

Info Capsule

Wednesday
November 24, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Latest @ ICSI

Seminar on Burning Issues in Summon, Search, Seizure and Arrest under GST

The Indirect Taxes Committee of PHD Chamber is organising another edition of Knowledge Series on Goods & Services Tax 2022. The first Seminar in the Knowledge Series is being organised on "Burning Issues in Summon, Search, Seizure and Arrest under GST" on Thursday, November 25, 2021 from 10:30 am – 02:00 pm at PHD House, New Delhi. Members of the ICSI will be awarded 2 Credits hours.

For details:

https://www.icsi.edu/media/wemodules/ICSI_Seminar_23112021.pdf



**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)



❖ Ministry of Finance

India & World Bank sign loan agreement to improve quality of learning for over 50 lakh students across Andhra Pradesh (November 23, 2021)

The Government of India, Government of Andhra Pradesh and the World Bank on 18th November 2021 signed the legal agreements for \$250 million for a project which aims to improve quality of learning for over 50 lakh students in the state of Andhra Pradesh. Students from all grades and stages of school education will benefit from the project.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1774194>

❖ Securities Laws & Capital Markets

SEBI Circulars

- **Non-compliance with certain provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") (November 23, 2021)**

SEBI issued a Circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated August 19, 2019, specifying the fines to be imposed by the Stock Exchanges for non-compliance with certain provisions of SEBI (ICDR) Regulations, 2018. In partial modification of August 19, 2019 circular, para 9A is inserted which provides that the Stock Exchanges may deviate from the provisions of the circular, wherever the interest of the investors are not adversely affected, if found necessary, only after recording reasons in writing.

For details:

https://www.sebi.gov.in/legal/circulars/nov-2021/non-compliance-with-certain-provisions-of-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018_54130.html

- **Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Subrule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 (November 23, 2021)**

SEBI, from time to time, has been issuing various circulars/directions which lay down the detailed requirements to be complied by listed entities while undertaking schemes of arrangements. In order to enable the users to have access to the applicable circulars at one place, Master Circular in respect of schemes of arrangement has been prepared. This Master Circular is a compilation of relevant and updated circulars issued by SEBI which deal with schemes of arrangement and which are operational as on date of this circular.

For details:

https://www.sebi.gov.in/legal/master-circulars/nov-2021/master-circular-on-scheme-of-arrangement_54132.html

- **Publishing Investor Charter and Disclosure of Complaints by Merchant Bankers on their Websites (November 23, 2021)**

With a view to provide investors an idea about the various activities pertaining to primary market issuances as well as exit options like Takeovers, Buybacks or Delistings, an Investor Charter has been developed in consultation with the Merchant Bankers. This charter is a brief document in an easy to understand language and contains different services to the investors at one single place for ease of reference. All the registered Merchant Bankers are advised to disclose on their website, Investor Charter, as provided at Annexure-'A' to this circular.

For details:

https://www.sebi.gov.in/legal/circulars/nov-2021/publishing-investor-charter-and-disclosure-of-complaints-by-merchant-bankers-on-their-websites_54147.html

SEBI News

- **SEBI defers implementation of F&O margin norms to 28 Feb (November 23, 2021)**

SEBI has postponed the implementation of futures and options (F&O) margin norms, according to a circular. "On the basis of representations received from stakeholders, it has been decided that the provision of earlier circular come into force with effect from February 28, 2022 instead of December 01, 2021," SEBI said in a statement. The decision of defer the margin norms was taken to protect the interests of investors in securities and to regulate the securities market. To trade in F&O segment, the earlier margin rules allowed investors to fully utilise their margins in securities. But, under the new rules, investors will need to have 50% cash as margins.

For details:

<https://www.livemint.com/market/stock-market-news/sebi-defers-implementation-of-f-o-margin-norms-to-28-feb-11637673958952.html>

- **SEBI levies Rs 25 lakh fine on individual for insider trading in L&T Finance Holdings scrip (November 24, 2021)**

SEBI levied a total fine of Rs 25 lakh on an individual for insider trading in the scrip of L&T Finance Holdings Ltd. "The facts of the case clearly bring out the default made by the Noticee that being an insider, he traded in the scrip having possession of UPSI, traded during trading window closure period, failed to obtain pre-clearance, failed to make disclosure for his trading and made contra trades," SEBI said.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-levies-rs-25-lakh-fine-on-individual-for-insider-trading-in-lt-finance-holdings-scrip/articleshow/87876228.cms>

❖ **Banking & Insurance**

- **The Punjab and Maharashtra Co-operative bank Ltd.: RBI announces Draft Scheme of Amalgamation (November 22, 2021)**

