

# Info Capsule

Wednesday  
August 04, 2021

**President : CS Nagendra D. Rao**

**Vice President : CS Devendra V. Deshpande**

## ❖ **Business and Economic News**

### **Efficient distribution sector essential for improving ease of doing business: Niti Aayog VC Rajiv Kumar**

Releasing a report titled 'Turning Around the Power Distribution Sector', Kumar said the report examines many important reforms such as the role of the private sector in distribution, power procurement, regulatory oversight, integration of renewable energy, and upgradation of infrastructure.

*For detail:*

<https://www.moneycontrol.com/news/business/economy/efficient-distribution-sector-essential-for-improving-ease-of-doing-business-niti-aayog-vc-rajiv-kumar-7269541.html>

Report on Turning Around the Power Distribution Sector : Learning And Best Practices From Reforms can be accessed on the link:

[http://www.niti.gov.in/sites/default/files/2021-08/Electricity-Distribution-Report\\_030821.pdf](http://www.niti.gov.in/sites/default/files/2021-08/Electricity-Distribution-Report_030821.pdf)



**THE INSTITUTE OF  
Company Secretaries of India**

**भारतीय कम्पनी सचिव संस्थान**

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## ❖ **Latest @ ICSI**

### **Important Decisions taken by the Council of the ICSI at its 278th Meeting held on July 26, 2021 (August 03, 2021)**

Several important decisions were taken by the Council of the ICSI at its 278<sup>th</sup> Meeting held on July 26, 2021 such as:

1. Approval of the amendments to the ICSI Unique Document Identification Number (UDIN) Guidelines, 2019 as under:
  - a) Guideline 3 (b) (xiv)- "Signing of Annual Return in Form MGT-7 through Digital Signature Certificates (DSC) under Section 92(l) of the Companies Act, 2013 and Rule 11(1) of the Companies (Management and Administration) Rules, 2014."
  - b) Addition of second proviso to Guideline 3 (b) (xiv) - "Provided further that the UDIN generated for all e-forms, including Form MGT - 7 shall remain valid for further period of seven days from the effective date of UDIN and the same can be digitally signed by the PCS during those seven days."
2. The Council deliberated the draft ICSI (Formation, Functioning and Regulation of Multi-Disciplinary Firms) Guidelines, 2021 and forwarded its comments to the PCS Committee of the ICSI for further deliberations of the draft guidelines. After deliberations, in the PCS Committee, the draft guidelines be circulated to the Members of the Institute for comments.
3. Approval of the Computer Based Examination (CBE) for CS Foundation Programme through Remote Proctoring Mode, in addition to the existing mode.

*For details:*

[https://www.icsi.edu/media/webmodules/List\\_Important\\_Decisions\\_278th\\_Council\\_Meeting\\_26\\_07\\_2021.pdf](https://www.icsi.edu/media/webmodules/List_Important_Decisions_278th_Council_Meeting_26_07_2021.pdf)

## ❖ **Securities Laws & Capital Market**

### **SEBI Notifications (August 03, 2021)**

#### • **SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021**

SEBI vide its notification dated August 03, 2021, amends the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which shall come into force on the date of their publication in the Official Gazette. The amendments, inter alia, include the following:

- Appointment / Re-appointment and Removal of Independent Directors (IDs) shall be through a special resolution of shareholders for all listed entities.
- Shareholder approval for appointment of a person on the Board of Directors shall be taken at the next general meeting, or within three months of the appointment on the Board, whichever is earlier.
- The composition of Nomination and remuneration committee has been modified to include 2/3<sup>rd</sup> IDs instead of existing requirement of majority of IDs.
- At least 2/3<sup>rd</sup> of the members of the audit committee shall be independent directors and all related party transactions shall be approved by only independent directors on the Audit Committee.
- The requirement of undertaking Directors and Officers insurance has been extended to the top 1000 companies (by market capitalization) with effect from January 01, 2022.

