

Info Capsule

Monday
November 08, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Ministry of Corporate Affairs

Revamped Company Law compliance site by March (November 08, 2021)

The Ministry of Corporate Affairs is set to introduce a revamped version of its compliance portal MCA21 by March, making a host of statutory filings easier and offering features such as auto-filling of fields.

The Ministry expects that the improved system will help in quicker data analysis and spotting compliance-related trends of over 1.4 million active companies and over 220,000 limited liability partnerships. Detecting trends in the industry early on, say of auditors quitting their assignments, is expected to give the Ministry an edge in regulatory oversight and policymaking. The Ministry is also building a team of researchers to look into trends in compliance.

For details:

<https://www.livemint.com/companies/news/revamped-company-law-compliance-site-by-march-11636312675673.html>



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 Markets

SEBI News

Data breach at CDSL's KYC arm exposed 4.39 cr investors' data twice within 10 days: CyberX9 (November 07, 2021)

A vulnerability at a CDSL subsidiary, CDSL Ventures Limited (CVL), has exposed personal and financial data of over 4 crore Indian investors twice in a period of 10 days, according to cyber security consultancy startup CyberX9. The Central Depository Services (India) Limited (CDSL) is a SEBI registered depository and CDSL Ventures Ltd is a KYC registering agency separately registered with the Securities and Exchange Board of India (SEBI).

CDSL said that CVL has taken immediate action and the vulnerability has been mitigated now.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/data-breach-at-cdsls-kyc-arm-exposed-4-39-cr-investors-data-twice-within-10-days-cyberx9/articleshow/87568661.cms>

❖ Indirect Tax

Goods and Services Tax

• CBIC asks GST officers to block ITC on basis of 'material evidence', not suspicion (November 08, 2021)

The Central Board of Indirect Taxes and Customs (CBIC) said the commissioner or an officer authorised by him must form an opinion for blocking of input tax credit only after "proper application of mind" considering all the facts of the case. The CBIC has come out with guidelines on blocking of tax credit by GST field officers, saying that such blocking should be on the basis of 'material evidence' and not just out of 'suspicion'.

For details

<https://www.businesstoday.in/latest/economy/story/cbic-asks-gst-officers-to-block-itc-on-basis-of-material-evidence-not-suspicion-311358-2021-11-05>

❖ **Banking and Insurance**

- **IT department freezes Rs. 53-crore deposits of Maharashtra-based urban cooperative bank (November 06, 2021)**

The Income Tax Department has frozen deposits worth over Rs. 53 crore of an urban credit cooperative bank in Maharashtra after it found "glaring irregularities" in the opening of accounts in a recent raid. The department raided the headquarters of the bank and the residence of its chairman and a director on October 27.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/it-department-freezes-rs-53-crore-deposits-of-maharashtra-based-urban-cooperative-bank/articleshow/87551122.cms>

- **Indusind Bank says whistleblower claims baseless; gave 84k loans sans client consent in May (November 06, 2021)**

Terming whistleblower allegations on loan evergreening as "grossly inaccurate and baseless", Indusind Bank on November 06, 2021 admitted to have disbursed 84,000 loans without customer consent in May owing to a "technical glitch". Lending without the consent was reported by the field staff in two days, and the glitch was also rectified expeditiously, the private sector lender said in a clarification. On November 05, 2021, there was a media report about anonymous whistleblowers writing to the bank management and the RBI about BFIL, the microlending-focused subsidiary of the bank, allegedly resorting to evergreening of loans, wherein existing borrowers unable to pay dues were given new loans to present the books as clean.

For details:

<https://www.financialexpress.com/industry/banking-finance/indusind-bank-says-whistleblower-claims-baseless-gave-84k-loans-sans-client-consent-in-may/2363971/>

- **Banks, HFCs on hiring spree amid rising home loan demand (November 07, 2021)**

Banks, housing finance companies and NBFCs are on a hiring spree amidst rising demand for home loans. Industry experts and players say that hiring for home loan departments is up by at least 20 per cent to 25 per cent in recent months as players look to expand their home loan portfolios in smaller towns and attract more customers through lower home loan rates.

For details:

<https://www.thehindubusinessline.com/money-and-banking/banks-hfcs-on-hiring-spre-amidst-rising-home-loan-demand/article37366726.ece>

❖ **Consumer Protection**

Issue of Notification under Legal Metrology Act, 2009 (November 02, 2021)

In exercise of the powers conferred by sub-section (1) read with clause (j) and (q) of the sub-section 20 of section 52 of the Legal Metrology Act 2009, the Department of Consumer Affairs, with the previous approval of the Central Government notified the Legal Metrology (Packaged Commodities) Amendment Rules, 2021.

