

Info Capsule

Thursday
July 01, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ International Business News

World Bank approves USD 500 million loan to support India's informal working class amid pandemic (June 30, 2021)

World Bank on Wednesday, June 30, 2021 said it has approved a USD 500 million (about Rs. 3,717.28 crore) loan programme to support India's informal working class to overcome the current pandemic distress. The loan will create greater flexibility for states to cope with the ongoing pandemic, future climate and disaster shocks, World Bank said in a statement.

For details:

<https://economictimes.indiatimes.com/news/economy/finance/world-bank-approves-usd-500-million-loan-to-support-indias-informal-working-class-amid-pandemic/articleshow/8398701.cms>



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Securities Laws & Capital Market

SEBI Circular

Relaxation in timelines for compliance with regulatory requirements (June 30, 2021)

In view of the prevailing situation due to Covid-19 pandemic and representation received from Stock Exchanges, SEBI has been decided to extend the timelines for compliance with the following regulatory requirements by the Trading Members / Clearing Members/ KYC Registration Agencies, as under:

S. No.	Submission/ Compliance	Current timeline / Period of exclusion	Proposed timeline / Period of exclusion
1.	Maintaining call recordings of orders/ instructions received from clients	Till June 30, 2021	Till July 31, 2021
2.	Client Funding Reporting		
3.	To operate the trading terminals from designated alternate locations		
4.	KYC application form and supporting documents of the clients to be uploaded on system of KRA within 10 working days	Till June 30, 2021, documents may be uploaded on to the system of KRA within 15 working days. *A 30-day time period is provided to SEBI Registered Intermediary after June 30, 2021 to clear the backlog.	Till July 31, 2021, documents may be uploaded on to the system of KRA within 15 working days. *A 30-day time period is provided to SEBI Registered Intermediary after July 31, 2021 to clear the backlog.
5.	Issue of Annual Global Statement to clients	Till June 30, 2021. *Relaxation is provided only if the client has requested for a physical statement.	Till July 31, 2021. *Relaxation is provided only if the client has requested for a physical statement.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/relaxation-in-timelines-for-compliance-with-regulatory-requirements_50801.html

SEBI News

Promoters of over 500 listed firms lose monopoly over independent directors (July 01, 2021)

Promoters of more than 500 companies will no longer be the sole judge on independent director appointments. The Securities and Exchange Board of India has said that appointments will need a special resolution. This means that the voting threshold in favour of the appointment will now be 75 per cent.

For details:

https://www.business-standard.com/article/companies/promoters-of-over-500-listed-firms-lose-monopoly-over-independent-directors-121063001755_1.html

❖ Direct Tax

Guidelines under section 194Q of the Income-tax Act, 1961 [Circular No. 13 Dated June 30, 2021]

The Finance Act, 2021 inserted a new section 194Q in the Income-tax Act 1961 which takes effect from 1st July, 2021. It applies to any buyer who is responsible for paying any sum to any resident seller for the purchase of any goods of the value or aggregate of value exceeding fifty lakh rupees in any previous year. The buyer, at the time of credit of such sum to the account of the seller or at the time of payment, whichever is earlier, is required to deduct an amount equal to 0.1% of such sum exceeding fifty lakh rupees as income tax.

It has been represented that there are practical difficulties in implementing the provisions of Tax Deduction at Source (TDS) contained in section 194-Q of the Act. Accordingly, the CBDT issued guidelines which, at some places have also tried to remove difficulties in implementing the provisions of section 194-O and sub-section (IH) of section 206C of the Act using power contained in sub-section (4) of section 194-O of the Act and sub-section (1-I) of section 206C of the Act.