*For details:*

<https://egazette.nic.in/WriteReadData/2021/228705.pdf>

#### • **SEBI (Credit Rating Agencies) (Amendment) Regulations, 2021**

SEBI vide its notification dated August 03, 2021, amends the provisions of SEBI (Credit Rating Agencies) Regulations, 1999, which shall come into force on the date of their publication in the Official Gazette. The amendment define a Credit Rating Agency (CRA) in terms of rating of securities that are listed or proposed to be listed on a recognized stock exchange, and to provide for an explanation in clause (f) of Regulation 9 specifying that ratings undertaken by a CRA under the respective guidelines of a financial sector regulator or authority shall be under the purview of the respective financial sector regulator or authority.

*For details:*

<https://egazette.nic.in/WriteReadData/2021/228699.pdf>

**SEBI Circular****Permitting non-scheduled Payments Banks to register as Bankers to an Issue (August 03, 2021)**

Non-scheduled Payments Banks, which have prior approval from Reserve Bank of India, shall be eligible to act as a Bankers to an Issue (BTI) subject to fulfilment of the conditions stipulated in the BTI Regulations. Further, Payments Banks registered as a BTI shall also be permitted to act as a Self-Certified Syndicate Bank subject to the fulfilment of the criteria laid down by the SEBI. The blocking / movement of funds from the investor to issuer shall only be made through the savings account of the investor held with the payments bank.

*For details:*

[https://www.sebi.gov.in/legal/circulars/aug-2021/permitting-non-scheduled-payments-banks-to-register-as-bankers-to-an-issue\\_51595.html](https://www.sebi.gov.in/legal/circulars/aug-2021/permitting-non-scheduled-payments-banks-to-register-as-bankers-to-an-issue_51595.html)

**SEBI News****SEBI panel to study IPO books, Byju's sets US targets (August 04, 2021)**

An expert group set up by India's market regulator will look at initial public offering pricing process and suggest changes. Online tutor Byju's, which recently acquired three new firms, aims to generate 25% of its revenues from the US. The SEBI has set up an expert group to suggest tweaks to the initial public offering (IPO) pricing process after the market regulator observed several shortcomings in the existing procedure.

*For details:*

[https://www.business-standard.com/article/current-affairs/top-headlines-sebi-panel-to-examine-ipo-book-building-ibc-losing-favour-121080400153\\_1.html](https://www.business-standard.com/article/current-affairs/top-headlines-sebi-panel-to-examine-ipo-book-building-ibc-losing-favour-121080400153_1.html)

**❖ Market Watch**

<b>Stock Market Indices as on 04.08.2021</b>	
S & P BSE Sensex	54369.77 (+546.41)
Nifty 50	16258.80 (+128.05)

<b>Foreign Exchange Rates as on 03.08.2021</b> <i>(<a href="https://www.geojit.com/currency-futures/rbi-reference-rate.aspx">https://www.geojit.com/currency-futures/rbi-reference-rate.aspx</a>)</i>			
<b>INR / 1 USD</b>	<b>INR / 1 EUR</b>	<b>INR / 1 GBP</b>	<b>INR / 1 JPY</b>
74.21	88.12	103.13	0.68

## ❖ **Direct Tax**

### • **Extension of time lines for electronic filing of various Forms under the Income-tax Act, 1961 (Circular No. 15 dated August 03, 2021)**

On consideration of difficulties reported by the taxpayers and other stakeholders in electronic filing of certain Forms under the provisions of the Income-tax Act, 1961 (Act) read with Income-tax Rules, 1962 (Rules), the Central Board of Direct Taxes (CBDT), in exercise of its powers under Section 119 of the Act, extends the due dates for electronic filing of such Forms as under:

<i>Sr. No.</i>	<i>Details</i>	<i>Form</i>	<i>Extended Due Date</i>
1.	Quarterly Remittances Statement (Quarter ending June 30, 2021)	Form 15CC	August 31, 2021
2.	Annual Equalization Levy Statement FY 2020-21	Form 1	August 31, 2021
3.	Statement of Income Paid to Unitholders by Investment Fund PY 2020-21	Form 64D	September 15, 2021
4.	Statement of Income Paid to Unitholders by Investment Fund PY 2020-21	Form 64C	September 30, 2021
5.	Quarterly Intimation of Investments made in India by a Pension Fund (Quarter ending June 30, 2021)	Form 10BBB	September 30, 2021
6.	Quarterly Intimation of Investments made in India by a Sovereign Wealth Fund (Quarter ending June 30, 2021)	Form II SWF	September 30, 2021

