

# Info Capsule

Tuesday  
October 05, 2021

**President :** CS Nagendra D. Rao

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

## ❖ Latest @ ICSI

**ICSI celebrates its 53<sup>rd</sup> Foundation Day in the august presence of Hon'ble Minister of Finance & Corporate Affairs, Smt. Nirmala Sitharaman (October 04, 2021)**

The ICSI celebrated its 53<sup>rd</sup> Foundation Day on Monday, October 04, 2021, on the theme "Powering Atmanirbhar Bharat through Entrepreneurship and Innovation" at Vigyan Bhawan, New Delhi. Hon'ble Union Minister of Finance & Corporate Affairs, Government of India, Smt. Nirmala Sitharaman, graced the occasion as the Chief Guest.

On this momentous occasion, the Institute launched its 5th Overseas Centre in Australia at the hands of Hon'ble Minister, Smt. Nirmala Sitharaman, reaffirming the progression of the profession and the evolved role of the Institute in global Corporate Governance arena. The Institute also launched a publication, Referencer on SEBI (Share based employee benefit and sweat equity) Regulations 2021.

*For details:*

[https://www.icsi.edu/media/webmodules/PRESS\\_RELEASE\\_53rd\\_Foundation\\_Day\\_Celebration\\_of\\_ICSI.pdf](https://www.icsi.edu/media/webmodules/PRESS_RELEASE_53rd_Foundation_Day_Celebration_of_ICSI.pdf)



**THE INSTITUTE OF  
Company Secretaries of India**  
भारतीय कम्पनी सचिव संस्थान  
IN PURSUIT OF PROFESSIONAL EXCELLENCE  
Statutory body under an Act of Parliament  
(Under the jurisdiction of Ministry of Corporate Affairs)



## ❖ Ministry of Corporate Affairs

**e-booklet - Boost to Ease of Doing Business and Investment in the Country - Decriminalization of offences under the Companies Act, 2013**

The MCA has released e-booklet on Boost to Ease of Doing Business and Investment in the Country - Decriminalization of offences under the Companies Act, 2013 and the same is available on the website for reference of the stakeholders.

*For details:*

<https://www.mca.gov.in/bin/dms/getdocument?mds=nXII AwYIa6uGSNLsmr3CAQ%253D%253D&type=open>

## ❖ Ministry of Finance

**Cases pertaining to 'Pandora Papers' to be investigated (October 4, 2021)**

On 3<sup>rd</sup> October, 2021, the International Consortium of International Journalists (ICIJ) has come out with what is claimed to be a 2.94 terabyte data trove that exposes the offshore secrets of wealthy elites from more than 200 countries and territories. The investigation is based on a leak of confidential records of 14 offshore service providers that give professional services to wealthy individuals and corporations seeking to incorporate shell companies, trusts, foundations and other entities in low or no-tax jurisdictions.

The Government has taken note of these developments. The relevant investigative agencies would undertake investigation in these cases and appropriate action would be taken in such cases as per law.

*For details:*

<https://pib.gov.in/PressReleasePage.aspx?PRID=1760869>

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

### **SEBI Circular**

- **Disclosure of Complaints against the Stock Exchange (s) and the Clearing Corporation (s) (October 4, 2021)**

In order to bring about transparency in the Investor Grievance Redressal Mechanism, all the Stock Exchanges and the Clearing Corporations, with effect from January 01, 2022, shall disclose on their websites, the data on complaints received against them and redressal thereof, latest by 7<sup>th</sup> of succeeding month, as per the format enclosed at Annexure - 'A' to this circular. These disclosure requirements are in addition to those already mandated by SEBI.

*For details:*

[https://www.sebi.gov.in/legal/circulars/oct-2021/disclosure-of-complaints-against-the-stock-exchanges-and-the-clearing-corporations\\_53112.html](https://www.sebi.gov.in/legal/circulars/oct-2021/disclosure-of-complaints-against-the-stock-exchanges-and-the-clearing-corporations_53112.html)

- **Circular on Mutual Funds (October 4, 2021)**

Mutual Fund Distributors ('MFDs'), Investment Advisers ('IAs'), Mutual Fund Utilities ('MFU'), channel partners and other entities including online platforms ('service providers' / 'platforms') are providing services to investors to transact in mutual fund units. It was observed by SEBI that, a few platforms pool the clients' funds into a nodal account and subsequently transfer to AMCs either on per transaction basis or lump sum basis. In this regard, AMCs shall ensure that intermediate pooling of funds or units in any manner by MFDs, IAs, MFU, channel partners or any other service providers / platforms are discontinued for MF transactions. Further, AMCs shall ensure that the transactions (financial/ non-financial) can be executed only if there is a service agreement between the AMC and the service provider / platform.

