

# Info Capsule

Monday  
November 15, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

## ❖ *Insolvency and Bankruptcy*

### **Expert panel pitches for national dashboard for insolvency data (November 14, 2021)**

An expert panel has suggested designing a national dashboard for insolvency data, saying "reliable real-time data" is essential to assess the performance of the insolvency process under the IBC.

The Insolvency and Bankruptcy Code (IBC), which provides for a time-bound and market-linked resolution of stressed assets, has been in force for more than five years now.

*For details:*

<https://economictimes.indiatimes.com/news/economy/policy/expert-panel-pitches-for-national-dashboard-for-insolvency-data/articleshow/87696731.cms>



THE INSTITUTE OF  
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

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## ❖ *Ministry of Corporate Affairs*

### **Ministry of Corporate Affairs and IEPFA further simplify IEPFA Claim Settlement Process towards Ease of Doing Business and Ease of Living (November 12, 2021)**

In a major step towards the mission and vision of Government of India of Ease of Living and Ease of Doing Business, Ministry of Corporate Affairs (MCA) has further simplified claim settlement process through rationalization of various requirements under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

For claimants, requirement of Advance Receipt has been waived off, requirement of Succession Certificate/ Probate of Will/ Will has been relaxed up to Rs. 5,00,000 (five lakh) both for Physical & DEMAT shares, notarization of documents has been replaced with self-attestation and requirements of Affidavits and Surety relatively have been eased.

For companies, requirement of attaching documents related to Unclaimed Suspense Account has been eased and companies have been given flexibility to accept transmission document viz. Succession Certificate, Will etc. as per their internal approved procedures and Newspaper Advertisement requirement for loss of physical Share Certificate has been waived off up to an amount of Rs. 5,00,000.

The focus of the change has been to make the process simpler and quicker for the claimants. The new regime envisages a trust-based model for faster citizen centric services and turnaround time. It is expected that with these changes many more claimants shall come forward to claim their shares and amounts from Investor Education and Protection Fund Authority (IEPFA). Till date IEPFA has approved more than 20,000 claims refunding more than 1.29 crore shares. Shares of market value of more than Rs. 1,011 crore and dividends and other amounts exceeding Rs. 20 crore have been refunded.

*For details:*

<https://pib.gov.in/PressReleasePage.aspx?PRID=1771138>

- **MCA Corrigendum (November 12, 2021)**

The MCA has issued Corrigendum pertaining to the notification of the Government of India in the Ministry of Corporate Affairs number G.S.R. 785(E), dated November 09, 2021, related to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2021, as published in the Gazette of India.

At Page No: 9, in the English version, in line 9, for “sub-rule (7)”, read “sub-rule (2)”.

For details: <https://www.egazette.nic.in/WriteReadData/2021/231047.pdf>

- ❖ **Securities Laws & Capital Market**

- **SEBI Chairman’s Speech at the 40th India International Trade Fair, 2021 (November 14, 2021)**

With a view to showcasing the well regulated securities market and spreading awareness about the capital market, SEBI is setting up a Pavilion 'BHARAT KA SHARE BAZAAR' in the 40th India International Trade Fair (IITF), 2021 (November 14-27, 2021). Speaking at the inauguration of Capital Market Pavilion of India at the 40th India International Trade Fair, 2021, Shri Ajay Tyagi, Chairman, SEBI, said-

- In recent years, growth of the Indian capital market has been phenomenal which is reflected in increase in market cap, turnover, number of participants, product range etc.
- Participation of retail investors in securities markets has seen a significant rise especially in the last two years which is evident from the increase in number of demat accounts, mutual fund folios and number of SIPs.
- Conscious of the importance of Financial Education, SEBI is pursuing several awareness programs. Recently SEBI launched the Securities Market Trainers (SMARTs) programme and has been providing financial education through Resource Persons about various financial products and services.
- SEBI is coming up with Investor Charter for protection of interests of investors in Indian Securities Markets. These investor charters aim to create awareness among investors about different services being provided to them, timelines related to various services like investor grievance redressal mechanism, their rights and responsibilities and do’s and don’ts of investing in securities market.
- SEBI has taken a number of regulatory measures in the recent past such as protection of client collateral through pledge-repledge mechanism, upfront Margin, Risk-O-Meter, e-KYC or T+1 Settlement, towards investor protection.
- SEBI Complaint Redressal System (SCORES) provides a platform for investors to lodge complaints against listed entities, SEBI registered intermediaries and Market Infrastructure Institutions, and also keeps track of their timely progress.

For details:

[https://www.sebi.gov.in/media/speeches/nov-2021/address-by-chairman-sebi-at-the-india-international-trade-fair-2021-on-november-14-2021\\_53914.html](https://www.sebi.gov.in/media/speeches/nov-2021/address-by-chairman-sebi-at-the-india-international-trade-fair-2021-on-november-14-2021_53914.html)

## SEBI News

### • Digitalgold may come under regulatory ambit (November 15, 2021)

The Finance Ministry, the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) are working to bring digital gold, along with crypto assets, under some regulatory oversight, as concerns mount over the unchecked growth in such investments without investor protections that apply to regulated securities. The government plans to address the issues of transparency, outrageous claims and lofty promises made by some companies in unregulated assets to lure investors. As part of the plan, the government may amend the SEBI Act and Securities Contracts Regulation Act to categorize digital gold as a security.

