



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

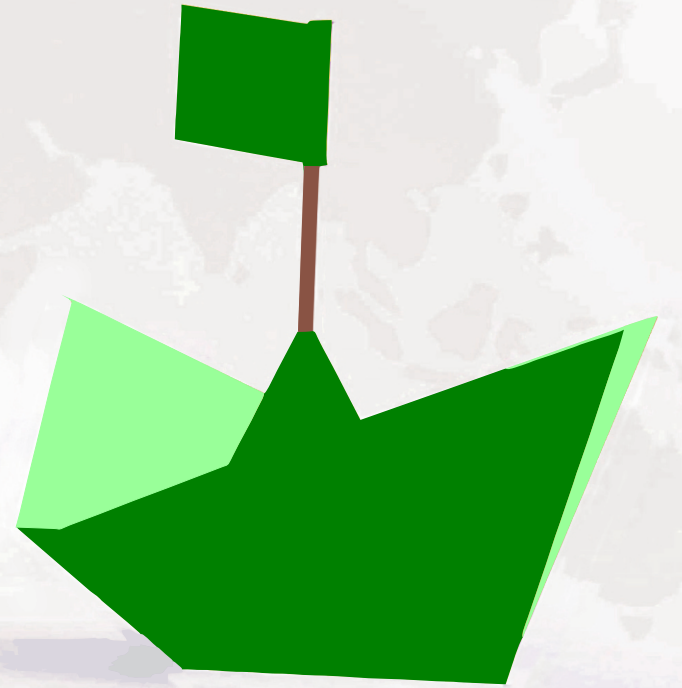
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INFO CAPSULE

Series - 7

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Motto

सत्यं वद। धर्मं चर।

“इष्टाकं तेह त्पुते अबेदे तु तेह त्पु”

From the President

*“The measure of intelligence is the ability to change.”
– Albert Einstein*

Dear Readers,

If I was to add to these words of the renowned scientist, I believe, true wisdom is gained in our ability to learn more at every step of change. A look around, and the business ecosystem is always in a state of flux due to constant changes in regulatory framework, business approaches, and government policies. Such alterations in dynamics, in the fiscal policy, monetary policy, foreign trade policy, have not been limited to national level only but are witnessed at a global level.

In this era of globalization wherein the world has transformed into a global village, providing an impetus to business, trade and commerce across the globe, it has become imperative to have comprehensive knowledge about various pertinent laws, regulations, business strategies and what not. A peep into the functioning of any business enterprise and the realization dawns that continuous addition to the reservoir of wisdom is indispensable in order to contribute optimally to the corporates as well as the nation.

Given the fact that constant updation and keeping abreast with the most recent of developments is an indispensable part of learning; as professionals we must embrace continuous reading and assimilation of knowledge. Info Capsule, an academic endeavor of the Institute of Company Secretaries of India, does just that.

Initiated with the intent of sensitizing the Governance Professionals with the latest progressions in the areas of company law, securities laws and markets, international business, banking and insurance etc., the Info Capsule is playing a significant role in creating an edifice of eternal wisdom.

I extol the endeavours of the Directorate of Academics in rolling out six combined series of Info Capsule successfully. I would also like to commend their committed efforts and contribution in bringing out the **Info Capsule Combined Series-7** which shall prove to play its dedicated role in the continuous enrichment of our members.

Happy reading!!!

With warm regards,

(CS Nagendra D. Rao)
President
ICSI



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Latest @ ICSI

Info Capsule Series 7

- **The ICSI representation for extension of timelines on account of COVID - 19 Pandemic (April 15, 2021)**

On account of the current crisis of second wave of COVID19 pandemic which is spreading fast and posing challenges for the stakeholders to meet the ends and function smoothly, the ICSI has requested the Ministry of Corporate Affairs (MCA) to consider relaxations in due dates of the following compliances, namely:

- E-Form-MSME Form-1 -The filing date for the period from October, 2020 to March, 2021 may be extended upto June 30, 2021.
- E-Form PAS-6- The filing date for the half year ended March 31, 2021 may be extended upto June 30, 2021.
- Form 11-LLP- The filing date for the year ended March 31, 2021 may be extended upto June 30, 2021.

