

Info Capsule

Tuesday
October 26, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Ministry of Finance

Finance Minister Smt. Nirmala Sitharaman holds review meeting on CAPEX for Civil Aviation and Telecommunications (October 25, 2021)

To give a fillip to capital expenditure (CAPEX) and infrastructure progress in the country, Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman chaired review meetings with the Ministry of Civil Aviation and Department of Telecommunications on October 25, 2021. The review meetings were attended by Secretary (Economic Affairs), Secretary (Civil Aviation), Secretary (Telecom), Joint Secretaries (Economic Affairs), Joint Secretary & Finance Advisers of Civil Aviation and Telecom amongst others.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1766420>



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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❖ Securities Laws & Capital Markets

SEBI News

• **SEBI levies fine on 3 employees of Titan for violating insider trading Norms (October 25, 2021)**

Markets regulator SEBI imposed monetary penalty on three employees of Titan Company Ltd. for violating insider trading norms. The regulator had received a letter from Titan wherein it intimated about violation of Prevention of Insider Trading (PIT) Regulations and the company's code of conduct for the prevention of insider trading by some of its designated persons / employees. Thereafter, the regulator conducted an investigation in the scrip of Titan and observed several non-compliances with PIT Regulations during the period April 2018 - March 2019 by employees and designated persons. During their employment with Titan, they had transacted in securities of Titan but failed to make requisite disclosures to the firm as required under PIT norms.

For details:

<https://www.moneycontrol.com/news/business/sebi-levies-fine-on-3-employees-of-titan-for-violating-insider-trading-norms-7625211.html>

• **SEBI amends investor grievance redressal system, arbitration mechanism (October 22, 2021)**

Markets Regulator SEBI has amended the framework for investor grievance redressal system and arbitration mechanism at stock exchanges. A circular issued by the watchdog announced that the new framework will come into effect from January 1, 2022. SEBI said the amendments are aimed at further enhancing the effectiveness of investor grievance redressal and arbitration mechanism and have been devised based on feedback from the stock exchanges. Under the new arbitration mechanism framework, SEBI clarified that forming exclusive panel for appellate arbitration is not

required and members can serve on both the panels - arbitration and appellate arbitration.

For details:

<https://www.livemint.com/news/india/sebi-amends-investor-grievance-redressal-system-arbitration-mechanism-11634908055129.html>

SEBI Press Release

- **Surrender of certificate of registration of SREI Mutual Fund (IDF) (SREIMF) (October 22, 2021)**

SREI Mutual Fund Asset Management Private Limited (SREI AMC) had informed SEBI that they want to surrender the registration granted to SREI Mutual Fund Infrastructure Debt Fund (IDF) by SEBI. SREIMF will continue to be responsible for all the liabilities / obligations which may arise for the period prior to surrender of certificate of registration. SEBI has accepted the request for surrender of certificate of registration of SREIMF. Consequently, SREIMF ceases to exist as a mutual fund w.e.f. October 22, 2021.

For details:

https://www.sebi.gov.in/media/press-releases/oct-2021/surrender-of-certificate-of-registration-of-srei-mutual-fund-idf-sreimf_53467.html

❖ Insolvency and Bankruptcy

IBBI holds Training of Trainers Programme for Insolvency Professionals (October 24, 2021)

Insolvency and Bankruptcy Board of India (IBBI) organised a two-day programme to train insolvency professionals about alternate dispute resolution techniques. The event, held in collaboration with the United Kingdom's Foreign Commonwealth and Development Office (FCDO), was meant to train the trainers on 'Usage of Alternate Dispute Resolution Techniques to aid the Insolvency Resolution Process'.

For details:

<https://www.livemint.com/news/india/ibbi-holds-training-of-trainers-programme-for-insolvency-professionals-11635074364079.html>

❖ Market Watch

Stock Market Indices as on 26.10.2021

S & P BSE Sensex	61350.26 (+383.21)
Nifty 50	18268.40 (+143.00)

Foreign Exchange Rates as on 25.10.2021

(<https://www.geojit.com/currency-futures/rbi-reference-rate>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.86	87.16	102.91	0.66

❖ **Banking and Insurance**

• **Govt. may not infuse capital into state-run banks in FY23 (October 25, 2021)**

The government may not allocate funds towards bank capitalisation in the FY23 budget, a first in a decade. This comes as all state-run banks have turned profitable and the newly set up bad bank is expected to help free up capital for lenders. In FY22 budget, the government had set aside Rs. 20,000 crore for bank capitalisation.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/govt-may-not-infuse-capital-into-state-run-banks-in-fy23/articleshow/87264885.cms>

• **Risk-based internal audit system for commercial banks strengthened: RBI Guv Das (October 25, 2021)**

Reserve Bank Governor Shaktikanta Das said on October 25, 2021 that fair and impartial auditing is essential for a resilient economy as it instils confidence among citizens. Addressing officers at the National Academy of Audit and Accounts, Das said that audit is important for the country as public expenditure decisions are based on these reports.

For details:

<https://www.livemint.com/industry/banking/riskbased-internal-audit-system-for-commercial-banks-strengthened-rbi-guv-das-11635144700492.html>

• **Future Generali India Insurance enters into bancassurance tie-up with Bank of India (October 25, 2021)**

Private sector general insurer Future Generali India Insurance has entered into a bancassurance tie-up with the Bank of India for further penetration of its general insurance products.

For details:

<https://www.thehindubusinessline.com/money-and-banking/future-general-India-insurance-enters-into-bancassurance-tie-up-with-bank-of-india/article37158656.ece>

❖ **Ethics and Governance News**

• **Subhash Chandra battles to retain his \$4 billion Indian empire (October 26, 2021)**

The bitter face-off between Chandra and Invesco has involved a war of words, including allegations by the tycoon that the U.S. fund has a “certain larger design” to take over the empire he founded. Invesco has stuck to its demand for a shareholder meeting to fire Chandra’s son from the board and as CEO, saying the company’s founders were enriching themselves at the expense of ordinary shareholders. Zee’s shares have plunged 50% from a 2018 record.

For details:

<https://economictimes.indiatimes.com/industry/media/entertainment/media/subhash-chandra-battles-to-retain-his-4-billion-indian-empire/articleshow/87267540.cms>

❖ *Business and Economic News*

- **NCLAT asks NCLT to give hearing opportunity to two Videocon execs (October 24, 2021)**

The National Company Law Appellate Tribunal (NCLAT) has directed the NCLT to go for "fresh determination" and pass a new order after providing opportunity of hearing to two former employees of Videocon Telecommunications, whose assets and bank accounts were frozen.

Directing the Mumbai Bench of the National Company Law Tribunal (NCLT) to pass necessary fresh recent orders in a "fair, just, dispassionate manner on merits, afresh", the appellate tribunal said "there was negation of principles of natural justice" by it.

For details:

https://www.business-standard.com/article/companies/nclat-asks-nclt-to-give-hearing-opportunity-to-two-videocon-execs-121102400414_1.html

❖ *Terminology for today*

Zero-Volatility Spread (Z-Spread)

The Zero-volatility spread (Z-spread) is the constant spread that makes the price of a security equal to the present value of its cash flows when added to the yield at each point on the spot rate treasury curve where cash flow is received. In other words, each cash flow is discounted at the appropriate Treasury spot rate plus the Z-spread. The Z-spread is also known as a static spread.

Prepared by Directorate of Academics

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

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