The Reserve Bank of India on November 22, 2021 has placed in public domain a draft scheme of amalgamation of The Punjab and Maharashtra Cooperative (PMC) Bank with Unity Small Finance Bank Ltd. (USFB), a banking company incorporated in India under Companies Act, 2013, and having its Registered Office in New Delhi. USFB has commenced operations with effect from November 1, 2021. The Reserve Bank invites suggestions and objections, if any, from members, depositors and other creditors of transferor bank (PMC) and transferee bank (USFB), on the draft scheme, which may be sent to resolutiondor@rbi.org.in. The suggestions and objections will be received by Reserve Bank up to 5.00 PM on December 10, 2021. The Reserve Bank will take a final view thereafter.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52596

- **Jan Dhan 3.0 to focus on digital, doorstep banking (November 24, 2021)**

The government is working out a roadmap for the third round of financial inclusion, Jan Dhan 3.0, which will focus on doorstep banking, digital financial products and convergence with its flagship pension and insurance schemes. The government also aims to ensure availability of a banking touch point from any habitat within 5 km.

For details :

<https://economictimes.indiatimes.com/industry/banking/finance/banking/jan-dhan-3-0-to-focus-on-digital-doorstep-banking/articleshow/87878880.cms>

❖ **Insolvency and Bankruptcy**

• **SC cautions NCLT & NCLAT on interference with party's contractual right to terminate contract (November 23, 2021)**

The Supreme Court on Tuesday cautioned the NCLT and NCLAT on interference with a party's contractual right to terminate a contract and observed that the residuary jurisdiction of the tribunal cannot be invoked if the termination of a contract is based on a ground unrelated to the insolvency of the corporate debtor. The apex court said even if the contractual dispute arises concerning insolvency, a party can be restrained from terminating the contract only if it is central to the success of the Corporate Insolvency Resolution Procedure (CIRP).

For details:

<https://economictimes.indiatimes.com/news/india/sc-cautions-nclt-nclat-on-interference-with-partys-contractual-right-to-terminate-contract/articleshow/87874508.cms>

• **Report of the Cross Border Insolvency Rules and Regulations Committee (CBIRC) (November 23, 2021)**

On 23rd January, 2020, the MCA constituted CBIRC. Its original remit was to propose the rules and regulatory framework that would enable the implementation of Part Z of the IBC proposed by the ILC Report. On 21st February, 2020, its remit was expanded to analyse the UNCITRAL Model Law on Enterprise Group Insolvency and to make recommendations governing the resolution of group enterprises for the purpose of the IBC.

The CBIRC submitted report to Ministry of Corporate Affairs. The key issues considered by the CBIRC and the recommendations are: Applicability of cross border insolvency framework, Applicability of the IBC to foreign companies and foreign LLPs, Designated benches for the adjudication of cross border matters, Framework for access by Indian IPs to foreign proceedings, Reliefs in cross border insolvency matters, Protocols and court-to-court co-operation across jurisdictions, Format, content and fees for cross border insolvency applications in India etc.

For details:

<https://ibbi.gov.in/uploads/whatsnew/2021-11-23-215206-0clh9-6e353aefb83dd0138211640994127c27.pdf>

❖ **Market Watch**

Stock Market Indices as on 24.11.2021	
S & P BSE Sensex	58,340.99 (-323.34)
Nifty 50	17,415.05 (-88.30)

Foreign Exchange Rates as on 23.11.2021			
<i>(https://www.geojit.com/currency-futures/rbi-reference-rate.aspx)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.31	83.69	99.73	0.65

❖ **International Business News**

India's exports to grow by 7.6% to \$564bn by 2030: StanChart-PwC (November 23, 2021)

Global exports will almost double from \$17.4 trillion to \$29.7 trillion over the next decade, according to the Future of Trade 2030 report by Standard Chartered and PwC Singapore. India will be a key driver of global trade growth, with its exports projected to grow at an average annual rate of 7.6 per cent to reach \$564 billion by 2030.

For details:

<https://www.businesstoday.in/latest/economy/story/indias-exports-to-grow-by-76-to-564bn-by-2030-stanchart-pwc-313128-2021-11-23>

❖ **Business and Economic News**

• India and United States Joint Statement on the Trade Policy Forum (November 23, 2021)

India and the United States held the twelfth Ministerial-level meeting of the India-United States Trade Policy Forum (TPF) in New Delhi on November 23, 2021. Indian Minister of Commerce and Industry, Shri Piyush Goyal and U.S. Trade Representative, Ambassador Katherine Tai co-chaired the TPF meeting. The Ministers convened the TPF with a view to advancing the goal, announced by President Biden and Prime Minister Modi at their September 24, 2021 meeting, to “develop an ambitious, shared vision for the future of the trade relationship.”