For details:

https://www.icsi.edu/media/webmodules/Letter_to_MCA_15042021.pdf

- **Webinar on "Procedural Issues in GST - GST ITC, GSTR 2A/2B, HSN/SAC Code, E-Invoicing, QRMP etc." (April 19, 2021)**

With the objective of sensitizing the taxpayers and to promote voluntary tax compliance, the Indirect Taxes Committee of PHD Chamber is organizing a Webinar on "Procedural Issues in GST - GST ITC, GSTR 2A/2B, HSN/SAC Code, E-Invoicing, QRMP etc." on Thursday, April 22, 2021 from 10.30 am to 01.30 pm. Members of the ICSI will be awarded 2 credit hours.

For details:

https://www.icsi.edu/media/webmodules/Webinar_on_Procedural_Issues_in_GST_GST_ITC_GSTR_2A2B_HSN_SAC_Code_E_Invoicing_QRMP_etc.pdf

- **Guidance to Members in Practice to carry out Professional Assignments (April 20, 2021)**

Taking cognizance of the second wave of COVID-19 pandemic, the PCS committee of the ICSI in its meeting held on April 12, 2021 has issued specific guidance to the Members in Practice for smooth conduct of the Audit and other assignments undertaken by them.

For details:

https://www.icsi.edu/media/webmodules/ICSI_Emailer_for_PCS.JPG

- **ICSI Plasma Bank Portal (April 22, 2021)**

On account of the challenges posed by the pandemic and given the rising numbers, Plasma donation and blood donation are critically important activities that contribute to saving lives. In such a scenario, the ICSI calls upon all its stakeholders to volunteer for donating plasma by registering at <https://www.icsi.in/plasmabank/blood.aspx> by furnishing personal details and location.

For details:

https://www.icsi.edu/media/webmodules/Plasma_Donation.pdf

- **Request to SEBI for extension of timelines due to COVID-19 (April 22, 2021)**

The ICSI on account of second wave of COVID-19 pandemic has requested SEBI to consider relaxations in due dates of various compliances under SEBI (LODR) Regulations, 2015, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Buyback of Securities) Regulations, 2018 and SEBI Circulars.

For details:

https://www.icsi.edu/media/webmodules/SEBIRequest_for_extension_of_timelines_due_to_COVID-19-reg.-ICSI_22_04_2021.pdf

- **Clarification Regarding Obtaining the Mandatory CPE Credits for the Year 2020-21 (April 24, 2021)**

The ICSI on account of the fast spreading second wave of COVID-19 pandemic and the conditions prevailing in the Country has considered that the members are finding it difficult to complete the requirement of the Structured CPE Credits as the physical programmes are not being conducted by HQ, ROs, CCGRT, CoE or Chapters of the Institute. In view of the above, the ICSI has decided to award structured CPE Credits to the members attending the programmes organized by HQs, ROs, Chapters, CCGRT and CoE through electronic mode during the period from May 1, 2021 till June 30, 2021. The structured CPE Credit will be considered for the year 2020-21 only.

For details:

https://www.icsi.edu/media/webmodules/Clarification_regarding_mandatory_CPE_Credits_for_the_year_2020-21.pdf

- **International Webinar - 21st Century Company Secretary : Facilitating innovation in Board Governance (April 26, 2021)**

The ICSI is conducting an International Live webinar on 21st Century Company Secretary: Facilitating innovation in Board Governance on April 29, 2021 at 12:00 Noon (IST). The ICSI Members will be awarded with 2 CPE Credit.

For details:

https://www.icsi.edu/media/webmodules/International_Webinar_29_April.pdf

- **ICSI calls upon you to do your utmost to help the CS fraternity to overcome the pandemic (April 26, 2021)**

In the wake of the phenomenal surge of the Covid pandemic, most of the States are grappling to provide optimum care and treatment to people with serious illness due to shortage of hospital/ICU beds, oxygen, essential medicines, vaccine etc. It is imperative for all of us as good Samaritans and responsible citizens to join in the monumental efforts of the government to deal with the pandemic. In view of above, the ICSI is calling upon all of us to do their utmost to help the CS fraternity (members, students, employees of ICSI and their immediate family members) who or whose near and dear ones are / have been infected by the virus and could be looking desperately for some help by letting the Institute know of various oxygen suppliers in different cities. In case you are employed in / associated with any pharmaceutical company, insurance company or hospital then you could help your fellow brethren to get essential medicines, emergency admissions in hospitals, speedy insurance claim settlement etc. You can share the necessary information through the Google form. The information will be shared by the ICSI with the CS fraternity at large through website and mail.

