

Info Capsule

Thursday
September 30, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ **Ministry of Finance**

ECLGS' scope expanded and scheme extended till 31.03.2022 (September 29, 2021)

Government has been receiving demands from various Industry bodies and other stakeholders to extend the scheme to ensure continued support to eligible sectors/businesses. With a view to support various businesses impacted by the second wave of COVID 19 pandemic, it has been decided to extend the timeline of Emergency Credit Line Guarantee Scheme (ECLGS) till 31.03.2022 or till guarantees for an amount of Rs. 4.5 lakh crore are issued under the scheme, whichever is earlier. Further, the last date of disbursement under the scheme has also been extended to 30.06. 2022.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1759251>



**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)



❖ **National Financial Reporting Authority**

Consultation Paper on Statutory Audit and Auditing Standards for Micro, Small and Medium Companies (MSMCs) (September 29, 2021)

Major economies of the world require statutory audit for small companies only in case some minimum criteria of public interest are satisfied. Even in India, income tax audit is now not compulsory where the turnover is Rs. 10 crore or less provided not more than 5% of the transactions are in cash. GST audit has also been completely done away with.

It is, therefore, appropriate to revisit the requirement of compulsory statutory audit for all companies irrespective of their size and/or public interest. NFRA has prepared a Consultation Paper explaining the issues involved and providing the data and information required for responding to the questions raised in an informed manner, with the objective to seek the comments/suggestions of the wider stakeholder group and the public at large on questions raised. The last date for receipt of comments is November 10, 2021. The comments may be submitted by email at: comments-tac.paper@nfra.gov.in

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1759494>

❖ **Terminology for today**

Swing Pricing

Swing pricing is a mechanism to apportion the costs of redemption and purchase requests on the shareholders whose orders caused the trades. It is designed so that remaining shareholders don't bear all the costs (including dilution) caused by first movers.

❖ **Securities Laws & Capital Markets**

SEBI Circular

Swing pricing framework for mutual fund schemes (September 29, 2021)

SEBI has introduced the swing pricing framework for open ended debt mutual fund schemes (except overnight funds, Gilt funds and Gilt with 10-year maturity funds), to protect investors in debt mutual funds. Swing pricing shall be made applicable to all unitholders at PAN level with an exemption for redemptions upto Rs. 2 lacs for each mutual fund scheme for both normal times and market dislocation. Swing pricing is a mechanism that imposes certain cost on exiting investors (since they are contributing to a downward spiral in NAV) while incentivizing entering investors (since they are helping to stem the downward spiral in NAV). This framework shall be applicable with effect from March 1, 2022.

For details: https://www.sebi.gov.in/legal/circulars/sep-2021/circular-on-swing-pricing-framework-for-mutual-fund-schemes_52997.html

SEBI News

- **FPI bodies ask SEBI to postpone shift to T+1 (September 30, 2021)**

Foreign funds have stepped up their opposition to the SEBI plan to shift to a shorter T+1 settlement cycle. Three leading offshore fund lobby groups - the Asian Securities Industry and Financial Markets Association (ASIFMA), Traders Forum of Hong Kong and the UK-based Investment Association - have sent a joint letter to SEBI chairman Ajay Tyagi alleging that they were not consulted on the new rules. They have asked the regulator to postpone implementation. SEBI wants to shift to T+1, with settlement of trade on the next day, from T+2 now.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/fpi-bodies-ask-sebi-to-postpone-shift-to-t1/articleshow/86632345.cms>

- **Infosys Insider Trading | SEBI bans Infosys and Wipro employee from trading in stock exchanges (September 29, 2021)**

Indian markets regulator SEBI has banned an Infosys and Wipro employee from trading in stock exchanges for insider trading in Infosys. In an order dated September 27, the regulator named two employees Ramit Chaudhri and Keyur Maniar, during the corporate announcement of Infosys' Vanguard Deal in July 2020. Earlier on June 1, 2021, SEBI had fined two Infosys employees, and six entities and individuals for insider trading before the company's financial results announcement for the quarter ending June 2020. The company had initiated a probe into insider trading complaints and said that appropriate action will be taken on employees post the completion of the probe.

