

Info Capsule

Friday
August 06, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ International Business News

Export basket of Northeast (August 05, 2021)

Export of maize from Assam to Bangladesh close on the heels of export of 'Assam lemon' (Kaji Nemu) to London and Leteku (Burmese grapes) to Dubai speaks volumes of the huge potential of export of agricultural and horticultural products from the state. It also highlights the importance of diversifying the state's export basket to leverage India's deepening engagement with Bangladesh for trade and commerce.

For details:

<https://www.sentinelassam.com/editorial/export-basket-of-northeast-549382>



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

• The Companies (Specification of definitions details) Third Amendment Rules, 2021 (August 05, 2021)

The MCA vide Notification dated August 05, 2021 has inserted the following explanation in the definition of "Electronic Mode" under clause (h) of Rule 2(1) of the Companies (Specification of definitions details) Rules, 2014, namely:

"Explanation- For the purposes of this clause, electronic based offering of securities, subscription thereof or listing of securities in the International Financial Services Centres set up under section 18 of the Special Economic Zones Act, 2005 (28 of 2005) shall not be construed as 'electronic mode' for the purpose of clause (42) of section 2 of the Act."

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=BW%252BhMYuS70EaivjpQALEqw%253D%253D&type=open>

• The Companies (Registration of Foreign Companies) Amendment Rules, 2021 (August 05, 2021)

The MCA vide Notification dated August 05, 2021 has inserted the following explanation in the definition of "Electronic Mode" under clause (c) of Rule 2(1) of the Companies (Registration of Foreign Companies) Rules, 2014, namely:

"Explanation - For the purposes of this clause, electronic based offering of securities, subscription thereof or listing of securities in the International Financial Services Centres set up under Section 18 of the Special Economic Zones Act, 2005 (28 of 2005) shall

not be construed as 'electronic mode' for the purpose of clause (42) of section 2 of the Act.”

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mids=ZYCEKajcqyG6nnlL9Hb0jA%253D%253D&type=open>

- **Notification under Section 393A of the Companies Act, 2013 (August 05, 2021)**

The MCA in exercise of the powers conferred by Section 393A of the Companies Act, 2013, hereby exempts, the following class of companies from the provisions of Sections 387 to 392 (both inclusive) of the Companies Act, 2013, namely:

- Foreign companies;
- Companies incorporated or to be incorporated outside India, whether the company has or has not established, or when formed may or may not establish, a place of business in India,

insofar as they relate to the offering for subscription in the securities, requirements related to the prospectus, and all matters incidental thereto in the International Financial Services Centres set up under Section 18 of the Special Economic Zones Act, 2005 (28 of 2005).

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mids=o23jWYkDh8z2%252FHp9wmxBtQ%253D%253D&type=open>

❖ Market Watch

Stock Market Indices as on 06.08.2021	
S & P BSE Sensex	54277.72 (-215.12)
Nifty 50	16238.20 (-56.4)

Foreign Exchange Rates as on 05.08.2021 <i>(https://www.geojit.com/currency-futures/rbi-reference-rate)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
74.02	87.76	103.00	0.68

❖ **Securities Laws & Capital Market**

SEBI Notifications

- **SEBI (Prohibition of Insider Trading) (Second Amendment) Regulations, 2021 (August 05, 2021)**

SEBI vide its notification dated August 05, 2021, amends the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, which shall come into force on the date of their publication in the Official Gazette. The amendments has been carried out in regulation 7D which provides that the Board may at its sole discretion, declare an Informant eligible for Reward provided that the amount of Reward shall be ten percent of the monetary sanctions and shall not exceed Rupees 10 crores or such higher amount as the Board may specify from time to time.

Further, a new sub-regulation 7D (1A) has been inserted which provides that if the total reward payable is less than or equal to Rupees One Crore, the Board may grant the said reward upon the issuance of the final order by the Board.

For details:

<https://egazette.nic.in/WriteReadData/2021/228769.pdf>

- **SEBI (Mutual Funds) (Second Amendment) Regulations, 2021(August 05, 2021)**

SEBI vide its notification dated August 05, 2021, amends the provisions of SEBI (Mutual Funds) Regulations, 1996 which shall come into force on the 270th day from the date of their publication in the Official Gazette. The amendment, inter alia, has inserted a new sub-regulation 25(16A) which provides that the asset management company shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the Board from time to time.

For details:

<https://egazette.nic.in/WriteReadData/2021/228766.pdf>

❖ **Terminology for today**

Longitudinal Research

Researchers performing a longitudinal study will run the same survey many times over short or long periods, in an effort to observe how the opinions, behaviors or habits of the same population change over time. The population can also be randomized to see how time impacts the questions being asked, regardless of population.

❖ **Banking and Insurance**

- **Covid impact : Banks see slippages rise in cash collection-driven segments (August 06, 2021)**

Lenders reported a deterioration in asset quality during the April-June quarter in loan categories where cash collections play an important role. Gold loans, Commercial Vehicle (CV) loans and microfinance — all saw fresh bad loans inch up in Q1FY22 as the second wave of Covid-19 hampered collection activities. The absence of a moratorium on repayments, unlike last year, made the stress more evident on lenders' books.