For details:

https://www.icsi.edu/media/webmodules/ICSI_Fight_against_Covid.pdf

- **Company Secretaries Benevolent Fund (CSBF) - We rise by raising others (April 27, 2021)**

The ICSI wish to bring to the kind notice of all Members that Company Secretaries Benevolent Fund (CSBF) is reimbursing the medical expenses, in deserving cases, incurred by the CSBF Life Members towards Covid-19 treatment upto Rs.75,000/- (limited to Rs. 50,000/- till completion of 3 years of subscription). In addition to the above, life members of CSBF are also given financial benefits as per details given below:

1. Rs. 10,00,000/- (Rupees Ten Lakh) to the dependents of deceased member in case of unfortunate death of member upto the age of 60 years.
2. Rs. 3,00,000/- (Rupees Three Lakh) to the dependents of deceased member in case of unfortunate death of member above the age of 60 years.
3. Rs. 50,000/- per child - one time (upto two children) for education of minor children of deceased member upto the age of 60 years.
4. Upto Rs. 75,000/- for reimbursement of medical expenses incurred by member for self or dependent family members (in deserving cases*).

Expenses borne towards treatment of Covid are included here.

5. Reimbursement of medical expenses upto Rs. 50,000 (in deserving cases*) for CS (self only) who is not members of CSBF. * Deserving case limits annual income to Rs.7,50,000/- in the last financial year.

In view of the above, the ICSI appeal to the Members of the Institute, who have not yet become the member of CSBF, to become a life member at the earliest. CSBF can provide the financial security to your family at times of need. Financial support to members/their families are given in the minimum time possible.

For details:

https://www.icsi.edu/media/webmodules/Appeal_for_CSBF_subscription_27042021.pdf

- **Request to MCA for extension of timelines for depositing unspent amount of ongoing CSR project in separate bank account under Section 135 of the Companies Act, 2013 due to the second wave of COVID-19 (April 28, 2021)**

Considering the current crisis of second wave of COVID-19 pandemic, the ICSI has requested MCA to consider relaxation by providing extension of timelines upto June 30, 2021 for depositing unspent amount of ongoing CSR project in separate bank account.

For details:

https://www.icsi.edu/media/webmodules/ICSI_Request_Letter_to_MCA_28_04_2021_2.pdf

- **Request to MCA for extension of timelines due to COVID-19 (April 28, 2021)**

On account of various practical difficulties faced by the stakeholders due to the second wave of COVID-19 pandemic, the ICSI has requested MCA to provide following relaxations in the timelines of various compliance requirements, namely:

- **Filing of Form CHG-1/ CHG-9 and Form CHG-4**
The last date of filing of charge related forms viz. CHG-1/CHG-9 and CHG-4 be extended till June 30, 2021.
- **Extension of Resubmission validity of forms**
The time limit of 15 days be extended to 45 days (in view of COVID).
- **Filing of event-based forms**
The last date of filing these forms be extended till June 30, 2021 without any additional fee.

For details:

https://www.icsi.edu/media/webmodules/ICSI_Request_Letter_to_MCA_28_04_2021%20.pdf

- **Increase in medical reimbursement limit from CSBF due to Covid-19 pandemic (May 01, 2021)**

Considering the very grim phase the country is facing due to the phenomenal surge in Covid-19 pandemic and in order to support its stakeholders, the Company Secretaries Benevolent Fund w.e.f. May 01, 2021, has enhanced the medical reimbursement limits for those affected by Covid 19. The Members and / or their declared dependents who have tested Covid positive from a government / ICMR authorized testing centre (only RTPCR or Rapid Antigen Test result to be accepted) and have incurred expenses related to treatment for Covid in a hospital

(private/government/military) or under home quarantine / isolation (on production of original bills), shall be eligible for reimbursements, with enhanced limits as under:

For Life members of CSBF: Limit enhanced from Rs. 75,000/- (Rupees Seventy Five Thousand Only) to Rs.1,50,000/- (Rupees One Lakh Fifty Thousand Only) for self and their declared dependents.

For Life members of CSBF who have not completed 3 years of subscription (for self and their declared dependents); and for Company Secretaries who are non-members of CSBF (for self only) : Limit enhanced from Rs.50,000/- (Rupees Fifty Thousand Only) to Rs.1,00,000/- (Rupees One Lakh Only). As per the existing Bye Laws of the CSBF, the Annual Income criteria for deserving cases (that is Annual Income up to Rs. 7.5 Lakhs during the previous Financial Year) shall remain the same.