For details:

<https://www.moneycontrol.com/news/business/infosys-insider-trading-sebi-bans-an-infosys-and-wipro-employee-from-trading-in-stock-exchanges-7521741.html>

❖ **Banking and Insurance**

• **Prompt Corrective Action Framework - Indian Overseas Bank (September 29, 2021)**

The Reserve Bank on September 29, 2021 removed Indian Overseas Bank from Prompt Corrective Action Framework (PCAF), after improvement in various parameters and a written commitment that the state-owned lender will comply with the minimum capital norms.

For details:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52318

• **Policy Holder Complaints Registration Form (September 29, 2021)**

The Complaints Registration form for policy holder is uploaded by the Insurance Regulatory and Development Authority of India for all life and non-life policies.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo3031&flag=1

• **Banks disburse Rs. 7,500 cr under Credit Guarantee Scheme for microfinancing (September 29, 2021)**

Banks have fully utilised Rs. 7,500 crore under the Credit Guarantee Scheme for Micro Finance Institutions (MFIs) to benefit the smallest of the borrowers, the finance ministry said on September 29, 2021. The scheme was announced by Finance Minister in June as part of a Rs. 6.29 lakh crore package to provide relief to various sectors affected by the second wave of the COVID-19 pandemic.

For details:

https://www.business-standard.com/article/finance/banks-disburse-rs-7-500-cr-under-credit-guarantee-scheme-for-microfinancing-121092900932_1.html

• **NPCI looks at USD 1 trillion worth of transactions through UPI on annual basis (September 29, 2021)**

The National Payments Corporation of India (NPCI) is looking at USD 1 trillion worth of transactions through UPI on an annual basis, as digital payments are progressing in the country. Last year, the total digital payment transactions reached about 55 billion in terms of number, with all kinds of payments put together.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/npci-looks-at-usd-1-trillion-worth-of-transactions-through-upi-on-annual-basis/articleshow/86618478.cms>

• **SBI signs pact with three NBFC-MFIs for co-lending to joint liability groups (September 29, 2021)**

State Bank of India said it has signed an agreement with three Non-Banking Finance Company-Micro Finance Institutions (NBFC-MFIs) for co-lending to joint Liability Groups. The three NBFC-MFIs are Vedika Credit Capital Ltd. (VCCL), Save Microfinance Pvt. Ltd. (SMPL) and Paisalo Digital Ltd.

For details:

<https://www.financialexpress.com/industry/banking-finance/sbi-signs-pact-with-three-nbfc-mfis-for-co-lending-to-joint-liability-groups/2340572/>

❖ ***Insolvency and Bankruptcy***

Videocon insolvency: Twin Star Tech opposes plea for fresh bid (September 29, 2021)

Vedanta group firm Twin Star Technologies, the approved bidder for the insolvent Videocon Industries, has opposed lead banker State bank of India's (SBI) plea for inviting fresh bids on the ground of paltry pay-out. It has termed the demand as "misconceived, non-justiciable and neither maintainable in fact nor in law."

On behalf of the committee of creditors (CoC), SBI had on September 18 urged the National Company Law Appellate Tribunal (NCLAT) to allow fresh bids for Videocon in the "larger public interest" and to "ensure that public money is secured in the best possible manner".

For details:

<https://www.financialexpress.com/industry/videocon-insolvency-twin-star-tech-opposes-plea-for-fresh-bid/2339941/>

❖ ***International Business News***

MSME Minister Shri Narayan Rane launches new portal to boost MSME exports globally (September 29, 2021)

MSME Minister, Shri Narayan Rane on Wednesday, September 29, 2021 launched MSME body India SME Forum's portal IndiaXports to further enable exports by small businesses globally. The portal is essentially an information and knowledge platform for exports by Indian MSMEs with the required information related to exports for all the 456 tariff lines along with trends in exports, exports procedures, etc.

