

Info Capsule

Thursday
February 24, 2022

President: CS Devendra V. Deshpande

Vice President: CS Manish Gupta

❖ Ministry of Finance

Notification (February 23, 2022)

The Central Government appoints Smt. Meera Swarup as Technical Member of the Securities Appellate Tribunal for a period of four years with effect from the date of assumption of charge or till she attains the age of sixty-seven years, or until further orders, whichever is the earlier.

For details:

<https://egazette.nic.in/WriteReadData/2022/233698.pdf>



THE INSTITUTE OF
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भारतीय कम्पनी सचिव संस्थान
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Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)



❖ Securities Laws & Capital Markets

SEBI Notification

- **SEBI (Stock Brokers) (Amendment) Regulations, 2022 (February 23, 2022)**

SEBI vide its notification dated February 23, 2022, has notified the SEBI (Stock Brokers) (Amendment) Regulations, 2022, which shall come into force on the date of their publication in the Official Gazette. Vide this amendment, a new clause “professional clearing member” has been inserted in regulation 2(1)(ca) which means a member having clearing and settlement rights in any recognized clearing corporation, but not having trading rights in any recognized stock exchange.

For details:

<https://egazette.nic.in/WriteReadData/2022/233700.pdf>

❖ Indirect Tax

Goods and Services Tax

- **CBIC : Coaching centres must pay 18% GST on composite supply (February 24, 2022)**

Coaching Institutes are liable to pay 18% Goods and Services Tax (GST) on their composite supply, or bundled services and supplies to students, the Central Board of Indirect Taxes and Customs (CBIC) has said.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/cbic-coaching-centres-must-pay-18-gst-on-composite-supply/articleshow/89783613.cms>

❖ **Banking and Insurance**

- **Implementation of 'Core Financial Services Solution' by Non-Banking Financial Companies (NBFCs) (February 23, 2022)**

Reserve Bank of India (RBI) on February 23, 2022 asked certain class of Non-Banking Financial Companies (NBFC) to mandatorily implement 'Core Financial Services Solution (CFSS)' by September 30, 2025 in order to provide seamless customer interface as well as have a centralised data base. In a circular, RBI said it has been decided that NBFCs – Middle Layer and NBFCs – Upper Layer with 10 and more 'fixed point service delivery units' as on October 01, 2022 shall be mandatorily required to implement CFSS.

For details:

<https://www.financialexpress.com/industry/banking-finance/reserve-bank-asks-nbfc-to-implement-core-financial-services-solution-by-september-2025/2443057/>

- **GDP to be just 1% above pre-pandemic level in FY22; RBI may continue with easy policy: RBI Deputy Governor M D Patra (February 23, 2022)**

India's GDP will be just one per cent above the pre-pandemic level even after the estimated 9.2 per cent growth in FY22, and this factor coupled with comfort on inflation make the RBI to continue with the accommodative Monetary Policy, RBI Deputy Governor M D Patra said on February 23, 2022.

For details:

<https://www.financialexpress.com/industry/banking-finance/gdp-to-be-just-1-above-pre-pandemic-level-in-fy22-rbi-may-continue-with-easy-policy-rbi-deputy-governor-m-d-patra/2442990/>

- **Ad watchdog ASCI frames norms for crypto ads (February 23, 2022)**

If the crypto party got checked by new tax proposals in the recent Budget, here comes yet another bash breaker. From April 01, 2022 all ads of Virtual Digital Assets (VDAs) will need to carry prominent disclaimers warning consumers that these products are unregulated and highly risky. Amid growing concerns about misleading ads, the Advertising Standards Council of India (ASCI) has released guidelines for ads and promotion of VDAs that include cryptos and Non-Fungible Token (NFT) products. The guidelines state that words such as currencies, securities, custodian and depositories should not be used in such ads. Ads also cannot compare VDAs to other asset classes that are regulated and downplay the risk associated with the category.

For details:

<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/asci-releases-ad-guidelines-for-crypto-and-nft-products/article65076476.ece>

❖ *Business and Economic News*

- **SC directs Amazon, Future to NCLAT for speedy disposal of CCI case (February 24, 2022)**

The Supreme Court (SC) has directed Amazon and Future Group to approach National Company Law Appellate Tribunal (NCLAT) for speedy disposal of the US ecommerce firm's case challenging Competition Commission of India's (CCI's) order which cancelled its 2019 deal with Future Coupons. The SC has listed the case to be heard next on March 09, 2022.

