

Info Capsule

Tuesday
April 12, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ Ministry of Finance

Issue of commemorative coin of Rs. 400 (April 11, 2022)

The Central Government notified the Coinage (Issue of Commemorative Coin on the occasion of 400th Birth Anniversary of Sri Guru Tegh Bahadur Ji) Rules, 2022. According to the amendment, the coin of Four Hundred Rupees denomination shall be coined at the Mint for issue under the authority of the Central Government to commemorate on the occasion of 400th Birth Anniversary of Sri Guru Tegh Bahadur Ji.

For details:

<https://egazette.nic.in/WriteReadData/2022/235043.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 Markets

• SEBI Notifications (April 11, 2022)

1. SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2022
2. SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2022
3. SEBI (Debenture Trustees) (Amendment) Regulations, 2022

SEBI, vide its notifications, has amended the provisions of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Debenture Trustee) Regulations, 1993, to align the framework and terminology with respect to 'security cover' wherein the term 'asset cover' has been substituted with term 'security cover' in SEBI (Debenture Trustee) Regulations, 1993, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, it is prescribed that the maintenance of security cover is sufficient to discharge both principal and interest thereon in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Furthermore, references with respect to disclosure of credit ratings have been rationalized and due diligence certificate for unsecured debt securities has been prescribed in SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

For details:

<https://egazette.nic.in/WriteReadData/2022/235031.pdf>

<https://egazette.nic.in/WriteReadData/2022/235034.pdf>

<https://egazette.nic.in/WriteReadData/2022/235035.pdf>

SEBI Circulars

- **Comprehensive Risk Management Framework for Electronic Gold Receipts (EGR) segment (April 11, 2022)**

SEBI has prescribed the risk management framework applicable to the EGR segment on the recognized Stock Exchange in Annexure A to this circular. Government of India vide Gazette notification S.O. 5401 (E) dated December 24, 2021, has notified "electronic gold receipts" as 'securities' under Section 2(h)(ia) of the Securities Contracts (Regulation) Act 1956, and vide Gazette notification dated December 31, 2021, SEBI (Vault Managers) Regulations, 2021, have been notified, paving the way for operationalization of Gold Exchange.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2022/comprehensive-risk-management-framework-for-electronic-gold-receipts-egr-segment_57925.html

- **Risk value of commodities for risk-o-meter (April 11, 2022)**

SEBI has prescribed a new framework for evaluating risk value of commodities - gold and gold related instruments in which mutual funds are permitted to invest. It is provided that investment in commodities by mutual fund schemes shall be assigned a risk score corresponding to the annualized volatility of the price of the said commodity. The annualized volatility shall be computed quarterly based on past 15 years' prices of benchmark index of the said commodity and risk score for the commodity will be categorized in four levels ranging from "moderate" to "very high".

For details:

https://www.sebi.gov.in/legal/circulars/apr-2022/circular-on-risk-value-of-commodities-for-risk-o-meter_57913.html

❖ Market Watch

| Stock Market Indices as on 12.04.2022 | |
|--|---------------------|
| S & P BSE Sensex | 58,576.37 (-388.20) |
| Nifty 50 | 17,530.30 (-144.65) |

| Foreign Exchange Rates as on 11.04.2022 (https://www.geojit.com/currency-futures) | | | |
|--|-------------|-------------|-------------|
| INR / 1 USD | INR / 1 EUR | INR / 1 GBP | INR / 1 JPY |
| 75.66 | 82.29 | 98.61 | 0.61 |

❖ *Indirect Tax*

Customs

- **CBIC Chairman releases National Time Release Study, 2022 (April 11, 2022)**

Shri Vivek Johri, Chairman, Central Board of Indirect Taxes and Customs (CBIC), presented a set of Time Release Studies (TRS) conducted by the department. TRS are essentially a performance measurement tool for assessing the cargo clearance process of the international trade, as recommended by the World Trade Organization (WTO) under the Trade Facilitation Agreement (TFA) and the World Customs Organization (WCO). It adopts average cargo release time, i.e. the time taken from the arrival of the cargo at the customs station to its eventual release for import or export, as the case may be.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1815747>

❖ *Banking and Insurance*

- **Compliance Function and Role of Chief Compliance Officer (CCO) (April 11, 2022)**

The Reserve Bank issued the guidelines on 'Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs' on October 22, 2021. As per these guidelines, Non-Banking Financial Companies in the Upper Layer (NBFC-UL) and Middle Layer (NBFC-ML) would be required, inter alia, to have an independent Compliance Function and a Chief Compliance Officer (CCO). As part of the overall structure for Corporate Governance, Compliance Function serves a critical role. Accordingly, it has been decided to introduce certain principles, standards and procedures for Compliance Function in NBFC-UL and NBFC-ML, keeping in view the principles of proportionality. NBFC-UL and NBFC-ML shall put in place a Board approved policy and a Compliance Function, including the appointment of a Chief Compliance Officer (CCO), based on the specified Framework latest by April 01, 2023 and October 01, 2023, respectively.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12290&Mode=0>

❖ **Competition Law**

• **Bombay HC puts on hold CCI probe of top debt trustees (April 12, 2022)**

Bombay High Court on Monday, April 11, 2022 put on hold an antitrust investigation into trustee units of State Bank of India, Axis Bank and IDBI Bank for suspected collusion on fees, saying the market regulator would first look into the case.