*For details:*

[https://www.incometaxindia.gov.in/communications/circular/circular\\_no\\_15\\_2021.pdf](https://www.incometaxindia.gov.in/communications/circular/circular_no_15_2021.pdf)

❖ **Indirect Tax****Goods and Services Tax**

- **GST authorities recover more than Rs. 1,900 crore in tax evasion in FY 2021-22 (upto June 2021) (August 03, 2021)**

Giving details of total tax evasion detected in GST in last three years, the Minister of State for Finance Shri Pankaj Chaudhary stated:

<i>Period</i>	<i>No. of Cases</i>	<i>Detection (In Rs. Cr.)</i>	<i>Recovery (In Rs. Cr.)</i>
2019-20	10657	40853.27	18464.07
2020-21	12596	49383.96	12235
2021-22 (upto June 21)	1580	7421.27	1920.20

The Minister stated that evasion may be committed intentionally and at times non-payment of tax may happen due to human error. However, no evasion of tax has been reported due to failure in the CBIC back-end system.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1741964>

- **CGST authorities bust input tax credit fraud of more than Rs. 31,000 crore involving more than 7,200 cases in FY 2020-21 (August 03, 2021)**

The Goods and Services Tax authorities have unearthed over Rs. 31,000 crore of tax fraud committed by misuse of Input Tax Credit (ITC) provision under the Goods and Services Tax (GST) regime during the financial year 2020-21 and booked more than 7,200 cases involving fake ITC. This was stated by Union Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in Rajya Sabha on August 03, 2021.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1741939>

❖ **Banking & Insurance**

- **Framework for Outsourcing of Payment and Settlement-related Activities by Payment System Operators (August 03, 2021)**

In order to enable effective management of attendant risks in outsourcing of such activities, it was announced in the Statement on Developmental and Regulatory Policies released with the bi-monthly Monetary Policy Statement 2020-21 on February 05, 2021, that a framework for outsourcing of payment and settlement-related activities by Payment System Operators (PSOs), will be issued by the Reserve Bank of India. Accordingly, a framework for the same is issued by the RBI and the PSOs shall ensure that all their outsourcing arrangements, including the existing ones, are in compliance with this framework by March 31, 2022.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12136&Mode=0>

- **Bill for amendment of General Insurance law passed in Lok Sabha (August 03, 2021)**

Lok Sabha on August 02, 2021 passed a Bill to amend the General Insurance law and allow the government to offload its stake in state run insurance corporations, clearing its first hurdle without discussion as Parliament continued to witness pandemonium. The aim of the bill is to amend the parent Act, The General Insurance Business (Nationalisation) Act, 1972.

### **Amendments to the Bill**

- Proposed amendments to the Bill meant for removing mandatory requirement of Central government holding not less than 51 percent of the equity capital in a specified insurer.
- As per the Bill, amendments had become necessary to attract larger private participation in public sector insurance companies, enhance penetration of insurance sector and to provide social protection by securing interests of policyholders.

*For details:*

<https://www.hindustantimes.com/india-news/lok-sabha-clears-insurance-divestment-bill-101627905806646.html>

### ❖ **Insolvency and Bankruptcy**

- **Rajya Sabha Passes IBC (Amendment) Bill, 2021 to provide quick and cost-effective insolvency resolution process for MSMEs (August 03, 2021)**

Amid Massive uproar by opposition members, the Rajya Sabha on passed the Insolvency and Bankruptcy Code (Amendment) Bill, 2021 which provides a quicker and cost-effective insolvency and resolution process for micro, small and medium enterprises (MSMEs). The Lok Sabha has already passed the Bill thus paving the way for the Bill to become law.

*For details:*

<http://www.uniindia.com/~rajya-sabha-passes-ibc-amendment-bill-2021-to-provide-quick-and-cost-effective-insolvency-resolution-process-for-msmes/Parliament/news/2466873.html>

### **Prepared by Directorate of Academics**

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

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