

Info Capsule

Monday
July 04, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

SEBI News

- **SEBI's sustainability reporting rule ups demand for ESG tools (July 04, 2022)**

With the Securities and Exchange Board of India (SEBI) mandating sustainability reporting for top listed entities, accounting and enterprise software companies have seen a rise in demand for their Environmental, Social and Governance-related (ESG) solutions. The capital markets regulator has made business responsibility and sustainability reporting (BRSR) compulsory for the top 1,000 listed firms by market capitalization from 2022-23.

For details:

<https://green-reporter.com/sebis-sustainability-reporting-rule-ups-demand-for-esg-tools/>



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❖ **Securities Laws & Capital Markets**

- **SEBI fines PGIM AMC, its CEO, fund managers for inter-scheme transfers during credit crisis (July 02, 2022)**

The national markets watchdog Securities and Exchange Board of India (SEBI) has found PGIM Asset Management Co Ltd, ranked 23rd among Indian fund houses with assets of nearly Rs. 17,000 crore, guilty of unfair inter-scheme transfers that put investors of some of its closed-end funds at a disadvantage. SEBI fined the AMC a sum of Rs 25 lakh. The SEBI order found PGIM AMC guilty of transferring good quality securities from its closed-end funds to open-ended funds, while transferring stressed securities from open-ended schemes to closed-end schemes.

For details:

<https://www.moneycontrol.com/news/business/personal-finance/sebi-fines-pgim-amc-its-ceo-fund-managers-for-inter-scheme-transfers-during-credit-crisis-8769171.html>

- **SEBI levies Rs 11-crore fine on eight entities in algo software case (July 01, 2022)**

The Securities and Exchange Board of India (SEBI) imposed a penalty of Rs 11 crore on eight entities for violation of corporate governance and wrongful sharing of data by the National Stock Exchange (NSE) for development of software on algorithm trading. The case dates back to a period between 2009 and 2016 when the exchange engaged with academician Ajay Shah and Infotech Financial Services. It has been alleged that Shah and Infotech used confidential and sensitive data of NSE for the purpose of developing algorithmic trading software and sale of the same to market participants to deal in the securities market.

For details:

https://www.business-standard.com/article/companies/sebi-levies-rs-11-crore-fine-on-eight-entities-in-algo-software-case-122070100031_1.html

❖ **Indirect Tax**

Goods & Services Tax

Group of Ministers may not tweak 28% GST on online gaming, casinos (July 04, 2022)

The Group of Ministers (GoM) reviewing the goods and services tax slabs for online gaming, horse racing and casinos is unlikely to tweak the 28% rate recommended for these activities. The GST Council has given the GoM, headed by Meghalaya Chief Minister Conrad Sangma, time till July 15 to review its proposals.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/group-of-ministers-may-not-tweak-28-gst-on-online-gaming-casinos/articleshow/92641452.cms>

❖ **IFSCA**

Regulatory framework for Angel Funds to facilitate investments in start-ups (July 1, 2022)

The International Financial Services Centres Authority (IFSCA), had notified the IFSCA (Fund Management) Regulations, 2022 in April 2022 enabling the regulatory framework for various activities related to fund management including schemes for investing in earlystage venture capital undertaking (start-ups).

Angel Funds bridge the gap between start-ups and angel investors, who are instrumental in providing mentoring, and resources to the start-ups. In recognition of the same, IFSCA has now issued a framework for Angel funds under the IFSCA (Fund Management) Regulations, 2022.

For details:

<https://ifsc.gov.in/Viewer/Index/318>

<https://ifsc.gov.in/Viewer/PressReleases/317>

Market Watch

Stock Market Indices as on 04.07.2022

S & P BSE Sensex	53234.77 (+326.84)
Nifty 50	15835.35 (+83.30)

Foreign Exchange Rates as on 01.07.2022

(<https://www.geojit.com/currency-futures>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
78.81	82.25	95.25	0.58

❖ **Banking and Insurance**

• **Banking frauds of over Rs. 100 crore see significant decline in FY'22 (July 03, 2022)**

Frauds in the banking sector involving sums of over Rs. 100 crore have declined significantly, with banks reporting cases worth Rs. 41,000 crore in 2021-22 compared to Rs. 1.05 lakh crore in the previous year. According to official data, the number of fraud cases in private as well as public sector banks dropped to 118 in FY22 from 265 in 2020-21.

For details:

<https://www.financialexpress.com/industry/banking-finance/banking-frauds-of-over-rs-100-cr-see-significant-decline-in-fy22/2580901/>

• **Proposed HDFC-Bank merger receives stock exchanges' clearance (July 04, 2022)**

The proposed merger of HDFC Bank and its parent firm HDFC is another step closer to its amalgamation as the proposal has been accepted by stock exchanges National Stock Exchange and Bombay Stock Exchange, while noting that they have "no objection". However, the amalgamation scheme remains subject to various statutory and regulatory approvals, including approvals from the Competition Commission of India, Reserve Bank of India, the National Company Law Tribunal and the respective shareholders and creditors of the companies.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/proposed-hdfc-bank-merger-receives-stock-exchanges-clearance/articleshow/92642780.cms>

❖ **International Business News**

Focus on districts as export hubs (July 04, 2022)

The districts as export hubs scheme will be part of the new five-year foreign trade policy (FTP), which is likely to be released before September. The district scheme is also aimed at job creation, a commerce ministry official said.

The directorate general of foreign trade (DGFT), the commerce ministry's arm which is formulating the policy, will soon send the proposal to the finance ministry for seeking funds for the scheme. Under the scheme, the aim is to initially focus on 50 districts, which have products that are scalable and hold huge export potential, the official said.

For details:

<https://www.telegraphindia.com/business/focus-on-districts-as-export-hubs/cid/1873022>

❖ *Business and Economic News*

Home ministry amends FCRA rules; gives more time to declare funds (July 4, 2022)

The ministry of home affairs (MHA) on Friday, July 1, 2022 amended foreign funding rules giving certain relaxations such as allowing relatives to send more money under the Foreign Contribution Regulation Act (FCRA) and giving more time to the organisations to inform the government about opening of bank accounts for utilization of funds received under 'registration' or 'prior permission' category.

The amended rule now allows relatives to send ₹10 lakhs without informing the government. If the amount exceeds, the individuals will now have three months to inform the government against 30-days earlier.

For details:

<https://www.hindustantimes.com/india-news/home-ministry-amends-fcra-rules-gives-more-time-to-declare-funds-101656755200643.html>

<https://egazette.nic.in/WriteReadData/2022/236981.pdf>

❖ *Terminology for today*

Gig Economy

In a gig economy, temporary, flexible jobs are commonplace and companies tend to hire independent contractors and freelancers instead of full-time employees. A gig economy undermines the traditional economy of full-time workers who often focus on their career development.

Prepared by Directorate of Academics

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