetic towards her and must realise the physical difficulties which a working woman would face in performing her duties at the work place while carrying a baby in the womb or while rearing up the child after birth. The Maternity Benefit Act, 1961 aims to provide all these facilities to a working woman in a dignified manner so that she may overcome the state of motherhood honourably, peaceably, undeterred by the fear of being victimised for forced absence during the pre or post-natal period."*

July 26, 2023	<i>Shrikant Ishwar Mendke (Informant) And Insurance Regulatory and Development Authority of India and Indian Institute of Insurance Surveyors and Loss Assessors (Opposite Parties)</i>	<i>Competition Commission of India Case No. 15 of 2023</i>
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Statutory Functions of IRDAI are not within the jurisdiction of the Competition Commission of India (CCI)

Hon'ble CCI in its Order under Section 26(2) of the Competition Act, 2002 inter alia observed that IRDAI is a statutory body created under the IRDAI Act, 1999 and IISLA is a body promoted by IRDAI in the discharge of its functions under Section 14(2) (k) of the IRDAI Act, 1999. Further, membership of IISLA has been made mandatory by IRDAI for grant and renewal of licences for Surveyors and Loss Assessors. Such functions, being regulatory in nature, are not per se amenable within the jurisdiction of the Commission as held by the Hon'ble Delhi High Court in its judgment dated 02.06.2023 in the case of Institute of Chartered Accountants of India v.

Competition Commission of India & Ors. The relevant extracts of the decision are as follows:

“55..... The statutory authority, which is vested with the regulatory powers can alone exercise such powers. The Competition Act does not contemplate the CCI to act as an appellate court or a grievance redressal forum against such decisions, which are taken by other regulators, in exercise of their statutory powers and are not interfaced with trade or commerce. A statutory body may in course of its functions, also make decisions which involve trade and commerce. As an illustration, the concerned body may purchase equipment and consumables or avail services of professionals. There is no cavil that any decision in this regard may, if it falls foul of the provisions of the Competition Act, be examined by the CCI.”

“62. It is relevant to state that there are several statutory corporations and bodies, which are constituted under legislative enactments and are charged with specific functions. Some of them may also involve providing of services. If those economic activities are not a part of its regulatory functions, the same would obviously be subject to scrutiny by the CCI. However, a decision in exercise of regulatory powers, is required to be taken by the regulator and its discretion to do so can only be fettered by the provisions of the statute, which clothes the regulator with such powers. The regulatory powers are not subject to review by the CCI.”

“66. It is important to note that the CCI's power is for regulating of markets; it does not extend to addressing any grievance regarding arbitrary action by any statutory authority....” Resultantly, the Commission is of the opinion that the alleged anti-competitive conduct by the Opposite Parties are outside the ambit of the provisions of the Act and no case of contravention of the provisions of the Act is made out. The Information filed is directed to be closed forthwith in terms of the provisions of Section 26(2) of the Act. Consequently, no case for grant of relief(s) as sought under Section 33 of the Act arises and the prayer for the same is also rejected.

For details:

<https://www.cci.gov.in/antitrust/orders/details/1080/0>

August 8, 2023.	M/S. Isnar Aqua Farms (Appellant) Vs. United India Insurance Co. Ltd (Respondent)	Supreme Court of India Civil Appellate Jurisdiction Civil Appeal No. 1077 of 2013
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It is the fundamental principle of insurance law that utmost good faith must be observed by the contracting parties.

The Hon'ble Apex Court noted that in *General Assurance Society Limited Vs. Chandumull Jain and another* [AIR 1966 SC 1644], a Constitution Bench had observed, in the context of the insured, that uberrima fides, i.e., good faith, is the requirement in a contract of insurance. More recently, in *Jacob Punnen and another Vs. United India Insurance Company Limited* [(2022) 3 SCC 655], this Court affirmed and reiterated the edict laid down earlier in *Modern Insulators Limited Vs. Oriental Insurance Company Limited* [(2000) 2 SCC 734], that it is the fundamental principle of insurance law that utmost good faith must be observed by the contracting parties; that good faith forbids either party from non-disclosure of the facts which the party knows; and that the insured has a duty to disclose and similarly it is the duty of the insurance company to disclose all material facts within their knowledge since the obligation of good faith applies to both equally. This obligation and duty would rest on both parties not only at the inception of the contract of insurance but throughout its existence and even thereafter. ".....Merely because the contents thereof were not to its liking, the insurance company could not have ignored the same and swept it under the carpet. More so, as such certification was being made by impartial and independent bodies of significant stature and that, perhaps, was precisely the reason why the insurance company had attached such importance to it in its norms. In any event, it is not open to an insurance company to ignore or fail to act upon a certificate or document that it had itself called for from independent and impartial authorities, subject to just exceptions, merely because it is averse to it or to its detriment. Having undertaken to indemnify an insured against possible loss in specified situations, an insurance company is expected to make good on its promise in a bonafide and fair manner and not just care for and cater to its own profits..... .”