For details:

https://www.incometaxindia.gov.in/communications/circular/circular_13_2021.pdf

❖ Market Watch

Stock Market Indices as on 01.07.2021	
S & P BSE Sensex	52318.60 (-164.11)
Nifty 50	15680.00 (-41.50)

Foreign Exchange Rates as on 30.06.2021 (https://www.geojit.com/currency-futures/rbi-reference-rate)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.13	88.24	102.66	0.67

❖ *Indirect Taxes*

Goods and Services Tax updates

- **On the eve of completion of 4 years of the GST, CBIC to honour the tax payers contributing to the GST success story (June 30, 2021)**

GST is a historic tax reform introduced on the 1st of July 2017. Over the years there has been a reduction in the tax rates, simplification of procedures and a growing economy has also led to an exponential increase in the tax base. GST revenues have steadily grown and have been above the 1 lakh crore mark for eight consecutive months in a row. On the eve of completion of 4 years of the GST, it has been decided to honour the tax payers who have been a part of the GST success story.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1731542>

Customs

- **Implementation of the Sea Cargo Manifest and Transshipment Regulations - Circular No. 12/2021- Customs (June 30, 2021)**

The Sea Cargo Manifest and Transshipment Regulations (SCMTR), 2018 seek to bring about transparency, predictability of movement, advance collection of information for expeditious clearance and supersedes the earlier regulations viz. Import Manifest (Vessels) Regulations, 1971 and Export Manifest (Vessels) Regulation, 1976. The Regulations stipulate for advance notice by authorized carriers for goods arriving in or being exported out of India through gateway seaports and further movement between Customs stations. They stipulate the obligations, roles and responsibilities for the various stakeholders involved in movement of imported/export goods.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-12-2021.pdf>

❖ *Terminology for today*

Autonomous Investment

Autonomous investment is the level of investment independent of national output. This includes Government investment, investment to replace worn out capital and any other type of investment that is not dependent on change in Goal.

❖ **Banking and Insurance**

- **HDFC Bank hit by RBI ban on new credit cards sale; says, will come back 'with a bang' once embargo lifted (June 30, 2021)**

The RBI's ban on selling new credit cards has impacted market share on an incremental basis, HDFC Bank said on June 30, 2021, promising to get back to the market "with a bang" once the "temporal" embargo is lifted and recoup the losses.

For details:

<https://www.financialexpress.com/industry/banking-finance/hdfc-bank-hit-by-rbi-ban-on-new-credit-cards-sale-says-will-come-back-with-a-bang-once-embargo-lifted/2281253/>

- **Microfinance loan portfolio grows 11.9% to Rs. 2,59,377 crore as on March-end: MFIN (June 30, 2021)**

The overall microfinance industry's Gross Loan Portfolio (GLP) surged by 11.9 per cent to Rs. 2,59,377 crore as on March 31, 2021 from Rs. 2,31,787 crore as on March 31, 2020, says a report. The growth was driven by an addition of 4 lakh borrowers during the pandemic-struck 12-month period ending March 2021, according to a report Micrometer, released by Microfinance Institutions Network (MFIN).

For details:

<https://www.financialexpress.com/industry/banking-finance/microfinance-loan-portfolio-grows-11-9-to-rs-259377-cr-as-on-march-end-mfin/2281173/>

- **Wilful defaults fall marginally in pandemic-hit FY21: TransUnion CIBIL data (June 30, 2021)**

The pandemic year saw a marginal fall in the number of cases marked as wilful defaulters by banks, with a 1.90 per cent reduction in the amount outstanding from such borrowers at Rs. 2.11 lakh crore at the end of 2020-21, according to data released by TransUnion CIBIL.

For details:

https://www.business-standard.com/article/finance/wilful-defaults-fall-marginally-in-pandemic-hit-fy21-transunion-cibil-data-121063001762_1.html

- **S&P: 'Indian banks face systemic risk' (July 1, 2021)**

Indian banks face a systemic risk as the second Covid-19 pandemic wave will impair the performance of financial institutions in the April-September period of fiscal 2021-22, S&P Global Ratings said.

For details:

<https://indianexpress.com/article/business/banking-and-finance/sp-indian-banks-face-systemic-risk-7383479/>

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082116

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