

Info Capsule

Thursday
October 07, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Latest @ ICSI

- **15th International Professional Development & Fellowship Programme & International Conference 04 Nights and 05 Days in Maldives**

The ICSI is organising 15th International Professional Development & Fellowship Programme & International Conference from Tuesday, October 26 to Saturday, October 30, 2021 for its members. (Preferably for fully vaccinated persons). International Conference will be held on Friday, October 29, 2021, at Maldives. (Tentative).

For details:

https://www.icsi.edu/media/webmodules/15_IPDFP.pdf

- **ICSI Progress Report (January-July, 2021)**

The ICSI has released its Progress Report from January-July, 2021 and the same is available on the website for the reference of stakeholders.

For details:

https://www.icsi.edu/media/webmodules/BI_ANNUAL_REPORT_0610_2021.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)



❖ Securities Laws & Capital Market

SEBI Circulars

- **Circular on Minimum percentage of trades carried out by mutual funds through RFQ platform (October 06, 2021)**

SEBI tweaked the norms pertaining to minimum percentages of monthly trades to be carried out by mutual funds on the Request For Quote (RFQ) platform of stock exchanges. Under the revised norms, mutual funds will have to undertake at least 25% of their total secondary market trades by value in corporate bonds and 10% of their total secondary market trades by value in commercial papers by placing/seeking quotes through one-to-many mode on the RFQ platform. Inter Scheme Transfer trades are excluded from the revised framework. The new norms will come into effect from December 1, 2021.

At present, the minimum percentage for corporate bonds trades is 10% while there is no such separate percentage requirement for trades in commercial papers.

For details:

https://www.sebi.gov.in/legal/circulars/oct-2021/circular-on-minimum-percentage-of-trades-carried-out-by-mutual-funds-through-rfq-platform_53145.html

SEBI News

MCX moves SEBI for options in Comdex (October 06, 2021)

MCX, the country's largest commodity exchange, has moved SEBI to allow options trading in commodity indices following good traction for futures on commodity indices (Comdex) which completed one year of trading.

The exchange has moved the proposal to market regulator SEBI, which will take it up at its board meeting and announce a detailed framework.

For details:

<https://theoutreach.in/mcx-moves-sebi-for-options-in-comdex/>

❖ Indirect Tax

Goods and Services Tax

• Clarifications regarding applicable GST rates & exemptions on certain services and GST rates & classification (goods)

Representations have been received seeking clarifications in respect of applicable GST rates & exemptions on certain services and GST rates & classification of goods. The issues have been examined by GST Council in the 45th meeting of the Council held on 17th September, 2021. Clarifications regarding captioned subject has been issued by the competent authority.

For details: <https://cbic-gst.gov.in/circulars.html>

❖ Business and Economic News

FM Nirmala Sitharaman meets delegation led by Rakesh Jhunjhunwala (October 06, 2021)

The Finance Minister Nirmala Sitharaman met a delegation led by billionaire investor Rakesh Jhunjhunwala in New Delhi. The meeting comes a day after Rakesh Jhunjhunwala met Prime Minister Narendra Modi on October 05, 2021. The prime minister had called Jhunjhunwala "lively", "insightful" and "bullish on India", in a tweet on Twitter.

The meeting comes in the backdrop of the Indian stock market nearing its lifetime highs. The Nifty50 index has risen close to 140% after the crash in March 2020.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/fm-nirmala-sitharaman-meets-delegation-led-by-rakesh-jhunjhunwala/articleshow/86807749.cms>

❖ Market Watch

Stock Market Indices as on 07-10-2021

S & P BSE Sensex	59677.83 (+488.10)
Nifty 50	17790.35 (+144.35)

Foreign Exchange Rates as on 06-10-2021

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.67	86.33	101.45	0.67

❖ **Banking and Insurance**

• **Maintenance of Current Accounts in multiple banks by Insurers (October 06, 2021)**

Based on the requests received by the Insurance Regulatory and Development Authority of India, to avoid hardships, if any, faced by the insurers in maintaining current accounts with banks, it is clarified that the respective insurers may maintain current accounts in appropriate number of banks for the purpose of premium collection, management expenses, policy payments, investment operations, etc., for the convenience of the policyholders and for the ease of doing business. The Audit Committee of the Insurers shall review annually the need for having multiple current accounts and rationalization, if any, as may be required.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4582&flag=1

• **Affordable housing finance firms witness moderation in growth: ICRA (October 06, 2021)**

Affordable Housing Finance Companies (AHFCs), growing at significantly higher rates than the overall housing finance industry, witnessed a moderation in growth in FY21 following the covid-19 induced challenges in the operating environment. Nevertheless, given the largely under-penetrated market, favourable demographic profile, government trust on housing and a favourable regulatory or tax regime support the long-term growth outlook for the sector.

For details:

<https://www.livemint.com/industry/banking/affordable-housing-finance-firms-witness-moderation-in-growth-icra-11633505520944.html>

• **Bank credit grows by 6.67% ; deposits by 9.34% (October 06, 2021)**

Bank credit rose by 6.67% to Rs. 109.57 lakh crore and deposits by 9.34% to Rs. 155.95 lakh crore in the fortnight ended September 24, 2021. In the year-ago fortnight ended September 25, 2020, bank credit stood at Rs. 102.72 lakh crore and deposits at Rs. 142.62 lakh crore, according to RBI's Scheduled Banks' Statement of Position in India as on September 24, 2021 data, released October 06, 2021.

