

Info Capsule

Monday
March 07, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ Ministry of Finance

Ministry of Finance to organise Post-Budget Webinar on 'Financing for growth and aspirational economy' to accelerate implementation of Union Budget 2022 announcements (March 06, 2022)

In order to facilitate efficient and speedy implementation of Budget announcements, the Government of India is holding a series of webinars across various key sectors. The objective is to brainstorm with experts from the public and private sectors, academia and industry and identify strategies on how best to move forward towards implementation of various issues under different sectors.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1803350>



**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

Limited Liability Partnership (Second Amendment) Rules, 2022 (March 04, 2022)

The Ministry of Corporate Affairs (MCA) vide its Notification dated 04th March, 2022 has notified Limited Liability Partnership (Second Amendment) Rules, 2022 which shall come into force on the date of its publication in the Official Gazette. The amendments inter alia provide that-

- If an individual required to be appointed as designated partner does not have a DPIN or DIN, application for allotment of DPIN shall be made in Form FiLLiP. Provided further that the application for allotment of DPIN shall not be made by more than **five** individuals in Form FiLLiP. **[Substitution: Rule 11(1) Second proviso]**
- The Certificate of Incorporation of limited liability partnership shall be issued by the Registrar in Form 16 and shall mention Permanent Account Number **and Tax Deduction Account Number issued by the Income Tax Department. [Insertion: Rule 11(3)]**
- Statement of Account and Solvency shall be signed on behalf of the limited liability partnership by its designated partners. In cases where Corporate Insolvency Resolution Process has been initiated against an LLP then the Statement of Account and Solvency may be signed by interim resolution professional or resolution professional, or liquidator or limited liability partnership administrator. **[Substitution: Rule 24(6)]**
- Where the Registrar finds it necessary to call further information, he shall direct the person or LLP to furnish such information or to re-submit such application or e-Form or document **in Form 32. [Insertion: Rule 36(6)]**
- Vide this notification, various forms such as RUN LLP, FiLLiP, Form 3, Form 4, Form 5 etc. are also amended.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=iorXjBHYBr94XltGw2NNBA%253D%253D&type=open>

❖ *Securities Laws & Capital Markets*

SEBI News

• **SEBI Seeks Clarity on Foreign Participation in Social Stock Bourse (March 7, 2022)**

The Securities and Exchange Board of India (SEBI) has sought clarity from the Ministry of Home Affairs on the participation of foreign entities in the proposed Social Stock Exchange (SSE). People with direct knowledge of the matter said the market regulator has asked the ministry if foreign entities can invest in SSE-listed entities. It has also asked whether such investment will be construed as “speculative activity”. Currently, there is no restriction on foreign fund participation in the regular stock markets. However, entities listed on the SSE deal in voluntary work and other social projects. Foreign contributions for such organisations normally fall under the purview of Foreign Contribution Regulations (FCRR), which places various curbs and additional compliance requirements on entities receiving donations from foreign institutions. SEBI has now asked the Ministry of Home Affairs (MHA) if the same restrictions will apply on entities listed on social stock exchanges.

For details:

<https://vervetimes.com/sebi-sebi-seeks-clarity-on-foreign-participation-in-social-stock-bourse/>

❖ *Terminology for today*

Humped Yield Curve

A humped yield curve is a relatively rare type of yield curve that results when the interest rates on medium-term fixed income securities are higher than the rates of both long and short-term instruments. Also, if short-term interest rates are expected to rise and then fall, then a humped yield curve will ensue. Humped yield curves are also known as bell-shaped curves.

Market Watch

Stock Market Indices as on 07.03.2022

S & P BSE Sensex	52842.75 (-1491.06)
Nifty 50	15863.15 (-382.20)

Foreign Exchange Rates as on 04.03.2022

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
75.73	83.91	101.26	0.65

❖ **Indirect Tax**

Goods and Services Tax

- **GST Council may consider proposal to raise lowest slab to 8%, rationalise tax slabs (March 07, 2022)**

The GST Council in its next meeting may look at raising the lowest tax slab to 8 per cent, from 5 per cent, and prune the exemption list in the Goods and Services Tax regime as it looks to increase revenues and do away with states' dependence on Centre for compensation, sources said on March 06, 2022. A panel of state finance ministers is likely to submit its report by this month end to the Council suggesting various steps to raise revenue, including hiking the lowest slab and rationalising the slab.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/gst-council-may-consider-proposal-to-raise-lowest-slab-to-8-pc-rationalise-tax-slabs/articleshow/90027776.cms>

- **GST fraud probe into BharatPe finds deals with non-existent vendors (March 06, 2022)**

The Directorate General of Goods and Services Tax Intelligence has widened its probe on BharatPe after its earlier investigation had found the merchant-focused fintech firm had issued invoices to non-existent vendors, said officials aware of the development. Last October, BharatPe had accepted that it had issued invoices to non-existent vendors and paid about Rs. 11 crore in dues and penalty to the tax department. An audit conducted by professional services firm Alvarez and Marsal had pointed out the fintech firm's dealings with fake or non-existent vendors.

