

Info Capsule

Friday
May 20, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ **Technology and Automation**

Policy framework for data centres ready; to soon go for cabinet approval (May 20, 2022)

The IT ministry, which plans to offer incentives worth up to Rs. 15,000 crore under a national policy framework for data centres, will soon take it to the Cabinet for approval, as per senior government officials. According to a draft of the policy, the government is eyeing investments of up to Rs. 3 lakh crore in the data centre ecosystem over the next five years. "This will be the largest investment that any incentive scheme has attracted so far. It even outstrips the semiconductor policy in terms of expected investment," an official said.

For details:

<https://economictimes.indiatimes.com/tech/technology/policy-framework-for-data-centres-ready-to-soon-go-for-cabinet-approval/articleshow/91669853.cms>



**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 Circulars

- **Revised format of security cover certificate, monitoring and revision in timelines (May 19, 2022)**

Based on the recommendation of the Working Group, SEBI has revised the security cover format and is enclosed at Annexure I to this circular. In terms of regulation 54 read with regulation 56(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to disclose security cover to Stock Exchange and Debenture Trustee, and the format for preparation of security cover for listed debt securities was prescribed as per Annexure A of SEBI circular dated November 12, 2020. The revised format has been prepared to provide a holistic picture of all the borrowings and the status of encumbrance on the assets of the listed entity. Further, SEBI has provided the manner of preparation of security cover certificate by listed entity and Debenture Trustees.

For details:

https://www.sebi.gov.in/legal/circulars/may-2022/revised-format-of-security-cover-certificate-monitoring-and-revision-in-timelines_59051.html

- **Streamlining the Process of Rights Issue (May 19, 2022)**

SEBI has streamlined the rights issue process and provided that the trading in Right Entitlements (REs) on the secondary market platform of stock exchanges commence along with the opening of the right issue and has to be closed at least three working days prior to the closure of the rights issue. Earlier, the requirement was four days. SEBI received representation from the market that in case there are trading holidays between the last date of REs trading date and issue closure, the provision of the minimum gap of four days may not always ensure that there are adequate days for settlement, as minimum 2 working days are required for the settlement of REs traded on last day of REs trading window. REs traded on the exchange platform have a T+2 rolling settlement.

For details:

https://www.sebi.gov.in/legal/circulars/may-2022/streamlining-the-process-of-rights-issue_59023.html

❖ **Indirect Tax**

Goods and Services Tax

- **GST Council recommendations not binding on Centre and states: Supreme Court ruling may impact GST provisions (May 19, 2022)**

The Supreme Court has ruled that the GST Council recommendations are not binding on the Centre and the states, and are only 'persuasive', in a landmark judgement that may impact the landscape of GST provisions under judicial review. The Parliament and state legislatures possess equal powers to legislate on GST, the Supreme Court said, upholding the judgement of the Gujarat High Court in Ocean Freight matter in the case of Mohit Minerals. It is for the GST Council to suitably advise the Central government and the state governments, the Supreme Court bench led by Justice DY Chandrachud said.

For details:

<https://www.financialexpress.com/economy/gst-council-recommendations-not-binding-on-centre-and-states-supreme-court-ruling-may-impact-gst-provisions/2530711/>

❖ **Banking and Insurance**

- **Interoperable Card-less Cash Withdrawal (ICCW) at ATMs (May 19, 2022)**

All banks, ATM networks and White Label ATM Operators (WLAOs) may provide the option of ICCW at their ATMs. NPCI has been advised to facilitate Unified Payments Interface (UPI) integration with all banks and ATM networks. While UPI would be used for customer authorisation in such transactions, settlement would be through the National Financial Switch (NFS) / ATM networks. The on-us / off-us ICCW transactions shall be processed without levy of any charges other than those prescribed under the circular on Interchange Fee and Customer Charges. Withdrawal limits for ICCW transactions shall be in-line with the limits for regular on-us / off-us ATM withdrawals. All other instructions related to Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions shall continue to be applicable.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12321&Mode=0>

- **SC orders constitution of special court for cheque bounce cases (May 19, 2022)**

The Supreme Court on May 19, 2022 directed the constitution of special courts with a retired judge in five states starting September 01 for expeditious disposal of cheque bounce cases. A three-judge bench of Justices L Nageswara Rao, B R Gavai, and S Ravindra Bhat said the special courts under the Negotiable Instruments Act (NI), would be set up in the states of Maharashtra, Delhi, Gujarat, Uttar Pradesh and Rajasthan in view of a large number of cases pending in these states.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/sc-orders-constitution-of-special-court-for-cheque-bounce-cases/articleshow/91660800.cms>

- **New Development Bank opens regional office in GIFT City (May 20, 2022)**

The New Development Bank (NDB) has announced the launch of its Indian Regional Office (IRO) in Gujarat International Finance Tec-City (GIFT City). Working in close coordination with the NDB Headquarters at Shanghai (China), the Indian Regional Office will focus on project origination (including initial project preparation and technical assistance), pipeline development, project implementation and monitoring as well as regional portfolio management, the NDB said in a statement.

