

Info Capsule

Wednesday
March 16, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ **Ministry of Corporate Affairs**

More than 3.82 lakh companies struck off till financial year 2020-21 in Special Drives taken by Registrar of Companies (March 15, 2022)

Under the Special Drives taken by Registrar of Companies, 3,82,875 number of companies were struck off u/s 248 (1) of the Companies Act till the financial year 2020-21. This was stated by Union Minister of State for Corporate Affairs Shri Rao Inderjit Singh in a written reply to a question in Rajya Sabha.

Explaining further, the Minister stated that there is no definition of the term "Shell Company" in the Companies Act, 2013 (the Act). It normally refers to a company without active business operation or significant assets, which in some cases are used for illegal purpose such as tax evasion, money laundering, obscuring ownership, benami properties etc. The Special Task Force set up by the Government to look into the issue of "Shell Companies" has, inter-alia, recommended the use of certain red flag indicators as alerts for identification of suspected Shell Companies.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1806188>



**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 News

● **SEBI comes out with clarifications on transactions in mutual funds units (March 15, 2022)**

SEBI came out with certain clarifications on transactions in the units of mutual funds and has also given guidelines for authentication in case of redemption of units. The clarifications pertain to transactions in units of mutual funds on stock exchange platforms and also for entities including online platforms other than exchanges. A circular issued in October 2021 had said that stock brokers and clearing members shall not accept payment through one-time mandate or issuance of mandates or instruments in their name for mutual fund transactions. However, now the regulator has said one-time mandates in favour of SEBI-recognised clearing corporations may be accepted. It further said existing mandates being used for mutual fund transactions can continue to remain in the name of the stock brokers / clearing members, subject to the condition that they ensure that payment aggregators (PA) put in place mechanisms wherein the beneficiary of the mandate can only be an approved account.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-comes-out-with-clarifications-on-transactions-in-mutual-funds-units-8235791.html>

● **TV anchor gets interim relief as SAT stays SEBI order on Rs 3.9 cr deposit (March 15, 2022)**

The Securities Appellate Tribunal (SAT) has stayed directions passed by market regulator SEBI against television anchor Hemant Ghai to deposit Rs 3.9 crore, allegedly made unlawfully. The order dated February 3, 2022 directing the appellant to deposit a further amount towards the alleged unlawful gains amounting to Rs 3,90,67,921 shall remain stayed till the next date of listing,

the tribunal said while adjourning the matter to March 24. It was observed that Jaya Hemant Ghai (wife) and Shyam Mohini Ghai (mother) have undertaken a large number of Buy-Today-Sell-Tomorrow (BTST) trades during the relevant period in synchronisation with the recommendations made in the Show. Shares were bought on the previous day to the recommendations being made on the stock 20-20 show and sold immediately on the recommendation day, said SEBI in an order last year.

For details:

https://www.business-standard.com/article/markets/tv-anchor-gets-temporary-relief-as-sat-stays-sebi-order-on-rs-3-9-cr-deposi-122031501052_1.html

❖ **Indirect Tax**

Goods and Services Tax

- **GST reduced from 18% to 5% for domestic Maintenance, Repair and Overhaul (MRO) services (March 14, 2022)**

The average number of the passenger carried in the pre-Covid financial year (2019-20) was around 4 lakh per day. On March 06, 2022, domestic airlines in India carried around 3.7 lakh passengers. The number of daily air passengers may cross pre-COVID levels in a few months. The Government has taken several steps to meet the increasing demand in aviation sector in future, which include the following: Goods and Services Tax (GST) rate has been reduced from 18% to 5% for domestic Maintenance, Repair and Overhaul (MRO) services.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1805765>

❖ **Terminology for today**

Gwei

Gwei is a portmanteau (a blend of words) of giga and wei. Gwei is a denomination of the cryptocurrency ether (ETH), the digital coin used on the Ethereum network. Ethereum is a blockchain platform, like Bitcoin, where users transact to buy and sell goods and services without a middleman or interference from a third party.