For details:

https://main.sci.gov.in/supremecourt/2011/28249/28249_2011_3_1501_46051_Judgement_08-Aug-2023.pdf

August 03, 2023	Ashok Shewakramani & Ors {Appellant(s)} Vs. State of Andhra Pradesh & Anr {Respondent(S)} With Criminal Appeal Nos. 884, 882, 880, 881 and 883 of 2023	Supreme Court of India Criminal Appellate Jurisdiction Criminal Appeal No.879 OF 2023
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On a plain reading of Section 141(1) of Negotiable Instrument Act, it is apparent that the words "was in charge of" and "was responsible to the company for the conduct of the business of the company" cannot be read disjunctively.

The Hon'ble Supreme Court inter alia observed that section 141 is an exception to the normal rule that there cannot be any vicarious liability when it comes to a penal provision. The vicarious liability is attracted when the ingredients of sub-section 1 of Section 141 are satisfied. The Section provides that every person who at the time the offence was committed was in charge of, and was responsible to the Company for the conduct of business of the company, as well as the company shall be deemed to be guilty of the offence under Section 138 of the NI Act.

Sub-section 1 of Section 141 reads thus: "141. Offences by companies.- (1) If the person committing an offence under section 138 is a company, every person who, at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:....." Further, Apex Court observed that on a plain reading, it is apparent that the words "was in charge of" and "was responsible to the company for the conduct of the business of the company" cannot be read disjunctively and the same ought be read conjunctively in view of use of the word "and" in between.

For details:

https://main.sci.gov.in/supremecourt/2017/12240/12240_2017_7_103_45644_Judgement_03-Aug-2023.pdf

Order dated July 27th, 2023	M/S J.P. Lights India (Appellant) Vs. The Regional Director E.S.I. Corporation, Bangalore (Respondent)	Supreme Court of India Civil Appeal No. 2527 of 2012
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Business of Selling Electrical Goods in a Shop is a “Factory” under ESI Act.

In the above case the Hon’ble Supreme Court inter alia observed that it is apparent from a perusal of the definition of the word “Factory”, as used in the ESI Act that it means any premises including precincts wherein ten or more persons are employed or were employed on any day of the preceding twelve months, and in any part of which a manufacturing process was being carried out or ordinarily so carried out, with an exception of a mine or a railway running shed. Section 2(14AA) of the ESI Act defines the expression “manufacturing process” as one, defined under the Factories Act, 1948. The said Act defines the expression “manufacturing process” under Section 2(k) that is sub-divided into six sub-heads. For the purposes of the present case, Section 2(k)(i) is relevant which makes it clear that a “manufacturing process” may include ‘any process amongst others for altering or repairing or treating/adapting any article for its use or disposal’.

In the instant case, the appellant-firm is in the business of selling electrical goods in a shop. Admittedly, the shop premises is used not only for selling goods, but also to service electrical goods. That being the position, it is clear that the appellant firm falls under the definition of a “Factory” and is using a “manufacturing process”, as contemplated under both the Statutes. The appellant-firm is an establishment that has been using electrical energy for the sale and repair of electrical goods at its premises by using “power” as has been defined under Section 2(15)(C) of the ESI Act, which again takes us back to the Factories Act, 1948, where the definition of “power” has been spelt out in Section 2(g) and the meaning ascribed to the said word is ‘electrical energy, or any other form of energy which is mechanically transmitted and is not generated by human or animal agency’. The observations made in the impugned judgment to the same effect, are based on the provisions of the relevant Statutes and are therefore, upheld.

July 13, 2023	<i>Telefonaktiebolaget LM Ericsson (PUBL) vs. Competition Commission of India & Anr</i>	High Court of Delhi W.P.(C) 8379/2015
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When a patent is issued in India, and the patentee asserts rights, can the Competition Commission of India (CCI) inquire into the actions of such patentee in exercise of its powers under the Competition Act, 2002?

The Hon'ble High Court inter alia observed that in our opinion, Chapter XVI of the Patents Act is a complete code in itself on all issues pertaining to unreasonable conditions in agreements of licensing of patents, abuse of status as a patentee, inquiry in respect thereof and relief that is to be granted therefor.

In reconciling the two statutes, the subject matter that is in focus is not merely anticompetitive agreements and abuse of dominant position, which both the Patents Act (in Chapter XVI) and the Competition Act (in Sections 3 and 4) deal with. The subject matter that is relevant for this assessment is anti-competitive agreements and abuse of dominant position by a patentee in exercise of their rights under the Patents Act.

On this issue, there is no scope of doubt beyond the pale of doubt that the Patents Act is the special statute, and not the Competition Act. It is also a fact that Chapter XVI of the Patents Act is a subsequent legislation as compared to the Competition Act.