*For details:*

[https://www.sebi.gov.in/legal/circulars/oct-2021/circular-on-mutual-funds\\_53103.html](https://www.sebi.gov.in/legal/circulars/oct-2021/circular-on-mutual-funds_53103.html)

- **Discontinuation of usage of pool accounts for transactions in units of Mutual Funds on the Stock Exchange Platforms (October 4, 2021)**

Presently, funds or units of the mutual fund schemes move through stock brokers' / clearing members' pool accounts in an aggregate manner to client account or Clearing Corporation/ AMC account. To protect the interest of investors in securities, SEBI has discontinued pooling of funds and/ or units by stock brokers / clearing members in any form or manner for mutual fund transactions from April 01, 2022. It is further clarified that stock brokers / clearing members facilitating mutual fund transactions shall not accept mandates for SIPs or lump sum transactions in their name.

*For details:*

[https://www.sebi.gov.in/legal/circulars/oct-2021/discontinuation-of-usage-of-pool-accounts-for-transactions-in-units-of-mutual-funds-on-the-stock-exchange-platforms\\_53104.html](https://www.sebi.gov.in/legal/circulars/oct-2021/discontinuation-of-usage-of-pool-accounts-for-transactions-in-units-of-mutual-funds-on-the-stock-exchange-platforms_53104.html)

- **Relaxations relating to procedural matters –Issues and Listing (October 01, 2021)**

SEBI issued circular dated May 6, 2020 granting one-time relaxations from strict enforcement of certain regulations of SEBI (ICDR) Regulations, 2018, pertaining to Rights Issue opening up to July 31, 2020. The relaxation mentioned in point (iv) of the said SEBI Circular dated May 06, 2020 is further extended and shall be applicable for Rights Issues opening upto March 31, 2022 provided the issuer along with the Lead Manager(s) shall continue to comply with point (v) of the said SEBI Circular dated May 06, 2020. The issuer along with Lead Manager(s), Registrar, and other recognized intermediaries shall also ensure that the Issuer Company shall conduct a Vulnerability Test for optional mechanism (non-cash mode only) provided to accept the applications in Rights Issue (facility provided by RTA), from an independent IT Auditor, and submit the report to Stock Exchange (s).

*For details:*

[https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi\\_data/attachdocs/oct-2021/1633086281433.pdf#page=1&zoom=page-width,-16,842](https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/oct-2021/1633086281433.pdf#page=1&zoom=page-width,-16,842)

### SEBI News

- **Fraudulent trades: SEBI bars TV anchor, five others from securities markets (October 4, 2021)**

SEBI barred Pradeep Pandya, who was anchoring stock market shows on a television channel, three other individuals and two entities from the securities market for indulging in fraudulent trading activities. Passing an interim order, the regulator also directed impounding Rs 8.4 crore-worth proceeds from the fraudulent trades.

*For details:*

[https://www.business-standard.com/article/markets/fraudulent-trades-sebi-bars-tv-anchor-five-others-from-securities-markets-121100401119\\_1.html](https://www.business-standard.com/article/markets/fraudulent-trades-sebi-bars-tv-anchor-five-others-from-securities-markets-121100401119_1.html)

### ❖ Market Watch

<b>Stock Market Indices as on 05.10.2021</b>	
S & P BSE Sensex	59744.88 (+445.56)
Nifty 50	17822.30 (+131.05)

<b>Foreign Exchange Rates as on 04.10.2021</b> <i>(<a href="https://www.geojit.com/currency-futures/rbi-reference-rate">https://www.geojit.com/currency-futures/rbi-reference-rate</a>)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.25	86.23	100.86	0.67

## ❖ *Indirect Tax*

### *Goods and Services Tax*

#### • **Resumption of Blocking of E-Way Bill (EWB) generation facility (October 04, 2021)**

The blocking of E way bill generation facility had been temporarily suspended by Government on account of Covid pandemic. In terms of Rule 138 E (a) and (b) of the CGST Rules, 2017, the E Way Bill generation facility of a person is liable to be restricted, in case the person fails to file their return in Form GSTR-3B / statement in CMP-08, for consecutive two tax periods or more, whether Monthly or Quarterly.

The blocking of EWB generation facility has now resumed on the EWB portal for all the taxpayers. Going forward, from the tax period August, 2021 onwards, the System will periodically check the status of returns filed in Form GSTR-3B or the statements filed in Form GST CMP-08 as per the regular procedure followed before pandemic, and block the generation of EWBs as per rule.

*For details:*

<https://www.gst.gov.in/newsandupdates/read/507>

## ❖ *Terminology for today*

### **Herfindahl - Hirschman Index (HHI)**

The Herfindahl - Hirschman Index (HHI) is a common measure of market concentration and is used to determine market competitiveness, often pre- and post-merger & acquisition (M&A) transactions.

## ❖ *Banking and Insurance*

#### • **Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas (October 04, 2021)**

Several banks have approached Reserve Bank of India (RBI) to clarify the amount of capital funds that can be raised overseas. The issue has been examined and it is clarified that the “eligible amount” for purpose of issue of PDIs in foreign currency would mean the higher of (a) 1.5% of Risk Weighted Assets (RWAs) and (b) Total Additional Tier 1 capital, as on March 31 of the previous financial year. Not more than 49% of the “eligible amount” as above can be issued in foreign currency and/or in rupee denominated bonds overseas.