For details:

<https://www.financialexpress.com/industry/banking-finance/bank-credit-grows-by-6-67-pc-deposits-by-9-34-pc/2345246/>

- **Srei Group Promoters move Bombay HC against RBI insolvency action (October 07, 2021)**

SREI Group promoters on October 06, 2021 moved the Bombay High Court challenging Reserve Bank of India's decision to supersede the board of two group companies, in preparation for sending them to bankruptcy courts. Srei group promoters are seeking stay on any insolvency proceedings at group companies Srei Infrastructure Finance Ltd. and Srei Equipment Finance Ltd., whose board the regulator sacked and appointed an administrator.

For details:

https://economictimes.indiatimes.com/news/company/corporate-trends/srei-group-promoters-move-bombay-hc-against-rbi-insolvency-action/articleshow/86817718.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

- **OTC derivatives at IFSC –Amendment (October 5, 2021)**

Consequent to the notification by the Government of India, the provisions of section 13 and section 33 of the International Financial Services Centres Authority Act, 2019 had come into effect from October 01, 2020. The IFSCA earlier adopted the Comprehensive Guidelines on Derivatives (“CGD”) issued by the Reserve Bank of India, subject to the certain modifications vide Circular dated December 04, 2020.

Now pursuant to the amendment :

- The content of Para 5(i) of GCD entitled “Market makers” has been replaced with the following:
 - *Offshore Derivative Instruments (ODIs)* – Banking Units holding a Foreign Portfolio Investor (FPI) certificate under the provisions of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 dated September 23, 2019 (as amended).
 - *Other OTC derivatives*–All Banking Units
- The following has been appended under the column entitled “Modification” (before Notes) in para 7 of GCD
 - *Offshore Derivative Instruments (ODIs) on Indian Government Bonds (IGBs) and State Development Loans (SDLs)*
Offshore Derivative Instruments (ODIs) shall be issued in compliance with the provisions of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 dated September 23, 2019 (as amended) including reporting of data on ODIs to the Securities and Exchange Board of India.

For details: <https://ifsc.gov.in/Viewer/Index/234>

<https://www.ifsc.gov.in/Document/Legal/otc-derivatives-at-ifscs-last-updated-on-december-24-2020-24122020055635.pdf>

<https://rbidocs.rbi.org.in/rdocs/content/PDFs/76927.pdf>

❖ ***Insolvency and Bankruptcy***

- **While filing a single PDF file with proper PDF Bookmarking containing all the documents should be filled – NCLAT Notice dated 04.10.2021 (October 4, 2021)**

NCLAT issued the notice dated October 4, 2021, guiding -Ld. Advocates/Authorized Representatives/ Parties, to follow the mentioned procedures for filing the documents on NCLAT e-filing portal (<https://efiling.nclat.gov.in>) with respect to PDF size, proper bookmarking of documents and proof of service uploading etc.

For details:

<https://nclat.nic.in/Useradmin/upload/1313398333615a8f1b62f72.pdf>

- **Bhushan Power & Steel: SBI moves NCLT to initiate CIRP against Singals (October 6, 2021)**

The State Bank of India (SBI) has moved a plea in the National Company Law Tribunal (NCLT) seeking to initiate insolvency proceedings against Sanjay Singal and Aarti Singal, the erstwhile promoters of Bhushan Power and Steel (BPSL).

Both were personal guarantors for a loan amounting to Rs 12,276 crore provided to the steel firm through various facilities from time to time starting June 2009. Of the total outstanding debt, Rs 9,648 crore was term loan and the remaining was working capital loan, but the steelmaker defaulted on paying back, SBI said in its application.

For details:

<https://www.financialexpress.com/industry/bhushan-power-steel-sbi-moves-nclt-to-initiate-cirp-against-singals/2344513/>

- **Invesco plea: NCLT asks ZEE to file reply by October 7 (October 6, 2021)**

The National Company law Tribunal (NCLT) directed Zee Entertainment Enterprises (ZEEL) to file a reply by October 7 to the petition moved by foreign investors. The Tribunal's Mumbai Bench will hear the case again on Thursday, after ZEEL files its reply.

The petitioners and foreign investors in ZEEL –Invesco Developing Markets Funds and its subsidiary OFI Global China Fund-had moved the Tribunal, after ZEEL declined to honor its September 11 requisition to hold an extraordinary general meeting (EGM) and evict the certain directors.

For details:

<https://www.financialexpress.com/industry/invesco-plea-nclt-asks-zee-to-file-reply-by-october-7/2344564/>

❖ *Terminology for today*

Social Return on Investment (SROI)

Social return on investment (SROI) is a method for measuring values that are not traditionally reflected in financial statements, including social, economic, and environmental factors. They can identify how effectively a company uses its capital and other resources to create value for the community.

While a traditional cost-benefit analysis is used to compare different investments or projects, SROI is used more to evaluate the general progress of certain developments, showing both the financial and social impact the corporation can have.

Prepared by Directorate of Academics

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

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इच्छते तेन। त्रुते। अनेते। तेन। तेन।

MISSION
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