

Info Capsule

Friday
September 17, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ **International Business News**

India-UK FTA Negotiations Set to Begin November 1, 2021 (September 16, 2021)

Preparatory work for the India-UK Free Trade Agreement has been ongoing and bilateral trade working groups are set to conclude their discussions in September, joint scoping discussions are to begin October 1, and official trade negotiations could kick-start by November 1, 2021.

For details: <https://www.india-briefing.com/news/india-uk-economic-and-financial-dialogue-adds-momentum-to-fta-negotiations-23134.html/>



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❖ **Banking and Insurance**

• **Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021 (September 16, 2021)**

The draft Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2020 were released for public comments on December 04, 2020. Based on the feedback received from the market participants, the draft Directions were reviewed and have since been finalised. RBI has issued Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12163&Mode=0>

• **Seen complete pass-through of rate cuts to fresh rupee loans of banks: RBI bulletin (September 17, 2021)**

Surplus liquidity, coupled with the forward guidance by the Reserve Bank of India (RBI), has facilitated monetary transmission and there has been a complete pass-through of policy rate cuts to fresh rupee loans and term deposit rates of banks since March 2020, the central bank said in its bulletin for September.

For details:

<https://www.financialexpress.com/industry/banking-finance/seen-complete-pass-through-of-rate-cuts-to-fresh-rupee-loans-of-banks-rbi-bulletin/2331899/>

❖ **Securities Laws & Capital Markets**

SEBI Chairman's Speech at 12th Financial Markets Summit of CII (September 16, 2021)

Speaking at 12th Financial Markets Summit of CII, Shri Ajay Tyagi, Chairman, SEBI, said-

- 'Building India for a new World' needs encouragement and growth of the capital markets to meet the funding requirements of growing economy. At present, capital market share in the overall fund raising in India is nowhere near the proportions in the developed countries.
- Post the onset of Pandemic, individual investors' participation in stock markets has increased.
- SEBI has progressively strengthened the margining provisions. These improvements have held the trading and clearing system in good stead in the present scenario of tremendous increase in turnover and individual investors' participation in the market.
- The fund raised through IPOs more than doubled in FY21 to around INR 46,000 Crore from around INR 21,000 crore in the previous financial year. Based on the applications filed with SEBI, the equity raising through IPOs this year is likely to surpass the highest amount ever raised in any financial year during the last decade.
- Sustainable development and addressing the climate change concerns have emerged as priority areas. SEBI came out with Business Responsibility and Sustainability Reporting norms for the listed corporates.
- SEBI has launched another investor education programme called - SMARTs (Securities Market Trainers) programme. Individuals and organisations with knowledge and experience in securities market and interest in creating investor awareness are empaneled as SMARTs.

For details:

https://www.sebi.gov.in/media/speeches/sep-2021/chairman-s-speech-dated-september-16-2021-at-12th-financial-markets-summit-of-cii_52621.html

❖ **Market Watch**

Stock Market Indices as on 17.09.2021	
S & P BSE Sensex	59015.89(-125.27)
Nifty 50	17601.20(-28.30)

Foreign Exchange Rates as on 16.09.2021 <i>(https://www.geojit.com/currency-futures/rbi-reference-rate)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.43	86.75	101.53	0.67

❖ Terminology for today

Empire Building

A situation in which management seeks to acquire another company primarily for the sake of managing a larger enterprise. Empire building is a type of agency problem that effective corporate governance systems are expected to prevent.

❖ Business and Economic News

Fifty two companies file applications for PLI Scheme for White Goods (ACs and LED Lights)(September 16, 2021)

A total of 52 companies have filed their application with committed investment of Rs 5,866 crore under the PLI scheme to incentivize the domestic manufacturing of components of White Goods (Air conditioners and LED lights), applications for which closed on 15 September, 2021. The PLI Scheme was notified on 16.04.2021.

Several companies like Daikin, Panasonic, Hitachi, Mettube, Nidec, Voltas, Bluestar, Havells, Amber, EPack, TVS-Lucas, Dixon, R K Lighting, Uniglobus, RadhikaOpto, Syska among others have applied for manufacturing critical components of Air conditioners and LED Lights.

Applications have been filed for production of components which are not manufactured in India presently with sufficient capacity. For Air Conditioners, several companies will be manufacturing compressors, copper tubing, aluminium stock for foils, control assemblies for IDU or ODU, Display units, BLDC motors among other components. Similarly, for LED Lights LED Chip packaging, LED Drivers, LED Engines, LED Light Management Systems, PCBs including metal clad PCBs and Wire wound inductors etc. will be manufactured in India.

For details:

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1755458>

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082116

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