*For details:*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12173&Mode=>

- **Reserve Bank of India Appoints an Advisory Committee to advise the Administrator of Srei Infrastructure Finance Limited (SIFL) and Srei Equipment Finance Limited (SEFL) (October 04, 2021)**

The Reserve Bank of India, on October 04, 2021, has superseded the board of directors of SIFL and SEFL and appointed Shri Rajneesh Sharma, ex-Chief General Manager, Bank of Baroda, as the Administrator. The Reserve Bank, has constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties.

*For details:*

[https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=52349](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52349)

- ❖ **Business and Economic News**

- **LIC to file draft IPO papers with Sebi next month (October 03, 2021)**

Country's largest insurer LIC is likely to file draft papers with Sebi by November for the largest IPO in country's history, a finance ministry official has said. "We target to bring the IPO within this fiscal and we have set strict timelines. The DRHP would be filed by November," the official told PTI. The government last month appointed 10 merchant bankers, including Goldman Sachs (India) Securities Pvt Ltd, Citigroup Global Markets India Pvt Ltd and Nomura Financial Advisory and Securities Pvt Ltd, Citigroup Global Markets India Pvt Ltd and Nomura Financial Advisory and Securities (India) Pvt Ltd to manage the mega initial public offering of country's largest insurer LIC.

*For details:*

<https://economictimes.indiatimes.com/markets/ipos/fpos/lic-to-file-draft-ipo-papers-with-sebi-next-month/articleshow/86723087.cms>

- **Gautam Adani seals the largest deal in India's renewable sector with SB Energy buy for \$3.5 billion (October 05, 2021)**

Adani Green Energy Ltd (AGEL) has completed the acquisition of SB Energy India for USD 3.5 billion. It is the largest solar power developer in the world which made SB Energy Holdings Ltd (SB Energy India) its subsidiary with this deal. With this deal, SB Energy India is now a 100 % subsidiary of AGEL. Earlier, it was a 80:20 joint venture between Japan-based SoftBank Group Corp and Bharti Group.

*For details:*

<https://economictimes.indiatimes.com/industry/renewables/gautam-adani-seals-the-largest-deal-in-indias-renewable-sector-with-sb-energy-buy-for-3-5-billion/articleshow/86746686.cms>

## ❖ **Intellectual Property Rights**

### **Cognizance for Extension of Limitation – Public Notice [Dated October 03, 2021]**

In the matter of *Suo Motu Writ Petition (Civil) No. 3 of 2020 (In Re: Cognizance for Extension of Limitation)*, the Hon'ble Supreme Court of India vide Order dated 23rd March 2020, extended the period of limitation prescribed under the general law or special laws with effect from 15th March 2020 till further orders.

Now, in the aforementioned matter, vide Order dated 23rd September 2021, inter alia, the Hon'ble Supreme Court has ordered as follows:

“8. Therefore, we dispose of the M.A. No.665 of 2021 with the following directions:-

- I. In computing the period of limitation for any suit, appeal, application or proceeding, the period from 15.03.2020 till 02.10.2021 shall stand excluded. Consequently, the balance period of limitation remaining as on 15.03.2021, if any, shall become available with effect from 03.10.2021.
- II. In cases where the limitation would have expired during the period between 15.03.2020 till 02.10.2021, notwithstanding the actual balance period of limitation remaining, all persons shall have a limitation period of 90 days from 03.10.2021. In the event the actual balance period of limitation remaining, with effect from 03.10.2021, is greater than 90 days, that longer period shall apply.
- III. The period from 15.03.2020 till 02.10.2021 shall also stand excluded in computing the periods prescribed under Sections 23 (4) and 29A of the Arbitration and Conciliation Act, 1996, Section 12A of the Commercial Courts Act, 2015 and provisos (b) and (c) of Section 138 of the Negotiable Instruments Act, 1881 and any other laws, which prescribe period(s) of limitation for instituting proceedings, outer limits (within which the court or tribunal can condone delay) and termination of proceedings.”

It is accordingly notified to all the stakeholders that period of limitation shall be computed in accordance with the afore-cited Order dated 23rd September 2021 passed by the Hon'ble Supreme Court of India.

For details: [https://ipindia.gov.in/writereaddata/Portal/News/759\\_1\\_Public\\_Notice\\_03-10-2021.pdf](https://ipindia.gov.in/writereaddata/Portal/News/759_1_Public_Notice_03-10-2021.pdf)

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

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082116

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"To be a global leader in promoting  
good corporate governance"

ICSI Motto  
सत्यं वद। धर्मं चर।  
कहाऊं the truth. अकेरे by the law

MISSION  
"To develop high calibre professionals  
facilitating good corporate governance"

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