

Info Capsule

Wednesday
October 13, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ **Securities Laws & Capital Market**

SEBI News

SEBI rejects Brickwork's settlement application (October 13, 2021)
The SEBI has rejected the settlement application of Brickwork Ratings India for allegedly violating the credit rating agency (CRA) regulations. The rating agency has challenged SEBI's decision to reject its settlement application before the Karnataka High Court alleging that the regulator hadn't given the firm a proper hearing. Earlier, SEBI had issued a show-cause notice to Brickwork Ratings, asking why its licence should not be cancelled for repeated lapses in the credit rating process. The rating agency recently filed a second writ petition before the Karnataka High Court seeking to halt SEBI's legal proceedings against it. The court will hear the matter on October 29.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-rejects-brickworks-settlement-application/articleshow/86981682.cms>



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❖ **Banking and Insurance**

• **RBI authorises Karur Vysya Bank to collect direct taxes (October 12, 2021)**

Private sector Bank, Karur Vysya said, it has commenced the integration process with the Central Board of Direct Taxes to collect direct taxes on its behalf, following the approval it received from the Reserve Bank. The Reserve Bank of India has authorised Karur Vysya Bank to collect direct taxes on behalf of Central Board of Direct Taxes. Following the approval received, the bank has initiated the integration process with CBDT.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-authorises-karur-vysya-bank-to-collect-direct-taxes/articleshow/86969586.cms>

• **Centrum, BharatPe get licence to set up Small Finance Bank (October 13, 2021)**

The Reserve Bank of India has issued a Small Finance Bank (SFB) licence to the consortium of Centrum Financial Services, the small business lending arm of the Centrum Group, and Resilient Innovations Private Limited (BharatPe), a fintech company.

For details:

<https://indianexpress.com/article/business/banking-and-finance/centrum-bharatpe-get-licence-to-set-up-small-finance-bank-7569013/>

❖ **Direct Tax****Notification No. 119 [Dated October 11, 2021]**

The Central Government exempts the following class of persons mentioned in column (2) of the Table below, subject to the conditions specified in column (3) of the said Table, from the requirement of furnishing a return of income under sub-section (1) of section 139 of the said Act from assessment year 2021-2022 onwards :

Sl. No.	Class of Persons	Conditions
1.	a non-resident, not being a company; or (ii) a foreign company	<p>(i) The said class of persons does not earn any income in India, during the previous year, other than the income from investment in the specified fund referred to in sub-clause (i) of clause (c) of Explanation to clause (4D) of section 10 of the said Act; and</p> <p>(ii) The provisions of section 139A of the said Act are not applicable to the said class of persons subject to fulfillment of the conditions mentioned in sub-rule (1) of rule 114AAB of the Income-tax Rules, 1962</p>
2.	a non-resident, being an eligible foreign investor.	<p>(i) The said class of persons, during the previous year, has made transaction only in capital asset referred to in clause (viiab) of section 47 of the said Act, which are listed on a recognised stock exchange located in any International Financial Services Centre and the consideration on transfer of such capital asset is paid or payable in foreign currency.</p> <p>(ii) The said class of persons does not earn any income in India, during the previous year, other than the income from transfer of capital asset referred to in clause (viiab) of section 47 of the said Act; and</p> <p>(iii) The provisions of section 139A of the said Act are not applicable to the said class of persons subject to fulfillment of the conditions mentioned in sub-rule (2A) of rule 114AAB of the said rules.</p>

For details:

<https://incometaxindia.gov.in/communications/notification/notification-119-2021.pdf>

❖ ***Business and Economic News***

- **Future Group firms convene shareholder, creditors meetings to seek approval for Reliance deal (October 11, 2021)**

Future group firms are convening meetings of their respective shareholders and creditors in November to seek approval to their proposed merger into Future Enterprises as part of the Rs. 24,713 Crore deal with Reliance Retail.

The meetings of the equity shareholders, secured creditors and unsecured creditors will be held through video conferencing /other audio-visual means, said Future group companies, adding that remote e-voting facility will be offered to all participants. The scheme of arrangement between Future and Reliance Retail, announced in August last year entails consolidation of Future Group's 19 companies operating in retail, wholesale, logistics and warehousing assets into one entity-Future Enterprises Ltd. is the transferee company to Reliance Retail.

For details:

<https://www.financialexpress.com/industry/future-group-firms-convene-shareholder-creditors-meetings-to-seek-approval-for-reliance-deal/2348242/>

- **Zee-Sony merger deal not in interest of small shareholders: Invesco (October 12, 2021)**

Invesco, the largest shareholder of Zee Entertainment Enterprises (ZEEL), has raised questions over the company's proposed merger with Sony Pictures, saying the transaction is not in the best interest of all shareholders and will benefit only the promoters, who have defaulted on bank loans.

Invesco said the non-binding agreement between ZEEL and Sony "gifts" a 2 per cent equity stake to the promoters of Zee in the guise of "non-compete" fee, even though the current managing director and chief executive officer, Punit Goenka, would continue to run the merged entity for the next five years.

For details:

https://www.business-standard.com/article/companies/zee-sony-merger-deal-not-in-interest-of-small-shareholders-invesco-121101100820_1.html

- **IMF projects India to be fastest growing economy in the world, keeps India's 2021-22 GDP growth at 9.5% (October 12, 2021)**

India will continue to be the world's fastest growing major economy, clocking a growth rate of 9.5 per cent this fiscal year and 8.5 per cent in the next, according to the International Monetary Fund (IMF) projections.

The IMF's World Economic Outlook (WEO) kept the gross domestic product (GDP) growth forecasts it had made in July for India, whose Covid-battered economy had shrunk by 7.3 per cent in the last fiscal year.

For details

<https://zeenews.india.com/economy/imf-projects-india-to-be-fastest-growing-economy-in-the-world-keeps-indias-2021-22-gdp-growth-at-9-5-2402060.html>

❖ Terminology for today

Rational Choice Theory

Rational choice theory states that individuals use rational calculations to make rational choices and achieve outcomes that are aligned with their own personal objectives. These results are also associated with maximizing an individual's self-interest. Using rational choice theory is expected to result in outcomes that provide people with the greatest benefit and satisfaction, given the limited option they have available.

❖ Market Watch

Stock Market Indices as on 13.10.2021	
S & P BSE Sensex	60737.05 (+452.74)
Nifty 50	18161.75 (+169.80)

Foreign Exchange Rates as on 12.10.2021 (https://www.geojit.com/currency-futures/rbi-reference-rate.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
75.20	86.98	102.46	0.67

Prepared by Directorate of Academics

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