For details:

<https://www.financialexpress.com/industry/sme/msme-exim-msme-minister-narayan-rane-launches-new-portal-to-boost-msme-exports-globally/2340466/>

❖ ***Business and Economic News***

• Government fixes minimum reserve price for Air India, winner of bid most likely identified (September 30, 2021)

The government on September 29, 2021 decided on the minimum reserve price for national carrier Air India and met the two bidders for further discussions, said people with knowledge of the matter. Others said that the government may have taken a view on the bids.

For details:

<https://theworldstockmarkets.com/index.php/2021/09/30/govt-fixes-minimum-reserve-price-for-air-india-winner-of-bid-most-likely-identified/>

- **Constitution of an Expert Committee on Sustainable Finance (September 29, 2021)**

IFSCA (International Financial Services Centres Authority) in its endeavour to develop the required eco-system has constituted an Expert Committee to recommend approach towards development of Sustainable Finance Hub and provide road map for the same. The expert committee is being chaired by Shri C.K. Mishra, Former Secretary to Government of India, Ministry of Environment, Forest & Climate Change.

For details:

<https://ifsca.gov.in/viewer/pressreleases/233>

- **Expect over 7% growth for India this decade, says CEA (September 29, 2021)**

Chief Economic Adviser (CEA) KV Subramanian said that India will clock over 7 per cent annual growth during this decade on the back of strong economic fundamentals. During the current fiscal, he said, growth would be in double-digits and it could moderate to 6.5 - 7 per cent in the next financial year.

The Economic Survey 2020-21, released in January this year, had projected GDP growth of 11 per cent during the current financial year ending March 2022. The survey had said growth will be supported by supply-side push from reforms and easing of regulations, infrastructural investments, boost to manufacturing sector through the Production-Linked Incentive (PLI) schemes, recovery of pent-up demand, increase in discretionary consumption subsequent to rollout of vaccines and pick up in credit.

For details:

<https://www.tribuneindia.com/news/business/expect-over-7-growth-for-india-this-decade-says-cea-317929>

- **Rajesh Dahiya quits Axis Bank, to pursue ESG initiatives (September 29, 2021)**

Axis Bank executive director and strategy head Rajesh Dahiya has quit the private lender to pursue work in the Environmental, Social, and Governance (ESG) sector. Dahiya who will be associated with the bank in his current role till December 31, 2021, will continue to participate in the social work carried out by Axis Foundation. Dahiya who has quit his executive role at the lender, has sought early retirement from the services of the bank, to pursue personal and professional interests outside his executive corporate career.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rajesh-dahiya-quits-axis-bank-to-pursue-esg-initiatives/articleshow/86614778.cms>

- **Piramal completes acquisition of DHFL for Rs 34,250 crore, biggest resolution in value terms (September 29, 2021)**

Piramal has completed the acquisition of DHFL for Rs 34,250 crore which includes a cash component and non-convertible debentures. The total consideration of Rs 34,250 crore includes an upfront cash payment of nearly Rs 14,700 crore and issuance of debt instruments of nearly Rs 19,550 crores (10-year NCDs at 6.75% p.a. on a half-yearly basis). This is the first successful resolution under the IBC route in the financial services sector and amongst the largest resolutions in value terms.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/piramal-completes-acquisition-of-dhfl-for-rs-34250-crore-biggest-resolution-in-value-terms/articleshow/86606213.cms>

❖ Market Watch

Stock Market Indices as on 30.09.2021

S & P BSE Sensex	59125.36 (-286.91)
Nifty 50	17606.35 (-104.95)

Foreign Exchange Rates as on 29.09.2021

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.97	86.42	100.66	0.66

Prepared by Directorate of Academics

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

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