For details:

<https://www.rediff.com/business/report/gst-fraud-probe-into-bharatpe-finds-deals-with-non-existent-vendors/20220306.htm>

Customs

- **Toolkit for Anti-evasion/Preventive teams (Circular No. 05/2022- Customs dated March 04, 2022)**

With a view to enhance the efficiency and professionalism of officers/teams deployed for carrying out anti-evasion/anti-smuggling work, particularly when they are required to search premises, vehicles; verify a stock of goods; draw up a panchnama or to arrest a person away from their office premises, a standard toolkit may be provided.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2022/Circular-No-05-2022.pdf>

❖ **Banking and Insurance**

- **Monetary policy is an art of managing expectations, says RBI Governor (March 04, 2022)**

Reserve Bank Governor Shaktikanta Das on March 04, 2022 said "Monetary Policy is an art of managing expectations" as he emphasised the need for an effective communication strategy amid concerns over rising inflation fuelled by geopolitical developments. The Governor informed that price stability under the statute has been defined numerically by a target of 4 per cent for headline Consumer Price Index (CPI) with a tolerance band of +/- 2 per cent around it. The flexibility in the FIT (Flexible-Inflation Targeting) regime comes from provisions to accommodate or see-through transitory supply-side shocks to inflation.

For details:

https://www.business-standard.com/article/finance/monetary-policy-is-an-art-of-managing-expectations-says-rbi-governor-122030400882_1.html

- **India Post may team up with a bank to start lending (March 05, 2022)**

Government-run India Post may tie up with a commercial bank to offer various loan products to people and businesses, with a focus on the rural economy. The planned roll-out of 100% Core Banking Solutions (CBS) at all the 1.5 lakh post offices in the country would facilitate the loss-making entity's transition to the new role as provider of multiple financial services.

For details:

<https://www.financialexpress.com/industry/banking-finance/india-post-may-team-up-with-a-bank-to-start-lending/2451357/>

- **SBI appoints ex-Ujjivan Small Finance Bank CEO Nitin Chugh as DMD (March 06, 2022)**

State Bank of India (SBI) has appointed former Ujjivan Small Finance Bank CEO Nitin Chugh as Deputy Managing Director (DMD) to drive digital banking operations. Prior to this appointment, Chugh was CEO and managing director of Ujjivan Small Finance Bank. He joined there from HDFC Bank where he served as the Group Head of Digital Banking.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-appoints-ex-ujjivan-small-finance-bank-ceo-nitin-chugh-as-dmd/articleshow/90021339.cms>

- **Awaiting Government, RBI advisory on SWIFT transactions with Russian assets: PNB (March 06, 2022)**

The country's second-largest bank Punjab National Bank (PNB) said it was awaiting advisory from the Finance Ministry and the Reserve Bank with regard to SWIFT-related transactions with Russian entities. In view of the ongoing war between Russia and Ukraine, several countries including the US, Canada and certain European nations have blocked some Russian banks from using SWIFT, a system that is used for global banking transactions.

For details:

https://www.business-standard.com/article/finance/awaiting-govt-rbi-advisory-on-swift-transactions-with-russian-assets-pnb-122030600203_1.html

❖ **Technology and Automation**

Indian researchers develop low-energy chip architecture to prevent attacks on IoT devices (March 06, 2022)

Mr. Saurav Maji and Mr. Utsav Bannerjee, two Indian researchers working at the Massachusetts Institute of Technology (MIT), have built a low-energy security chip that is designed to prevent side-channel attacks (SCAs) on IoT (Internet of Things) devices. SCAs take advantage of security exploits where information can be gathered from the indirect effects of the functioning of the system hardware rather than attacking a programme or software directly.

For details:

<https://indianexpress.com/article/technology/science/indian-researchers-develop-low-energy-chip-architecture-prevent-attacks-iot-devices-7803340/>

Prepared by Directorate of Academics

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