The NCLAT on February 25, 2022 will hear Amazon's plea seeking an interim stay on the order passed by the CCI, which suspended the more than two-year-old approval of its deal with Future Coupons (FCPL).

For details:

https://www.business-standard.com/article/companies/sc-directs-amazon-future-to-nclat-for-speedy-disposal-of-cci-case-122022301288_1.html

- **Ukraine crisis: Russia welcomes India's 'independent' position (February 23, 2022)**

Russia welcomed India's "independent position" on the Ukraine crisis and said its views on the issue at the UN Security Council was reflective of the special and privileged strategic partnership between the two countries.

Russian Deputy Chief of Mission Roman Babushkin said India has been playing a vital role as a responsible global power and it takes an "independent and balanced" approach to world affairs.

He also said that the crisis would not impact India-Russia ties including in areas of defence and that there will be a "huge" Russian participation in the DefExpo in Gujarat next month.

For details:

https://www.business-standard.com/article/current-affairs/ukraine-crisis-russia-welcomes-india-s-independent-position-122022301511_1.html

❖ *Market Watch*

Stock Market Indices as on 24.02.2022	
S & P BSE Sensex	54529.91 (-2702.15)
Nifty 50	16247.95 (-815.30)

Foreign Exchange Rates as on 23.02.2022 <i>(https://www.geojit.com/currency-futures)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.56	84.44	101.23	0.65

❖ **Technology and Automation**

Hitachi, Ashok Leyland, IIT Madras working on 20-sec E-bus battery charge (February 24, 2022)

In what may be a major boost to the electric vehicle in transport segment in India, Hitachi Energy is all set to introduce an innovative flash-charging technology that will be able to recharge electric buses within 20 seconds, from several hours currently. A pilot project will be launched at IIT Madras, in association with Ashok Leyland within a month's time.

According to industry sources, players like state-run NTPC, Olectra, JBM Auto and Green Cell Mobility too are keen on this technology. If it works, it will be a huge push for the planned EV expansion in urban India.

For details:

https://www.business-standard.com/article/automobile/hitachi-ashok-leyland-iit-madras-working-on-20-sec-e-bus-battery-charge-122022301222_1.html

❖ **Ethics and Governance News**

Rs. 18,000 crore returned to banks from Mallya, Nirav Modi, Choksi, SC told (February 24, 2022)

The Centre on Wednesday informed the Supreme Court that banks got back Rs. 18,000 crore from absconding businessmen Vijay Mallya, Nirav Modi and Mehul Choksi after proceedings were initiated under the Prevention of Money Laundering Act (PMLA), 2002.

For details:

<https://indianexpress.com/article/india/rs-18000-crore-returned-to-banks-from-mallya-nirav-modi-choksi-7788185/>

NSE Scam - Financials of 3 firms at the centre of storm reveal divergent fortunes (February 24, 2022)

Three central entities in the colocation scam at the National Stock Exchange (NSE) that has shaken the foundation of the Indian capital market recently have been on different trajectories since it all unraveled for each of them over the past few years. The Securities and Exchange Board of India's (SEBI) investigations into misuse of the colocation facility of the NSE between 2010 and 2015 and other Corporate Governance lapses at the stock exchange around the same period unveiled Infotech Financials, Omnesys Technologies and OPG Securities as three companies who had misused their connections to the stock exchange to make unlawful financial gains.

For details:

<https://www.moneycontrol.com/news/business/companies/nse-scam-financials-of-3-firms-at-the-centre-of-storm-reveal-divergent-fortunes-8154941.html>

❖ *Terminology for today*

Zero-Beta Portfolio

A Zero-Beta portfolio is a portfolio constructed to have zero systematic risk, or in other words, a beta of zero. A Zero-Beta portfolio would have the same expected return as the risk-free rate. Such a portfolio would have zero correlation with market movements, given that its expected return equals the risk-free rate or a relatively low rate of return compared to higher-beta portfolios.

Prepared by Directorate of Academics

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

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