

Info Capsule

Tuesday
August 10, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Ministry of Corporate Affairs

**Parliament passes LLP
Amendment Bill to boost start-
ups, ease of business (August 09,
2021)**

Lok Sabha on August 09, 2021 passed the Limited Liability Partnership (Amendment) Bill, which seeks to encourage the start-up ecosystem and further boost the ease of doing business. The bill, which seeks to decriminalise 12 offences under the law and help improve the ease of doing business by amending the Limited Liability Partnership (LLP) Act, 2008, was passed through a voice vote. Finance Minister Nirmala Sitharaman said it is a very important bill and will bring positivity in the LLP eco-system. She stressed the legislation will lead to ease of doing business.

For details:

https://www.business-standard.com/article/companies/parliament-passes-llp-amendment-bill-to-boost-start-ups-ease-of-business-121080901088_1.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 Notification

Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

The SEBI vide e-Gazette notification dated August 09, 2021, has notified the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. These regulations shall come into force on the seventh day from the date of its publication in the Official Gazette. Unless otherwise provided, these regulations shall apply to the:

- issuance and listing of debt securities and non-convertible redeemable preference shares by an issuer by way of public issuance;
- issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and
- listing of commercial paper issued by an issuer in compliance with the guidelines framed by the Reserve Bank of India.

The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 shall stand repealed from the date on which these regulations come to force. The objective to bring out these regulations is to simplify and to align the Regulations in line with the various circulars/guidance and various provisions of the regulations, issued by

SEBI and improve the structure of the regulations in order to enhance readability. Also, to identify policy changes in line with the present market practices and the prevailing regulatory environment and to ease doing business.

For details:

<https://www.egazette.nic.in/WriteReadData/2021/228840.pdf>

SEBI Circular

Calendar Spread margin benefit in commodity futures contracts (August 09, 2021)

In order to increase liquidity in far month contracts, facilitate hedging by value chain participants and reduce cost of trading, the SEBI has extended the spread margin benefit beyond the first three expiries. The clause 2.5 of the SEBI Circular SEBI/HO/CDMRD/DRMP/CIR/P/2018/51 dated March 20, 2018 stands modified as given below:-

"2.5) In case of calendar spreads or spreads consisting of two contract variants having the same underlying commodity (wherein currently 75% benefit in initial margin is permitted), benefit in initial margin shall be permitted when each individual contract in the spread is from amongst the first six expiring contracts."

Calendar spread is a trading strategy where a derivative of an asset is bought in one month and then sold in another month. It is mostly done in the case of futures contracts in commodity markets.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/calendar-spread-margin-benefit-in-commodity-futures-contracts_51737.html

SEBI/Stock Exchange News

• NSE IFSC to introduce trading in US Stocks (August 09, 2021)

NSE International Exchange (NSE IFSC), a wholly owned subsidiary of the National Stock Exchange of India Ltd (NSE), has announced that trading in select US Stocks will soon be facilitated through the NSE IFSC platform. The offering will be in the form of unsponsored depository receipts. IFSCA has facilitated the same under the Regulatory Sandbox.

The entire trading, clearing, settlement and holding of US Stocks will be under the regulatory structure of IFSC Authority. This initiative is a first of its kind at IFSC where Indian retail investors will be able to transact on the NSE IFSC platform under the Liberalized Remittance Scheme (LRS) limits prescribed by the Reserve Bank of India (RBI).

For details:

https://static.nseindia.com/s3fs-public/2021-08/PR_cc_09082021_0.pdf

- **SAT split verdict stalls PNBHF's deal with Carlyle (August 10, 2021)**

The Securities Appellate Tribunal (SAT) has delivered split verdict in the appeal filed by PNB Housing Finance (PNBHF) against an order by Sebi that stayed a allotment to private equity investors led by Carlyle for not appointing an external valuer.

“After today’s split SAT order, SEBI’s order dated June 18, 2021 remains intact and so the SAT’s interim order — prohibiting PNBHF from disclosing the results of the EGM vote — stands.

For details:

<https://timesofindia.indiatimes.com/business/india-business/sat-split-verdict-stalls-pnbhfs-deal-with-carlyle/articleshow/85192120.cms>

- **SEBI levies Rs. 12 lakh fine on individual for insider trading in Infosys scrip (August 09, 2021)**

SEBI imposed a total fine of Rs 12 lakh on an individual for indulging in insider trading in the shares of Infosys Ltd. The individual, Prateek Sarawgi, was the associate manager (business finance) with Infosys during the investigation period.

