

Info Capsule

Friday
October 22, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ **IFSCA Regulations**

International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 (October 18, 2021)

The International Financial Services Centres Authority (IFSCA) has issued International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021. The purpose of these regulations is to mandate intermediaries to obtain a certificate of registration from the Authority prior to commencement of operations in an IFSC. Any entity desirous of obtaining a certificate of registration as a capital market intermediary in IFSC may submit an application specified form to the authority. The regulations also provide for the requirements, obligations, responsibilities etc. of capital market intermediaries. According to proviso to regulation 3 of the said regulations a company secretary, who provides investment advice to his clients, incidental to his professional service is not required to seek registration as an investment adviser in IFSC. Further, pursuant to regulation 22, a member of the Institute of Company Secretaries of India is also authorised to conduct an annual audit conducted in respect of compliance with these regulations.

For details:

<https://egazette.nic.in/WriteReadData/2021/230572.pdf>



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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 Market**

SEBI Circular

• **Modalities for filing of placement memorandum through a Merchant Banker (October 21, 2021)**

Alternative Investment Funds (AIFs) shall launch schemes subject to filing of placement memorandum with SEBI through a SEBI registered Merchant Banker. In this regard, it is specified that, with effect from November 11, 2021, the Merchant Banker shall independently exercise due diligence of all the disclosures in the placement memorandum, satisfy itself with respect to veracity and adequacy of the disclosures and provide a due diligence certificate. Further, AIFs are required to intimate SEBI regarding any changes in terms of placement memorandum on a consolidated basis, within one month of the end of each financial year. Such intimation shall also be submitted through a Merchant Banker, along with the due diligence certificate provided by the Merchant Banker. The format of due diligence certificate and for intimating the changes in the placement memorandum is given at Annexure A and Annexure B to this circular.

For details:

https://www.sebi.gov.in/legal/circulars/oct-2021/modalities-for-filing-of-placement-memorandum-through-a-merchant-banker-under-sebi-alternative-investment-funds-regulations-2012_53379.html

SEBI Press Release

• **Dealing in unregulated products by SEBI registered Investment Advisers (October 21, 2021)**

SEBI noted that some registered Investment Advisers are engaged in unregulated activity by providing platform for buying/ selling/ dealing in unregulated products including digital gold. Undertaking such unregulated activity including dealing (i.e., advisory,

distribution and execution/ implementation services) in digital gold by Investment Advisers is not in accordance with the provisions of Section 12(1) of the SEBI Act, 1992 read with the SEBI (Investment Advisers) Regulations, 2013. Investment Advisers are, hereby, advised to refrain from undertaking such unregulated activities. Any dealing in unregulated activities by Investment Advisers may entail action as deemed appropriate under the SEBI Act, 1992 and regulations framed thereunder.

For details:

https://www.sebi.gov.in/media/press-releases/oct-2021/dealing-in-unregulated-products-by-sebi-registered-investment-advisers_53370.html

SEBI News

- **SEBI penalises 2 persons for violating insider trading norms in Mindtree case (October 22, 2021)**

Markets regulator SEBI penalised two persons for violating insider trading norms with respect to shares of Mindtree Ltd. Through two separate orders, the watchdog imposed a fine of Rs 1 lakh each on Uday Kiran Lingamaneni and Virat Kumar Yerramalla, who were employees of Mindtree at the time of violation. It was observed that both had traded in excess of Rs 10 lakh in the scrip during the period. However, they did not disclose about their respective transactions to the company as required under the insider trading norms.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-penalises-2-persons-for-violating-insider-trading-norms-in-mindtree-case/articleshow/87192839.cms>

❖ Ethics and Governance News

- **HC asks Zee to call for EGM requisitioned by Invesco amid boardroom tussle (October 21, 2021)**

Bombay High Court on Thursday asked Zee Entertainment Enterprises to call for an extraordinary general meeting (EGM) of shareholders as asked by top investor Invesco for removing the company's Chief Executive and Managing Director Punit Goenka as well as two other directors of ZEEL. Invesco, which owns nearly 18% of Zee via two funds, is pushing for a management and board revamp at the TV network. Recently, Invesco released an open letter reinstating the urgent need for strengthened independence on the board given "governance and leadership failures."