Indian regulations mandate that companies raising debt appoint a so-called "debenture trustee" to protect the interests of investors. The trustees charge a fee from the companies issuing the debt and make due-diligence checks on them.

Reuters reported last week the Competition Commission of India (CCI) had ordered an investigation into debt trustee units of the three banks and a group representing them had gone to court seeking to quash the probe.

Hearing the plea, the judges of the High Court in Mumbai said the market regulator SEBI - which is also investigating the matter - should complete its probe within 60 days, and until then the antitrust investigation will remain on hold.

For details:

https://www.business-standard.com/article/companies/bombay-hc-puts-on-hold-cci-probe-of-top-debt-trustees-122041100957_1.html

• **The Competition Commission of India (General) Amendment Regulations, 2022 (April 08, 2022)**

In exercise of the powers conferred by Sections 36, 57 and 64 of the Competition Act, 2002, the Competition Commission of India has amended the Competition Commission of India (General) Regulations, 2009. According to the amendment, Regulation 35 of the Competition Commission of India (General) Regulations, 2009 *inter alia* provides that the Commission shall maintain confidentiality of the identity of an Informant on a request made to it in writing: Provided that where it is necessary or expedient to disclose the identity of the Informant for the purposes of the Act, the Commission may do so after providing a reasonable opportunity to the Informant, to represent its case before the Commission.

Further, a party seeking confidentiality over the information or the documents furnished by it shall set out cogent reasons for such treatment and shall self-certify that making the document or documents or information or a part or parts thereof public will result in disclosure of trade secrets or destruction or appreciable diminution of the commercial value of any information or can be reasonably expected to cause serious injury.

For details:

<https://egazette.nic.in/WriteReadData/2022/234981.pdf>

❖ ***Insolvency and Bankruptcy***

Clarifications with respect to Temporary Surrender of Professional Membership (April 12, 2022)

In view of the provisions relating to 'temporary surrender of professional membership' contained in clause 26 of the Schedule to the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, have been substituted vide Notification No. IBBI/2019- 20/GN/REG043, dated 23rd July, 2019 (w.e.f. 23-07-2019) and in pursuant to the introduction of provision of 'Authorisation for Assignment', it is clarified that the process of 'Temporary Surrender of Professional Membership,' ceases to exist with issuance of above mentioned notification

This clarification is issued in exercise of the powers conferred under clause (aa), (g) and (p) of subsection (1) and sub-section (2) of section 196 of the Insolvency and Bankruptcy Code, 2016.

For details:

<https://www.ibbi.gov.in/uploads/legalframework/ea6f70f852d6c2ad103efcf5d5b158c8.pdf>

❖ ***Business and Economic News***

Hindustan Aeronautics consortium win ISRO order for polar space launch vehicles (April 11, 2022)

Hindustan Aeronautics Limited (HAL) and L&T consortium has emerged as the lowest bidder to make 5 Polar Space Launch Vehicles (PSLVs) for ISRO. This will be the first time that the industry will build a launch vehicle (LV) and will pave the way for commercialisation of other LVs, including the small satellite launch vehicle. The first rocket is expected to be realised sometime during the second half of 2024. This is the first time in the ISRO's history that an entire rocket, including the heatshield, is to be made outside of the space agency.

For details:

<https://www.businesstoday.in/latest/corporate/story/hindustan-aeronautics-consortium-win-isro-order-for-polar-space-launch-vehicles-329360-2022-04-11>

❖ **Technology and Automation**

• **New materials & processes for carbon capture and utilization could show new light for global warming challenge (April 07, 2022)**

A group of scientists have computationally designed a hybrid material which can absorb greenhouse gas methane, converting it to clean Hydrogen and also simulated a process of capturing carbon dioxide in-situ and converting it to high purity hydrogen from non-fuel grade bioethanol. They have also designed a facility that can test such materials and help further carbon capture research at the institute.

Given the global warming potential of greenhouse gases, scientists are trying to explore innovative methods of absorbing these gases and converting them to useful substances. New materials that can play dual role of absorption as well as conversion is the new challenge area for scientist in carbon capture innovation.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1815616>

• **IIT Mandi develops technique for soil stabilization using bacteria (April 11, 2022)**

Researchers at the Indian Institute of Technology (IIT) Mandi have developed sustainable techniques for soil stabilisation using a harmless bacteria called S. Pasteurii. The bacteria hydrolyses urea to precipitate calcite and the process does not involve hazardous chemicals and natural resources can be used sustainably.

For details:

https://www.business-standard.com/article/education/iit-mandi-develops-technique-for-soil-stabilization-using-bacteria-122041100379_1.html

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu.

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