SEBI had conducted an investigation in the scrip of the firm to ascertain if market norms, including the Prohibition of Insider Trading (PIT) Regulations, were violated. It was observed that Infosys had announced financial results for the quarter ended December 31, 2016, on January 13, 2017. Prateek was in possession of unpublished price sensitive information (UPSI) related to results of Infosys and traded in the scrip during the UPSI period, in violation of market norms.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-levies-rs-12-lakh-fine-on-individual-for-insider-trading-in-infosys-scrip/articleshow/85192097.cms>

❖ **Business and Economic News**

Supreme Court refuses to stop CCI probe against Amazon and Flipkart (August 09, 2021)

The Supreme Court on Monday refused to interfere with Karnataka High Court's order which declined to stop the investigation initiated by the Competition Commission of India (CCI) against Amazon and Flipkart for alleged anti-competitive practices.

For details:

https://www.business-standard.com/article/companies/supreme-court-refuses-to-stop-cci-probe-against-amazon-and-flipkart-121080900769_1.html

❖ ***Banking and Insurance***

- **Enhancement of collateral free loans to Self Help Groups (SHGs) under Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) from ₹10 lakh to ₹20 Lakh (August 09, 2021)**

The Reserve Bank of India has notified some amendments in the Credit Guarantee Fund for Micro Units (CGFMU) Scheme on July 01, 2021. Now for loans to SHGs up to ₹10.00 lakh, no collateral and no margin will be charged. No lien should be marked against savings bank account of SHGs and no deposits should be insisted upon while sanctioning loans. And for loans to SHGs above ₹10 lakh and up to ₹20 lakh, no collateral should be charged and no lien should be marked against savings bank account of SHGs. However, the entire loan (irrespective of the loan outstanding, even if it subsequently goes below ₹10 lakh) would be eligible for coverage under CGFMU.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12143&Mode=0>

- **Rationalisation of Overseas Investment Regulations under FEMA, 1999 - Draft rules/regulations for Comments (August 09, 2021)**

With a view to further liberalize regulatory framework and also to promote ease of doing business, it has been decided to rationalize the existing provisions governing overseas investment. The Rules and Regulations will be finalized after public consultations. Accordingly, the Reserve Bank of India (RBI) has placed on its website two documents viz draft Foreign Exchange Management (Non-debt Instruments - Overseas Investment) Rules, 2021 and draft Foreign Exchange Management (Overseas Investment) Regulations, 2021. Comments / feedback on the draft rules / regulations are invited from all stakeholders. Comments / feedback may be forwarded through oifedback@rbi.org.in by August 23, 2021 with the subject line "Feedback on draft Overseas Investment rules & regulations".

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52026

- **Corona Kavach, Rakshak policies loss-making products'; insurers urge regulator for re-pricing (August 09, 2021)**

Insurance policies Corona Kavach and Corona Rakshak have turned out to be loss-making products for most insurers, prompting them to seek for a re-pricing from the regulator as the high claims payouts are eating into their profits. "It has turned out that Corona Kavach and Corona Rakshak have been making losses for most of the insurers. Most of the insurers and the reinsurers have asked the Insurance Regulatory and Development Authority of India (IRDAI), for re-pricing of these two policies.

For details:

<https://www.myinsuranceclub.com/insurance-news/corona-kavach-rakshak-policies-loss-making-products-insurers-urge-regulator-for-re-pricing>

❖ Terminology for today

Split Verdict

Split Verdict refer to a verdict in which one issue is decided in favor of first party and the other issue is decided in favor of other party.

For eg. A claim over one property is admitted in favor of plaintiff and at the same time, claim of other property is denied.

❖ Market Watch

Stock Market Indices as on 10.08.2021	
S & P BSE Sensex	54554.66 (151.81)
Nifty 50	16280.10 (+21.85)

Foreign Exchange Rates as on 09.08.2021 (https://www.geojit.com/currency-futures/rbi-reference-rate)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.011	87.0341	102.646	0.67129

Prepared by Directorate of Academics

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

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