

Info Capsule

Tuesday
November 23, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Ministry of Finance

Auction for Sale (Issue/re-issue) of (i) 'New GS 2023', (ii) '5.74% GS 2026', (iii) '6.67% GS 2035', and (iv) '6.99% GS 2051' (November 22, 2021).

The Government of India (GoI) has announced the Sale (Issue/re-issue) of (i) 'New Government Security, 2023' for a notified amount of Rs 2,000 crore (nominal) through yield based auction using uniform price method (ii) '5.74% Government Security, 2026' for a notified amount of Rs 6,000 crore (nominal) through price based auction using uniform price method (iii) '6.67% Government Security, 2035' for a notified amount of Rs 9,000 crore (nominal) through price based auction using uniform price method, and (iv) '6.99% Government Security, 2051' for a notified amount of Rs 7,000 crore (nominal) through price based auction using multiple price method.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1774021>



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)



Azadi Ka
Amrit Mahotsav

❖ Latest @ ICSI

• 49th National Convention of Company Secretaries Call for Articles for publication in the Souvenir

The ICSI has requested the members to contribute articles for publication in the Souvenir to be published in the 49th National Convention of Company Secretaries.

Members are requested to send the same through email at conference@icsi.edu on or before December 05, 2021.

For details:

https://www.icsi.edu/media/webmodules/23112021_Call_for_Articles.pdf

• 22nd National Conference of Practising Company Secretaries – Registrations Open

22nd National Conference of Practising Company Secretaries on the theme "Passion for Profession: Empowering Entrepreneurship & Excellence" is scheduled to be held on December 3-4, 2021 at Vedic Village Spa Resort, Kolkata, West Bengal.

For details:

https://www.icsi.edu/media/webmodules/3rd_Flyer_Venue_Registrations_Open_23.11.2021.pdf

❖ **Securities Laws & Capital Markets**

SEBI Circular

- **Disclosure obligations of listed entities in relation to Related Party Transactions (November 22, 2021)**

SEBI vide this circular has prescribed the information to be placed before the audit committee and the shareholders for consideration of Related Party Transactions (RPTs). Further it has been provided that the listed entity shall make RPT disclosures every six months in the format provided at Annex. The provisions of this Circular shall come into force with effect from April 1, 2022.

For details:

https://www.sebi.gov.in/legal/circulars/nov-2021/disclosure-obligations-of-listed-entities-in-relation-to-related-party-transactions_54113.html

SEBI News

- **SEBI provides clarifications on AIF norms' amendment (November 23, 2021)**

SEBI has come out with clarifications with respect to the latest amendment to norms governing alternative investment funds (AIFs). Through a notification issued on November 9, SEBI amended Alternative Investment Funds Regulations, 2012. It allowed category III AIFs, including large value funds for accredited investors of category III AIFs, to calculate the concentration norm based on net asset value (NAV) of the fund for investment in listed equity of an investee company. The amendment also facilitated co-investment through the portfolio management route. SEBI specified that the investment limit in listed equity has to be calculated based on the NAV of the fund on the business day immediately preceding the date on which the category III AIF makes investment.

For details:

<https://economictimes.indiatimes.com/markets/bonds/sebi-provides-clarifications-on-aif-norms-amendment/articleshow/87863849.cms>

❖ **International Business News**

- **India records 15% rise in export of agricultural, processed food products (November 22, 2021)**

In a major boost to export prospects of agricultural produce, India registered a significant surge in export of agricultural and processed food products in April-October period of current Financial Year, 2021-22, in comparison to the corresponding seven month period of last fiscal, 2020-21.

For details:

<https://www.sify.com/finance/india-records-15-rise-in-export-of-agricultural-processed-food-products-news-topnews-vlwoF6egbhifb.html>

❖ **Business and Economic News**

- **India's Q2 GDP likely to grow 8.1%, says SBI research report (November 23, 2021)**

The country's GDP growth is likely to be around 8.1 per cent in the second quarter of the current fiscal year and in the range of 9.3-9.6 per cent during 2021-22 (FY22), according to a SBI research report. In the first quarter of FY22, the economy grew 20.1 per cent. For the FY22, the RBI has estimated real GDP growth to be at 9.5 per cent — 7.9 per cent in Q2, 6.8 per cent in Q3, and 6.1 per cent in Q4.