For details:

<https://www.financialexpress.com/industry/banking-finance/covid-impact-banks-see-slippages-rise-in-cash-collection-driven-segments/2305338/>

- **Monetary Policy Statement, 2021-22 Resolution of the Monetary Policy Committee (MPC) August 4-6, 2021 (August 06, 2021)**

The Monetary Policy Committee (MPC) met on 4th, 5th and 6th August 2021. Based on an assessment of the evolving domestic and global macroeconomic and financial conditions and the outlook, the MPC voted unanimously to keep the policy repo rate unchanged at 4 per cent. The MPC also decided on a 5 to 1 majority to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target, going forward. The Marginal Standing Facility (MSF) rate and the bank rate remain unchanged at 4.25 per cent. The reverse repo rate also remains unchanged at 3.35 per cent.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52011

- **Statement on Developmental and Regulatory Policies (August 06, 2021)**

The Reserve bank of India has issued the Statement on Developmental and Regulatory policies on August 06, 2021. This Statement sets out various developmental measures including liquidity and regulatory measures. Some of the main measures taken by the Reserve Bank of India are:

- i. Extension of period for On Tap Targeted Long-Term Repo Operation (TLTRO) scheme further by three months, *i.e.*, till December 31, 2021.
- ii. Continuation of Marginal Standing Facility relaxation for a further period of three months, *i.e.*, up to December 31, 2021.
- iii. Banks are permitted to extend export credit using any other widely accepted Alternative Reference Rate in the currency concerned.
- iv. To defer the target date for meeting the sector specified thresholds parameters to October 01, 2022.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52010

❖ *Upcoming legislations (as introduced / Passed in Lok Sabha / Rajya Sabha)*

The upcoming Bills passed in Lok Sabha includes the following:

Short Title	Date of Introduction	Debate / Passed in LS	Debate / Passed in RS	Object of the Bill
The Tribunals Reforms Bill, 2021	02/08/2021	03/08/2021		to amend the Cinematograph Act, 1952, the Customs Act, 1962, the Airports Authority of India Act, 1994, the Trade Marks Act, 1999 and the Protection of Plant Varieties and Farmers' Rights Act, 2001 and certain other Acts.
The General Insurance Business (Nationalisation) Amendment Bill, 2021	30/07/2021	02/08/2021		to amend the General Insurance Business (Nationalisation) Act, 1972.
The Commission for Air Quality Management in National Capital Region and Adjoining Areas Bill, 2021	30/07/2021	04/08/2021		to provide for the constitution of the Commission for Air Quality Management in National Capital Region and Adjoining Areas for better co-ordination, research, identification and resolution of problems surrounding the air quality index and for matters connected therewith or incidental thereto.
The Insolvency and Bankruptcy Code (Amendment) Bill, 2021	26/07/2021	28/07/2021	03/08/2021	to amend the Insolvency and Bankruptcy Code, 2016.

The upcoming Bills passed in Rajya Sabha includes the following:

Title of Bill	Date of Passing	Object of the Bill
The Constitution (Scheduled Tribes) Order (Amendment) Bill, 2021	05/08/2021	to amend the Constitution (Scheduled Tribes) Order, 1950 to modify the list of Scheduled Tribes in relation to the State of Arunachal Pradesh.
The Limited Liability Partnership (Amendment) Bill, 2021	04/08/2021	to amend the Limited Liability Partnership Act, 2008.
The Deposit Insurance and Credit Guarantee Corporation (Amendment) Bill, 2021	04/08/2021	to amend the Deposit Insurance and Credit Guarantee Corporation Act, 1961.
The Insolvency and Bankruptcy Code (Amendment) Bill, 2021	03/08/2021	to amend the Insolvency and Bankruptcy Code, 2016.
The Factoring Regulation (Amendment) Bill, 2021	29/07/2021	to amend the Factoring Regulation Act, 2011.

❖ Business and Economic News**Amazon wins Supreme Court case restraining merger between Future and Reliance (August 06, 2021)**

The Supreme Court has upheld e-commerce giant Amazon's plea against the Rs 24,731-crore merger of Future Retail Ltd (FRL) with Reliance Retail. The top Court said that the order by a Singapore arbitrator in October - that put the deal on hold after finding merit in Amazon's objections - was valid. Amazon and FRL have been embroiled in a bitter legal fight over the deal and the US-based firm has sought in the apex court that the EA award was valid and enforceable.

For detail:

https://economictimes.indiatimes.com/industry/services/retail/future-reliance-deal-amazon-wins-supreme-court-case/articleshow/85091208.cms?utm_source=ETnotifications&utm_medium=editpush&utm_campaign=Retail&utm_content=bigimage

Prepared by Directorate of Academics

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

Disclaimer : Although due care and diligence have been taken in preparation and uploading this info capsule, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this info capsule. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.

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

ICSI Motto
सत्यं वर। धर्मं चर।
Speak the truth, abide by the law.

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

Connect with ICSI

www.icsi.edu | [f](#) [t](#) [in](#) [v](#) [o](#) | Online Helpdesk : <http://support.icsi.edu>