For details:

<https://www.livemint.com/companies/news/hc-asks-zee-to-call-for-egm-requisitioned-by-invesco-amid-boardroom-tussle-11634816529996.html>

❖ **Banking and Insurance**

- **International Financial Services Centres Authority (Registration of Insurance Business) Regulations, 2021 & International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021 (October 20, 2021)**

The International Financial Services Centres Authority (IFSCA) has notified International Financial Services Centres Authority (Registration of Insurance Business) Regulations, 2021 and International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021 aim to put in place the process of registration and operations of insurer & Re-insurer and insurance intermediaries in an International Financial Services Centre under regulatory purview of the International Financial Services Centres Authority Act, 2019.

For details:

<https://ifsc.gov.in/Viewer/Index/236> & <https://ifsc.gov.in/Viewer/Index/237>

- **PSU banks likely to get capital support in Q4 to meet regulatory requirements (October 21, 2021)**

The government is likely to pump capital in Public Sector Banks during the last quarter of the current financial year to meet the regulatory requirements. The government in the Budget 2021-22 has made an allocation of Rs. 20,000 crore for the capital infusion in the state-owned banks.

For details:

<https://indianexpress.com/article/business/banking-and-finance/psu-banks-likely-to-get-capital-support-in-q4-to-meet-regulatory-requirements-7583559/>

❖ **Terminology for today**

Harvest strategy

The halting of investment in a business unit to maximize short-to-medium-term cash flow from that unit.

❖ **Market Watch**

Stock Market Indices as on 22.10.2021	
S & P BSE Sensex	60821.62 (-101.88)
Nifty 50	18114.90 (-63.20)

Foreign Exchange Rates as on 21.10.2021 <i>(https://www.geojit.com/currency-futures/rbi-reference-rate)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.84	87.12	103.28	0.65

❖ **Business and Economic News**

● **PM Modi urges Indians to buy 'Made in India' products, promote 'Vocal for Local' this Diwali (October 22, 2021)**

In an address to the nation today, Prime Minister Narendra Modi urged the citizens to buy Indian products and contribute towards making 'Made in India' and 'Vocal for local' a mass movement on the lines of 'Swachh Bharat Abhiyaan'. The Prime Minister also pointed out that many traders had suffered huge losses as sales during Diwali last year had dipped significantly owing to the COVID19 crisis. But "this Diwali, unlike the last one, we have a sense of belief and confidence. People are feeling safe this Diwali owing to vaccines and our traders can do business like usual", Modi said.

For details:

<https://en.gaonconnection.com/narendra-modi-india-made-in-india-vocal-for-local-diwali-vaccine-covid19-swachh-bharat-abhiyan/>

● **Corporate chiefs warn of high inflation due to shortages (October 21, 2021)**

For central bankers wrestling with the question of whether inflationary pressures are transitory, industry chiefs around the world have a clear message: prices are only going higher. Some of the world's biggest brands are now passing on higher prices to consumers and are warning any policymakers sitting on the inflationary fence that things are going to get worse.

"We expect inflation to be higher next year than this year," said Graeme Pitkethly, finance chief at Unilever, which says its products are used by 2.5 billion people every day.

For details:

<https://economictimes.indiatimes.com/news/international/business/corporate-chiefs-warn-of-high-inflation-due-to-shortages/articleshow/87192687.cms>

● **Amazon moves SC against NCLT nod to Future Retail shareholders' meet (October 22, 2021)**

Following the order by the Singapore arbitration tribunal, Amazon.com Inc has filed a fresh plea in the Supreme Court against the National Company Law Tribunal's (NCLT) order that allowed Future Retail (FRL) to hold meetings of its shareholders' and creditors for seeking approval to sell its retail assets to Reliance Retail. Amazon has sought to restrain FRL's proposed meetings of shareholders and creditors, scheduled to be held on November 10 and 11. The notices for the meetings were issued by FRL on October 11.

For details:

<https://indianexpress.com/article/business/companies/amazon-moves-sc-against-nclt-nod-to-future-retail-shareholders-meet-7584095/>

Prepared by Directorate of Academics

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

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