For details:

https://www.business-standard.com/article/economy-policy/india-s-q2-gdp-likely-to-grow-8-1-says-sbi-research-report-121112300005_1.html

- **India, US set to revive Trade Policy Forum after four years (November 22, 2021)**

India and the United States (US) are set to revive the Trade Policy Forum (TPF) on Tuesday after four years, in an attempt to bolster trade and investment flows between the two nations. US Trade Representative Katherine Tai, who is on a two-day visit to India, said she hoped to make progress in areas such as movements of goods and services between the two countries, and ironing out market access restrictions and high tariffs, and these would be taken up on priority with India.

For details:

https://www.business-standard.com/article/economy-policy/india-us-revive-trade-policy-forum-after-four-years-121112201244_1.html

- **Exports rise 18.8% to \$20 billion so far in November (November 22, 2021)**

The country's exports rose 18.8 per cent to \$20.01 billion during the three week period of this month (November 1-21), due to healthy growth in sectors such as petroleum products, engineering goods, chemicals and gems and jewellery, according to the preliminary data of the commerce ministry. Imports during the period increased 45.34 per cent to \$35.11 billion as against \$24.15 billion during the corresponding period last year, the data showed.

For details:

<https://www.moneycontrol.com/news/business/economy/exports-rise-18-8-to-20-billion-so-far-in-november-7748891.html>

❖ *Terminology for today*

Capped Indices

Indices for which there is a maximum relative weight by market capitalization for any one constituent. Any individual constituent of the index can represent no more than a specified percent of the index. The individual constituents of the S&P/TSX Capped Composite and S&P/TSX Capped 60 indices are capped at 10%, while the individual constituents of the S&P/TSX Capped sector indices are capped at 25%.

❖ *Pronouncement*

November 09, 2021	In re Airbus Group India (P) Limited	GST AAAR Karnataka
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Services provided by 'Airbus Group India' are Intermediary Services and liable to 18% GST

Facts of the case:

The Appellant has approached Karnataka Appellate Authority for Advance Ruling in appeal for determination of issue as to whether the amount of services rendered by the appellant to Airbus SAS France would be construed as those of an intermediary as defined under Section 2(13) of the CGST Act, 2017, or otherwise. Airbus France has entered into an "Intra-Group Services Agreement" with effect from 1st April, 2020 with the Appellant in terms of which the Appellant is required to perform two functions; i.e (i) Procurement Operations and (ii) Procurement Transformation & Central Services. For the above said services, the Appellant would be remunerated with a service fee computed on a 'cost plus mark-up' basis.

In order to obtain a ruling on the classification of the service provided by them, the Appellant approached the Authority for Advance Ruling (AAR) seeking a ruling on the following question:

- (a) Whether the activities carried out by the Appellant in India would constitute a supply of "Other Support Services" falling under Heading 9985 or as "Intermediary Service" classifiable under Heading 9961/9962 or any other classification of services as specified under GST laws?
- (b) Whether the services rendered by the Appellant would not be liable to GST, owing to the reason that such services may qualify as "export of services" in terms of clause 6 of Section 2 of the IGST Act, 2017 and consequently, be construed as a 'zero-rated supply' in terms of Section 16 of the IGST Act?

Order:

Section 13(8)(b) of the IGST Act, 2017 stipulates that the place of supply in the case of intermediary services will be the location of the supplier of service. In this case, the activity of the Appellant who is the supplier of intermediary service i.e collection of information of parties in India, analysis of potential suppliers and skill development of existing suppliers, are all very much done in India, which is the location of the supplier of intermediary service. Therefore, by virtue of Section 13(8)(b) of the IGST Act, it automatically flows that the place of supply of the intermediary service provided by the Appellant to Airbus France, is in India. Therefore, the intermediary services provided by the Appellant to Airbus France, do not qualify as export of service. The Karnataka Appellate Authority of Advance Ruling (AAAR) ruled that the 18% GST is applicable on Services Provided by Airbus Group as it qualifies as Intermediary services.

For details:

<https://gst.kar.nic.in/Documents/General/AirbusGroupIndiaPrivateLimited.pdf>

❖ **Market Watch**

Stock Market Indices as on 23.11.2021	
S & P BSE Sensex	58,664.33(+198.44)
Nifty 50	17503.35 (+86.80)

Foreign Exchange Rates as on 22.11.2021 (https://www.geojit.com/currency-futures/rbi-reference-rate)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.16	83.66	99.68	0.65

Prepared by Directorate of Academics

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

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