For details:

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1774426>

• NCLT allows YES Bank time to file a reply in Dish TV matter, adjourns the case for December 22 (November 23, 2021)

The Mumbai bench of the National Company Law Tribunal (NCLT) on Tuesday allowed YES Bank two weeks' time to file its reply in its case against Dish TV India and adjourned it till December 22.

YES Bank, the largest shareholder in the direct-to-home (DTH) company, had approached the NCLT seeking a direction to the Dish TV board to call for an extraordinary general meeting (EGM) of the shareholders for the removal of managing director and chief executive Jawahar Goel and four other directors.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/nclt-allows-yes-bank-time-to-file-a-reply-in-dish-tv-matter-adjourns-the-case-for-december-22/articleshow/87869837.cms>

- **New Cryptocurrency bill seeks to ban private players (November 24, 2021)**

The Union Government will introduce a Bill to regulate cryptocurrency and ostensibly ban all private cryptocurrencies, along with 25 other pieces of legislation, in the winter session of Parliament that begins on November 29. The Cryptocurrency and Regulation of Official Digital Currency Bill, 2021, which is yet to be officially approved by the Cabinet, seeks to create a facilitative framework for creation of the official digital currency to be issued by the Reserve Bank of India.

For details:

<https://www.thehindu.com/news/national/new-cryptocurrency-bill-seeks-to-ban-private-players/article37649790.ece>

- **India's GDP to grow 9.1% in 2022: Goldman Sachs (November 23, 2021)**

Wall Street brokerage Goldman Sachs on November 23 estimated India's GDP growth at 9.1 percent in 2022. After India's economy contracted by a sharp 7 percent in 2020, Goldman Sachs pegged the economy to grow at 8 percent in 2021 and 9.1 percent in 2022. It earlier estimated India's economic growth to 11.1 percent in fiscal year to March 31, 2022. It expects consumption and investment to be the key drivers of growth in 2022.

For details:

<https://www.moneycontrol.com/news/business/economy/indias-gdp-to-grow-9-1-in-2022-goldman-sachs-7751161.html>

- **MSME associations welcome the launch of tech upgradation scheme (November 23, 2021)**

Associations representing micro, small and medium enterprises have welcomed the launch of Special Credit Linked Capital Subsidy Scheme for the services sector. The tech upgradation scheme was launched by Union Minister for MSME, Narayan Rane on November 19. "The scheme will help in meeting the technology-related requirements of enterprises in the services sector and has a provision of 25 per cent capital subsidy for procurement of plant and machinery and service equipment through institutional credit to the SC-ST MSEs without any sector-specific restrictions on technology up-gradation," according to an official statement.

For details:

<https://www.moneycontrol.com/news/business/economy/msme-associations-welcome-the-launch-of-tech-upgradation-scheme-7752851.html>

❖ **Terminology for today**

Annealing (Simulated)

In artificial intelligence a process in which a neural network searches for a set of weights to minimize errors; the search constantly shrinks as the weights find better values, analogous to the rearrangement of the molecules in a heated metal bar as the bar cools.

❖ **Ethics and Governance News**

• **SEBI comes out with disclosure obligations on related party transactions (November 23, 2021)**

Capital markets regulator SEBI came out with disclosure requirements to be placed by listed entities before the audit committee and shareholders for consideration of related party transactions (RPTs). A listed entity will have to justify as to why the RPT is in its interest, besides, a copy of the valuation or other external party report will have to be submitted to the audit committee as well as shareholders for approval, SEBI said in a circular.

For details:

https://www.business-standard.com/article/markets/sebi-comes-out-with-disclosure-obligations-on-related-party-transactions-121112300646_1.html

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

• **Major Port Authorities (Corporate Social Responsibility) Rules, 2021 (November 22, 2021)**

In exercise of the powers conferred by clause (r) of sub-section (2) of section 71 of the Major Port Authorities Act, 2021, the Central Government notifies Major Port Authorities (Corporate Social Responsibility) Rules, 2021, the said rules inter-alia containing the provisions pertaining to: Corporate Social Responsibility Committee, Corporate Social Responsibility budget and allocation, Functions of Corporate Social Responsibility Committee, Corporate Social Responsibility Plan, Meetings of Corporate Social Responsibility Committee, Corporate Social Responsibility planning, implementation and funding, monitoring and reporting etc.

For details:

<https://egazette.nic.in/WriteReadData/2021/231314.pdf>

Prepared by Directorate of Academics

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

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सत्यं वद। धर्मं चर। कृत्वाकं धेनं मनाः शक्रेते सु धेनं इव।

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

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