Therefore, when assessed, by the maxim *generalalia specialibus non derogant* or by the maxim *lex posterior derogat priori*, the Patents Act must prevail over the Competition Act on the issue of exercise of rights by a patentee under the Patents Act. Even assessed by the rigours of *Ashoka Marketing Ltd & Anr. v. PNB & Ors.*, (1990) 4 SCC 406, which require the conflict to be resolved by reference to the purpose and policy underlying the two enactments and the clear intendment conveyed by the language of the relevant provisions therein, the Patents Act must necessarily prevail over that of the Competition Act.

Terminologies

Info Capsule Series 17

Biomimicry

Biomimicry is the emulation of natural processes or structures to address specific human challenges. For example, termite mounds inspired architectural design of passive cooling structures or the hooks on some plant seeds inspired the creation of Velcro.

Carbon token: A digital asset governed by a smart contract on a blockchain that represents a real-world reduction in one metric ton of carbon dioxide emissions. The asset exists to verify ownership and to simplify the carbon credit trading process.

Climate change mitigation

Climate change mitigation refers to efforts aimed at reducing or preventing greenhouse gas (GHG) emissions to limit global warming and its harmful effects on the environment and society.

Climate Change Mitigation

It refers to efforts to reduce or prevent the emission of greenhouse gases. Mitigation can mean using new technologies and renewable energies, making older equipment more energy efficient, or changing management practices or consumer behaviour. It can be as complex as a plan for a new city, or as simple as improvements to a cookstove design. Efforts underway around the world range from high-tech subway systems to bicycling paths and walkways.

Cognitive diversity

It is the inclusion of people who have different styles of problem-solving and can offer unique perspectives because they think differently.

Coase theorem

A concept, developed by Ronald Coase that deals with externalities. Coase thinks of the problem in terms of conflicting property rights such as the right of a factory to operate noisy machinery and the right of its neighbours to enjoy peace and quiet. If property rights are clearly delineated then, in the absence of transaction costs, bargaining should lead to an efficient outcome, such as the factory compensating its neighbours for the noise.

Controlled Variable

A controlled variable is one which the scientist holds constant (controls) during an experiment. Thus we also know the controlled variable as a constant variable or sometimes as a “control” only. However, the control variable is not part of an experiment, but it is important because it can have an effect on the results.

Difference between a social enterprise, B corp and public benefit corporation:

Social enterprise refers to a business model, B Corp refers to a certification and public benefit corporation refers to a legal incorporation type. Social enterprises, B Corps and public benefit corporations are not mutually exclusive entities - an organization can be all three if they marry a social mission with a market approach, successfully complete the B Labs certification and incorporate as a public benefit corporation in their state. In the same vein, an organization can be a social enterprise but not necessarily a B Corp or public benefit corporation, and vice versa.

Digital sobriety

Digital sobriety aims to limit the harmful environmental impact of smartphones, internet usage, digital media and other tech in large and small ways on a daily basis. Moving toward digital sobriety includes a wide range of actions that is buying fewer devices, deleting emails, opting for lower-definition media consumption, sustainably developing software and buying less-powerful machines.

Escalation

The process through which investors can apply increasing levels of pressure on companies. Takes place beyond initial engagement but prior to divestment. Escalation efforts must be credible, being seen as potential precursors to the ultimate sanction of divestment.

Financed Emissions

Financed emissions are GHG emissions that are indirectly generated as a result of investments and loans. The GHG Protocol categorizes financed emissions as "investments" in scope 3, category 15. For example, when an investor finances an oil and gas company, they are indirectly supporting that company's operations and subsequent emissions.

Fugitive Emissions

Emissions that are not physically controlled but result from the intentional or unintentional releases of GHGs. They commonly arise from the production, processing, transmission, storage, and use of fuels and other chemicals, often through joints, seals, packing, gaskets, etc.

GRESB - Global Real Estate Sustainability Benchmark: A benchmarking organization that assesses the sustainability performance of real estate portfolios and assets worldwide. The GRESB benchmark provides a comprehensive and standardized assessment of ESG practices in the real estate sector and helps real estate companies to improve their sustainability performance.

GAR - Green Asset Ratio

EU credit institutions are required to disclose what proportion of the assets in their banking book are aligned to the EU Taxonomy, which is also referred to as their Green Asset Ratio or GAR. The GAR is a ratio that shows EU Taxonomy-aligned financial assets as a percentage of a lender's banking book.

Responsible sourcing

Responsible sourcing is a voluntary corporate commitment to actively consider environmental and social matters when managing supplier relationships. This process often involves extensive supply chain due diligence and constructing appropriate policies and assessments for suppliers.

Vigeo Eiris

Vigeo Eiris provides Environmental, Social and Governance (ESG) research, ratings, and data to institutional investors and companies. Since 2019, the agency operates as a business unit of Moody's Corporation. As part of the ESG Assessment, Vigeo Eiris analyzes companies' ESG performance, identify risks and opportunities, and screens controversies.

Motto

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"To develop high calibre professionals facilitating good corporate governance"



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