The Legal Metrology (Packaged Commodities) Amendment Rules, 2021 will come into force w.e.f April 01, 2022 and inter-alia provides the provisions regarding substitutions, omissions and inclusions of certain rules and clauses under the Legal Metrology (Packaged Commodities) Rules, 2011.

For details:

<https://egazette.nic.in/WriteReadData/2021/230946.pdf>

❖ **Legal News**

Draft Mediation Bill issued for Public Consultation (November 05, 2021)

Government of India has been taking various policy initiatives for promotion and strengthening of Alternative Dispute Resolution (ADR) mechanisms through amendment in existing laws and by enactments, for facilitating quick disposal of disputes, outside of traditional court systems. As a continuation of the exercise, bringing a standalone law on Mediation is under consideration. As a part of pre-legislative consultation process, a copy of the aforesaid draft Bill has been uploaded on the website of the Department of Legal Affairs (<http://legalaffairs.gov.in/>) for comments.

For details:

<https://pib.gov.in/PressReleaselframePage.aspx?PRID=1769531>

❖ **Market Watch**

Stock Market Indices as on 08.11.2021

S & P BSE Sensex	60545.61 (+477.99)
Nifty 50	18068.55 (+151.75)

Foreign Exchange Rates as on 05.11.2021

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.39	86.03	101.03	0.65

❖ **Business and Economic News**

• **Future Retail independent directors claim Amazon deal violates FEMA, FDI rules (November 08, 2021)**

Independent directors of Future Retail (FRL) said Amazon is in violation of foreign exchange rules since the Singapore arbitral tribunal has made FRL a party to the arbitration proceedings. In a letter to the stock exchange, independent directors said Amazon has also concealed facts, made misrepresentations and false representations to the Competition Commission of India to seek approval for its investment in Future Coupons, a promoter holding company.

The assertions of Amazon which it has claimed with success in the arbitral tribunal meant Amazon has significant strategic rights over FRL superior to all the shareholders, lenders and creditors of FRL, without holding even a single share in FRL.

For details:

<https://economictimes.indiatimes.com/industry/services/retail/future-retail-independent-directors-claim-amazon-deal-violates-fema-fdi-rules/articleshow/87570352.cms?from=mdr>

❖ **Ethics and Governance News**

India speaks on climate change from a position of strength and responsibility at the Facilitative Sharing of Views (FSV) of India's Third Biennial Update Report (BUR) at COP26 (November 06, 2021)

During the 11th Facilitative Sharing of Views (FSV) at the ongoing COP26, India made a presentation on its third Biennial Update Report (BUR) that was submitted to UNFCCC in February 2021. Making a statement on behalf of India, Dr. J R Bhatt, Scientist G(Adviser) in the Ministry of Environment, Forest and Climate Change, highlighted the fact that India represents 17% of the global population, its historical cumulative emissions are only 4%, while current annual GHG emissions are only about 5%.

For details:

<https://pib.gov.in/PressReleseDetail.aspx?PRID=1769796>

❖ **Terminology for today**

Mercantilism

Mercantilism was an economic system of trade that spanned from the 16th century to the 18th century. Mercantilism is based on the principle that the world's wealth was static, and consequently, many European nations attempted to accumulate the largest possible share of that wealth by maximizing their exports and by limiting their imports via tariff.

❖ **Food Safety Laws**

- **Food Safety and Standards (Food Products Standards and Food Additives) Fourth Amendment Regulations, 2021 (November 03, 2021)**

In exercise of the powers conferred by clause (e) of sub-section (2) of section 92 read with section 16 of the Food Safety and Standards Act, 2006, the Food Safety and Standards Authority of India notified regulations to amend the Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011.

The Food Safety and Standards (Food Products Standards and Food Additives) Fourth Amendment Regulations, 2021 will come into force w.e.f June 01, 2022 and inter-alia provides the provisions regarding substitutions and inclusions of certain regulations and clauses under the Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011.

For details:

<https://egazette.nic.in/WriteReadData/2021/230966.pdf>

- **The Food Safety and Standards (Import) First Amendment Regulations, 2021 (November 03, 2021)**

In exercise of the powers conferred by clause (e) of sub-section (2) of section 92 of Food safety and Standards Act, 2006 the Food Safety and Standards Authority of India, with the previous approval of the Central Government notified regulations amend the Food Safety and Standards (Import) Regulations, 2017.

The Food Safety and Standards (Import) First Amendment Regulations, 2021 will come into force w.e.f June 01, 2022 and inter-alia provides the inclusion chapter XIV-Registration and Inspection of Foreign Food manufacturing facilities.

For details:

<https://egazette.nic.in/WriteReadData/2021/230964.pdf>

Prepared by Directorate of Academics

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

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