For details:

<https://www.thehindubusinessline.com/money-and-banking/new-development-bank-opens-regional-office-in-gift-city/article65438522.ece>

- ❖ **Competition Law**

- **CCI approves merger by absorption of Covidshield Technologies into Biocon Biologics (May 19, 2022)**

The Competition Commission of India (CCI) approves merger by absorption of Covidshield Technologies into Biocon Biologics in consideration for acquisition of approximately 15% equity shareholding of Biocon Biologics by Serum Institute Life Sciences.

The Proposed Combination involves merger by absorption of Covidshield Technologies Private Limited (CTPL), a wholly owned subsidiary of the Serum Institute Life Sciences Private Limited (Acquirer) into the Biocon Biologics Limited (Target) pursuant to a scheme of merger in consideration of which the Acquirer will acquire approximately 15% equity shareholding on a fully diluted basis in the Target.

The Acquirer is a subsidiary of Serum Institute of India Private Limited and was established as a company for further development and commercialization of vaccines and therapies against COVID-19. It also had plans to further develop vaccines against other infectious diseases. At present, the Acquirer is in the process of setting up its own manufacturing facility.

For details:

<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1826596>

- ❖ **Market Watch**

Stock Market Indices as on 20.05.2022	
S & P BSE Sensex	54326.39 (+1,534.16)
Nifty 50	16266.15 (+456.75)

Foreign Exchange Rates as on 19.05.2022 <i>(https://www.geojit.com/currency-futures)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
77.39	81.54	96.18	0.60

❖ FSSAI**Food Safety and Standards (Packaging) Amendment Regulations, 2022 (May 17, 2022)**

Food Safety and Standards Authority of India issued draft regulations to amend the Food Safety and Standards (Packaging) Regulations, 2018. The amendment seeks to amend regulation 4(e) of these regulations. The said regulation provides that Products made of recycled plastics including carry bags shall not be used for packaging, storing, carrying or dispensing articles of food.

Now, regulation 4(e) is proposed to be substituted as under:

Products made of recycled polyethylene terephthalate (PET) may be used for packaging, storing, carrying or dispensing of food products as and when standards and guidelines are notified by the Food Authority. Such packaging materials shall also comply with any other national standards/regulations as applicable.

Objections or suggestions, if any, may be addressed to the Chief Executive Officer, Food Safety and Standards Authority of India, FDA Bhawan, Kotla Road, New Delhi- 110 002 or may be sent by e-mail at regulation@fssai.gov.in within 60 days from the date on which this notification is made available to the public.

For details:

<https://egazette.nic.in/WriteReadData/2022/235826.pdf>

https://fssai.gov.in/upload/uploadfiles/files/Gazette_Notification_Packaging_03_01_2019.pdf

❖ Terminology for today**NGFS**

The Network for Greening the Financial System (NGFS) is a network of 114 central banks and financial supervisors that aims to accelerate the scaling up of green finance and develop recommendations for central banks' role for climate change.

❖ **Business and Economic News**

- **Directors of manufacturing company can't be prosecuted for sub-standard drugs unless they played an "Active Role" in the process: Karnataka HC (May 19, 2022)**

The Karnataka High Court recently quashed the criminal proceedings initiated against the Proprietors/ Directors of a drugs manufacturing company for alleged production of sub-standard quality drugs, while observing that they did not play an "active role" in the alleged offence.

For details:

<https://www.livelaw.in/news-updates/karnataka-high-court-quashed-criminal-proceedings-drug-manufacturing-company-active-role-199579>

- **Ratan Tata 'grateful' as SC rejects Shapoorji Pallonji's plea to review order on Cyrus Mistry (May 19, 2022)**

The Supreme Court on May 19, 2022 rejected a plea of the Shapoorji Pallonji (SP) group, seeking a review of its last year's order of upholding the Tata Group's decision to remove Cyrus Mistry as the executive chairman of Tata Sons. Soon after, Ratan Tata, chairman emeritus of Tata Sons, expressed his "grateful appreciation" to the apex court for ruling.

In March last year, the Supreme Court had set aside the National Company Law Appellate Tribunal (NCLAT) order restoring Mistry as the executive chairman of Tata Sons.

For details:

<https://www.hindustantimes.com/india-news/ratan-tata-says-grateful-as-sc-rejects-plea-to-review-order-on-cyrus-mistry-101652951908428.html>

Prepared by Directorate of Academics

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

Disclaimer : Although due care and diligence have been taken in preparation and uploading this info capsule, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this info capsule. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.

VISION
"To be a global leader in promoting
good corporate governance"

ICSI Motto:
सत्यं वद। धर्मं चर।
व्यक्ति चेतः प्रकृतिः प्रोत्साहेतुः प्रोत्साहेतुः प्रोत्साहेतुः

MISSION
"To develop high calibre professionals
facilitating good corporate governance"

Connect with ICSI

www.icsi.edu | [f](#) [t](#) [in](#) [v](#) [p](#) | Online Helpdesk : <http://support.icsi.edu>