

Info Capsule

Thursday
December 23, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Ethics and Governance News

CII, global group to push for sustainability in Indian family businesses (December 21, 2021)

The Confederation of Indian Industries (CII) will work with a Switzerland-based organisation, Family Business Network (FBN International), to assist Indian family businesses to integrate sustainability in their business models. FBN International, headquartered in Lausanne, is the world's leading organisation of business families. As a first such partnership between a UN agency and global family businesses, UNCTAD and The Family Business Network (FBN) have together developed the Global Initiative "Family Business for Sustainable Development (FBSD)". The partnership aims to provide family businesses worldwide with ways and means to integrate sustainability into their conventional business models, therefore contributing to global sustainable development and inclusive growth, as well as the prosperity of the family business.

For details:

https://www.business-standard.com/article/companies/cii-global-group-to-push-for-sustainability-in-indian-family-businesses-121122101085_1.html



**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

- Restoration of relaxed timelines w.r.t. validity of observation letter pertaining to Mutual Funds (December 22, 2021)**

SEBI restored the validity period of "observation letter" issued by SEBI for launching new fund offerings (NFOs) by mutual funds to six months. This will come into force with immediate effect. SEBI, in March 2020, had extended the validity period of observation letter issued by it for the launch of NFOs from six months to one year from the date of SEBI letter. However, for all schemes (NFOs) where SEBI has already issued observation letter and NFOs are yet to be launched, the schemes shall be launched within one year from the date of SEBI observation letter.

For details:

https://www.sebi.gov.in/legal/circulars/dec-2021/restoration-of-relaxed-timelines-w-r-t-validity-of-observation-letter-pertaining-to-mutual-funds_54866.html

- Extension of facility for conducting annual meeting and other meetings of unitholders of REITs and InvITs through Video Conferencing (VC) or through Other Audio-Visual means (OAVM) (December 22, 2021)**

SEBI allowed Real Estate Investment Trusts ("REITs") and Infrastructure Investment Trusts ("InvITs") to conduct annual meetings and other meetings of their unitholders through VC/OAVM till June 30, 2022. The circular came after SEBI received representations from REITs/InvITs to further extend the facility to conduct annual meetings and other meetings of unitholders through VC/OAVM.

For details:

https://www.sebi.gov.in/legal/circulars/dec-2021/extension-of-facility-for-conducting-annual-meeting-and-other-meetings-of-unitholders-of-reits-and-invits-through-video-conferencing-vc-or-through-other-audio-visual-means-oavm-_54861.html

❖ ***Banking and Insurance***

- **Banking sector needs \$70-billion capital to support \$5-trillion economy: SBI chairman Dinesh Kumar Khara (December 23, 2021)**

The banking sector is very well capitalised at present, but for the economy to reach the \$5-trillion target, lenders would need fresh capital of \$70 billion, State Bank of India chairman Dinesh Kumar Khara said at the virtual FICCI-IBA banking conference held on December 22, 2021. He said in India, the bank credit to gross domestic product (GDP) ratio is around 56% currently, while the corporate debt to GDP ratio stands at 90%. In advanced countries like the US, the private debt to GDP ratio stands at over 200%, showing that there may be a significant change ahead in ways companies borrow money.

For details:

<https://www.financialexpress.com/industry/banking-finance/banking-sector-needs-70-bn-capital-to-support-5-trn-economy-dinesh-kumar-khara/2387331/>

- **Industry bodies urge RBI to extend card-on-file tokenization deadline (December 22, 2021)**

The Merchant Payments Alliance of India (MPAI) and the Alliance of Digital India Foundation (ADIF) have together voiced their concerns over industry readiness on the recent Reserve Bank of India (RBI) directive on Card-on-File Tokenization (CoF) and have written to the Central bank requesting an extension of the 31 December deadline for implementation of card data storage norms.

For details:

<https://www.livemint.com/industry/banking/industry-bodies-urge-rbi-to-extend-card-on-file-tokenization-deadline-11640153645176.html>

❖ ***Terminology for today***

Hurdle Rate

A hurdle rate is the minimum rate of return on a project or investment required by a manager or investor. It allows companies to make important decisions on whether or not to pursue a specific project. The hurdle rate describes the appropriate compensation for the level of risk present. For example, riskier projects generally have higher hurdle rates than those with less risk.

❖ Pronouncement

<i>December 10, 2021</i>	<i>Union of India & Ors. vs. AAP and Company</i>	<i>Supreme Court of India</i>
--------------------------	--	-------------------------------

Form GSTR – 3B is a ‘Return’ under GST Law

Facts of the case:

In the year 2019, the Gujarat High Court held that Section 39(1) of the CGST/SGST Act provides that every taxpayer, except a few special categories of persons, shall furnish a monthly return in such form and manner as may be prescribed. Rule 61 of the CGST Rules/SGST Rules prescribe the form and manner of submission of monthly return. Sub-rule 1 of Rule 61 of the CGST Rules/SGST Rules provides that the return required to be filed in terms of Section 39(1) of the CGST/SGST Act is to be furnished in Form GSTR-3B.

Judgment:

The Supreme Court has reversed the Gujarat High Court’s judgment wherein the High Court observed that GSTR-3B is not a return specified under section 39 of CGST Act, 2017.

For details:

<https://www.taxscan.in/gstr-3b-is-a-return-specified-u-s-39-of-gst-act-supreme-court-reverses-gujarat-hcs-order/145090/>

❖ Market Watch

Stock Market Indices as on 23.12.2021	
S & P BSE Sensex	57315.28 (+384.72)
Nifty 50	17072.60 (+117.15)

Foreign Exchange Rates as on 22.12.2021 (https://www.geojit.com/currency-futures/rbi-reference-rate)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
75.57	85.25	100.04	0.66

Prepared by Directorate of Academics

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

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
Satyam vada Dharmam chara | Speak the Truth abide by the law

MISSION
“To develop high calibre professionals
facilitating good corporate governance”