

Info Capsule

Wednesday
May 11, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ Indirect Tax

Goods and Services Tax

Reporting 6% rate in GSTR - 1 (May 10, 2022)

A new tax rate of 6% IGST or 3% CGST+ 3% SGST has been introduced on certain goods vide Notification No. 02/2022 dated March 31, 2022. Changes are being made on the GST portal to include this rate in GSTR-1. As a temporary measure, taxpayers who have to report goods at this rate may do so by reporting the entries in the 5% heading and then manually increasing the system computed tax amount to 6%. This can be done by entering the value in the 'Taxable value' column next to 5% tax-rate and then increasing the system computed tax-amount to 6% IGST or 3% CGST + 3% SGST in the 'Amount of Tax' column under the relevant Table, namely B2B, B2C or Export, as applicable. This will ensure that correct tax amount is reported in GSTR-1.

For details:

<https://www.gst.gov.in/newsandupdates/read/539>



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❖ Securities Laws & Capital Markets

SEBI Press Release

- **Grant of recognition to NSDL Database Management Limited (NDML) as an Accreditation Agency (May 10, 2022)**

NSDL Database Management Limited (NDML), a wholly owned subsidiary of National Securities Depository Limited (NSDL) has been granted recognition as an Accreditation Agency under Regulation 2(1) (aa) of SEBI (Alternative Investment Funds) Regulations, 2012 read with SEBI circular dated August 26, 2021, for a period of three years with effect from May 10, 2022. The renewal of the recognition would be subject to satisfactory performance by NDML. The procedure for accreditation of an investor and verification of accreditation status of an investor by investment providers (viz Alternative Investment Funds, Portfolio Managers and, Investment Advisers) and other modalities along with relevant circulars shall be displayed on the website of NSDL and NDML.

For details:

https://www.sebi.gov.in/media/press-releases/may-2022/grant-of-recognition-to-nsdl-database-management-limited-ndml-as-an-accreditation-agency_58850.html

SEBI News

- **SEBI amends InvITs rule; specifies draft filing fees for initial offer, rights issue (May 10, 2022)**

Capital markets regulator SEBI came out with a new norm to implement draft filing fees to be paid by Infrastructure Investment Trusts (InvITs) for initial offer and rights issue. Now InvITs are required to pay non-refundable filing fees of 0.1 per cent in case of initial offer and 0.05 per cent in case of rights issue of the total issue size, including green shoe option, at the time of filing of draft placement memorandum or offer letter with respect to private placement. Earlier, the InvIT was required to pay non-refundable filing fees of 0.1 per cent of the total issue size, irrespective of the type of issue.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-amends-invits-rule-specifies-draft-filing-fees-for-initial-offer-rights-issue-8483581.html>

- **SEBI issues norms to calculate margin requirements for intra-day snapshots (May 10, 2022)**

Capital markets regulator SEBI on May 10th, 2022, Tuesday issued a framework for calculating margin requirements to be considered for the intraday snapshots in the derivatives segments. The new framework will come into effect from August 1, 2022. SEBI clarified that the change is only for the purpose of verification of upfront collection of margins from clients. There will be no change in methodology of determination and collection of End of Day (EOD) margin obligation of the client.

For details:

https://www.business-standard.com/article/markets/sebi-issues-norms-to-calculate-margin-requirements-for-intra-day-snapshots-122051001780_1.html

- **Infosys case: SEBI levies Rs 1 lakh fine on individual for violating norms (May 10, 2022)**

Capital markets regulator SEBI on imposed a fine of Rs 1 lakh on an individual for violating the model code of conduct in a case related to shares of Infosys Ltd. SEBI had carried out an investigation in the matter of Unpublished Price Sensitive information (UPSI) in the scrip of Infosys to ascertain if market norms, including the Prohibition of Insider Trading (PIT) regulations, were violated.

For details:

https://www.business-standard.com/article/markets/infosys-case-sebi-levies-rs-1-lakh-fine-on-individual-for-violating-norms-122051001550_1.html

❖ **Banking and Insurance**

Supreme Court upholds RBI remit over NBFCs, says state laws won't apply (May 11, 2022)

Non-Banking Financial Companies (NBFCs) will be regulated by the Reserve Bank of India (RBI), and state money-lending laws will have no applicability on them, the Supreme Court (SC) said on May 10, 2022. The question before the SC was whether NBFCs regulated by the RBI, in terms of the provisions of Chapter IIIB of the Reserve Bank of India Act, 1934, could also be regulated by state enactments like the Kerala Money Lenders Act, 1958 and the Gujarat Money Lenders Act, 2011, with the Kerala and Gujarat High Courts taking opposite views. While the Gujarat HC had in 2011 held NBFCs would not fall under the purview of the Bombay Money Lenders Act, as applicable in the state, the Kerala High Court had given contrary findings, holding that the money-lending laws of the state were applicable.

For details:

<https://www.financialexpress.com/industry/banking-finance/supreme-court-upholds-rbi-remit-over-nbfc-says-state-laws-wont-apply/2519643/>

❖ *Technology and Automation*

Five Indian start-ups join World Economic Forum's tech pioneer community (May 10, 2022)

Five Indian start-ups were among the 100 new start-ups to join the World Economic Forum's (WEF) Technology Pioneers Community. These start-ups are expected to forge new paths in various sectors such as healthcare and food production.

For details:

<https://www.businesstoday.in/latest/corporate/story/five-indian-start-ups-join-world-economic-forums-tech-pioneer-community-332976-2022-05-10>

❖ *Terminology for today*

Brownfield Investment

A brownfield (also known as "brown-field") investment is when a company or government entity purchases or leases existing production facilities to launch a new production activity. This is one strategy used in foreign direct investment

❖ *Market Watch*

Stock Market Indices as on 11.05.2022

S & P BSE Sensex	54088.39 (-276.46)
Nifty 50	16167.10 (-72.95)

Foreign Exchange Rates as on 10.05.2022

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
77.16	81.30	95.05	0.59

Prepared by Directorate of Academics

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