For details:

<https://www.livemint.com/market/commodities/digital-gold-may-come-under-regulatory-ambit-11636916950066.html>

## ❖ Indirect Tax

### Goods and Services Tax

### • CGST Officials unearth input tax credit fraud of around Rs. 34 crore involving 7 firms (November 14, 2021)

Based upon specific intelligence, the officers of the Anti Evasion branch of Central Goods and Service Tax (CGST) Commissionerate, Delhi (East) have unearthed a case of availment/utilization and passing on of inadmissible input tax credit (ITC) through bogus GST invoices without actual movement of goods of Rs. 34 crore (approx). The 7 firms were created in order to generate bogus GST invoices with an intent to pass on fraudulent ITC without actual movement of goods and without paying actual GST to the Government. These entities have generated goods less GST invoices of value Rs. 220 crore (approx.) and passed inadmissible ITC amounting to Rs. 34 crore (approx.).

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1771636>

## ❖ Market Watch

### Stock Market Indices as on 15.11.2021

S & P BSE Sensex	60718.71 (+32.02)
Nifty 50	18109.45 (+6.7)

### Foreign Exchange Rates as on 12.11.2021

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.29	85.17	99.48	0.65

## ❖ **Banking and Insurance**

### • **The Reserve Bank - Integrated Ombudsman Scheme, 2021 (November 12, 2021)**

The Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme) was launched on November 12, 2021 in virtual mode by Hon'ble Prime Minister Shri Narendra Modi. The Scheme integrates the existing three Ombudsman schemes of RBI namely, (i) the Banking Ombudsman Scheme, 2006; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019. This scheme will provide cost-free redress of customer complaints involving deficiency in services rendered by entities regulated by RBI, if not resolved to the satisfaction of the customers or not replied within a period of 30 days by the regulated entity.

*For details: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=52549](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52549)*

### • **RBI Retail Direct Scheme (November 12, 2021)**

The Reserve Bank announces the activation of the RBI Retail Direct Scheme with effect from November 12, 2021. A significant milestone in the development of the Government securities (G-sec) market, the Reserve Bank of India-Retail Direct (RBI-RD) Scheme will bring G-secs within easy reach of the common man by simplifying the process of investment. Under the Scheme, retail individual investors will be able to open a Retail Direct Gilt (RDG) Account with the Reserve Bank of India, using an online portal (<https://rbiretaildirect.org.in>).

*For details: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=52548](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52548)*

### • **Restrictions put on Laxmi Coop Bank, Solapur; Rs. 1,000 cap on withdrawals (November 12, 2021)**

The Reserve Bank of India (RBI) on November 12, 2021 imposed several restrictions on Laxmi Cooperative Bank Ltd, Solapur, including Rs. 1,000 cap on withdrawals for customers, due to deterioration in its financial position. As per the directions, the bank shall not, without the prior approval of the RBI, grant or renew any loans and advances, make any investment, incur any liability, and disburse or agree to disburse any payment.

*For details:*

*<https://economictimes.indiatimes.com/industry/banking/finance/banking/restrictions-put-on-laxmi-coop-bank-solapur-rs-1000-cap-on-withdrawals/articleshow/87672824.cms>*

### • **Specify due dates in loan agreements: RBI to banks (November 13, 2021)**

The Reserve Bank of India (RBI) on November 12, 2021 issued a set of clarifications to its prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP), including directions on more transparent loan agreements and upgrades of Non-Performing Assets (NPAs).

*For details:*

*<https://www.financialexpress.com/industry/banking-finance/specify-due-dates-in-loan-agreements-rbi-to-banks/2368204/>*



### ❖ *Environmental News*

#### **Commission for Air Quality Management (CAQM) holds crucial emergency meet in wake of deteriorating air quality of the Delhi-NCR region (November 14, 2021)**

Commission for Air Quality Management (CAQM) asks States and concerned agencies to be in complete readiness for implementing 'Emergency Measures' as listed under Graded Response Action Plan (GRAP). It Identifies 5 different areas contributing to the prevailing adverse air quality of Delhi-NCR for focused and intensified efforts.

Current adverse air quality scenario in Delhi-NCR greatly impacted by a dust storm moving in from the South-Westerly directions of the Thar desert bringing in huge quantities of dust that has further amplified the PM2.5 / PM10 levels significantly.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1771727>

### ❖ *Ethics and Governance News*

#### **Globally institutional investors placing greater emphasis on companies' ESG performance: Survey (November 14, 2021)**

According to the 2021 EY Global Institutional Investor Survey, 74 per cent of institutional investors now more likely to "divest" based on poor ESG performance, than before the COVID-19 pandemic. The report, now in its sixth year, canvasses the views of 320 institutional investors across 19 countries, including 15 respondents from India.

For details:

<https://economictimes.indiatimes.com/news/company/corporate-trends/globally-institutional-investors-placing-greater-emphasis-on-companies-esg-performance-survey/articleshow/87698362.cms>

### ❖ *Terminology for today*

#### **Thin Market**

A market that occurs when there are comparatively few bids to buy or offers to sell, or both. The phrase may apply to a single security or to the entire stock market. In a thin market, price fluctuations between transactions are usually larger than when the market is liquid. A thin market in a particular stock may reflect lack of interest in that issue, or a limited supply of the stock.

**Prepared by Directorate of Academics**

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