❖ **Market Watch**

Stock Market Indices as on 16.03.2022	
S & P BSE Sensex	56816.65 (1039.80)
Nifty 50	16975.35 (312.35)

Foreign Exchange Rates as on 15.03.2022			
<i>(https://www.geojit.com/currency-futures)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
76.42	83.63	99.56	0.65

❖ **Banking and Insurance**

• **PNB declares IL&FS Tamil Nadu Power Company's loan as fraud (March 15, 2022)**

Punjab National Bank reported a fraud of Rs. 2,060 crore in the Non-Performing Account of IL&FS Tamil Nadu Power Company Ltd. The state-owned lender said that it made a provision of Rs. 824 crore as per Reserve Bank of India's prudential norms. The company had a payment due of Rs. 7181 crore at the end of March 31, 2021, according to its annual report. It was a special purpose vehicle set up by Infrastructure Leasing & Financial Services Ltd. (IL&FS) under its energy platform for implementation of thermal power projects at Cuddalore in Tamil Nadu.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/pnb-declares-ilfs-tamil-nadu-power-companys-loan-as-fraud/articleshow/90229872.cms>

• **No public sector bank faced loss in last three quarters, says Government (March 16, 2022)**

No Public Sector Bank (PSB) has faced any loss in the April-December period of the current fiscal year, and clocked a collective net profit of Rs. 48,874 crore during this period, the Government said in Parliament on March 15, 2022. Responding to a query on profit earned by PSBs since 2010, the minister citing the data from the Reserve Bank, said the Public Sector Banks earned a combined net profit of Rs. 31,820 crore in 2020-21. However, there were collective losses for five straight years during 2015-16 to 2019-20.

For details:

https://www.business-standard.com/article/finance/no-public-sector-bank-faced-loss-in-last-three-quarters-says-govt-122031600038_1.html

• **NaBFID to commence operations in Q1FY23 (March 16, 2022)**

The National Bank for Financing Infrastructure and Development (NaBFID) will commence its business operations in the first quarter of the next financial year by approving the first loan for the project. It will also finance projects that are part of the National Monetisation Pipeline. The selection of the CEO of NaBFID and other officials to run the bank is underway. Last year, the Government has set up NaBFID as a Development Financial Institution (DFI) to support the development of long-term infrastructure financing.

For details:

<https://www.financialexpress.com/industry/banking-finance/nabfid-to-commence-operations-in-q1fy23/2462411/>

❖ **Technology and Automation**

Department of Agriculture & Farmers Welfare released the SOPs for use of drones in agriculture (March 15, 2022)

Looking into the unique advantages of Drone technologies in agriculture, the Department of Agriculture & Farmers Welfare has released the Standard Operating Procedures (SOPs) for use of drones in pesticide and nutrient application in public domain in December 2021, which provide concise instructions for effective and safe operations of drones.

In order to make this technology affordable to the farmers and other stakeholders of this sector, financial assistance @ 100 % cost of drone together with the contingent expenditure is extended under Sub-Mission on Agricultural Mechanization (SMAM) to the Farm Machinery Training & Testing Institutes, Institutions of Indian Council of Agricultural Research, Krishi Vigyan Kendra (KVK) and State Agricultural Universities (SAUs) for its demonstration on the farmer's fields.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1806231>

❖ **Business and Economic News**

Amazon's demand for \$200 million sank settlement talks with Future (March 15, 2022)

Dispute settlement talks between Amazon.com Inc and India's Future Retail failed over the U.S. group's demand for the return of at least \$200 million it had invested in the Indian firm. Amazon has for months blocked the \$3.4 billion sale of Future's retail assets to rival Reliance, announced in 2020, citing a breach of certain contracts. Future denied any wrongdoing, and hopes had risen recently of an out-of-court settlement after Amazon and Future agreed to talks. On March 15, 2022, the two sides told India's Supreme Court, which is hearing the dispute, the talks had collapsed and Amazon took out newspaper ads criticising both Reliance and Future.

For details:

https://www.business-standard.com/article/companies/amazon-s-demand-for-200-million-sank-settlement-talks-with-future-122031501308_1.html

Prepared by Directorate of Academics

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