For details:

https://www.icsi.edu/media/webmodules/Increase_in_medical_reimbursement_limit%20from_CSBF%20due_to_Covid-19_pandemic.pdf

- **Online Training Programme for Empanelment as Peer Reviewer (May 04, 2021)**

The ICSI is conducting an Online Training Programme for Empanelment as Peer Reviewer on Saturday, May 08, 2021 from 1:00 pm to 5:15 pm.

For details: https://www.icsi.edu/media/webmodules/ICSI_Flyer_Peer_Reviewer.pdf

- **Important decisions taken by the Council of the ICSI at its 276th (Special) Meeting held on May 05, 2021 (May 08, 2021)**

Several important decisions were taken by the Council of the ICSI at its 276th (Special) Meeting held on May 05, 2021 such as:

- Complete waiver of the shortfall in the CPE Credit Hours (both structured & unstructured) for the Financial Year 2020-21, in view of COVID- 19 pandemic.
- Creation of a Special Covid - 19 Assistance Corpus of Rs. 10,00,00,000/- (Rupees Ten Crores only) for members of the ICSI who are Non CSBF Members/ CSBF Members who are 60 years and above, who do not have insurance coverage of more than Rs.10,00,000/- (Rupees Ten Lakhs), by granting one-time financial assistance to their legal heir of deceased Member(s) who have lost heir life, between April 01, 2020 to March 31, 2022, due to Covid-19. As per the guidelines to be issued by the ICSI, the Financial Assistance will be as under:

Category of Members	Eligible Amount (in Rupees)
Non CSBF Members	Rs. 500,000/- (Rs. Five Lakhs only).
CSBF Members who are 60 years and above	Rs. 2,00,000/- (Rupees Two Lakhs only), in addition to benefits under CSBF.

- Subject to approval from the Ministry of Corporate Affairs -
 - a) Extension of the last date for payment of Annual Membership Fee, Certificate of Practice and Licentiate fee in the FY 2021-22 from June 30, 2021 to September 30, 2021.
 - b) Temporary relaxation be provided to the Students who have qualified CS Executive Entrance Test (CSEET) and are scheduled to appear in the 12th Examinations in 2021

conducted by the Central and State Boards, to seek provisional registration to the Executive Programme subject to submission of proof of passing the 10+2 examinations within six months from the date of such provisional registration to the Executive Programme.

For details:

https://www.icsi.edu/media/webmodules/Important_Decisions_of_276th_Special_Meeting_of_the_Council.pdf

https://www.icsi.edu/media/webmodules/08_05_2021_Exemption_Mandatory_CPE_Credits_2020-21.pdf

- **First Virtual International Conference on Sustainable Finance, Economics & Accounting in the Pre - and Post - Pandemic Era (May 11, 2021)**

The Academic Partner of ICSI, IIM-Jammu and University of BRADFORD, UK is organizing an International Conference on Sustainable Finance, Economics & Accounting in the Pre- and Post-Pandemic Era to be held on July 30-31, 2021 in virtual mode. Members of ICSI have an opportunity to present their Academic, Professional and Research paper, without payment of any registration fees. Members who do not want to present their paper but to participate in the Conference in virtual mode may also join without any registration fees. The conference aims to bring together leading academic experts, Professionals, researchers and research scholars to exchange and share their ideas, experiences and research in the field of 'Sustainable Finance, Economics and Accounting'. Further details about the conference themes are available at: http://www.iimj.ac.in/icfea_conference. Members can submit their paper through the Google link on or before May 30, 2021.

For details:

https://www.icsi.edu/media/webmodules/Flyer_Program_Invitation_GLW_ON_IP_FOR_HUMANITY.pdf

https://www.icsi.edu/media/webmodules/icfea_brochure_28April2021_V2.pdf

- **Live Webinar on COVID-19: Mental Health & Wellness during the pandemic**

The ICSI is conducting a Live Webinar on COVID-19: Mental Health & Wellness during the pandemic on May 14, 2021 at 11:00 AM onwards.

For details: https://www.icsi.edu/media/webmodules/ICSI_webinar.pdf

- **Extension of ICSI UDIN Amnesty Scheme, 2021 till May 31, 2021 (May 15, 2021)**

The ICSI UDIN Amnesty Scheme, 2021 was introduced to provide an opportunity to the members for rectification of defaults relating to UDIN which was effective from April 20, 2021 to May 15, 2021. However, keeping in view the persisting situations in the Country due to COVID 19 pandemic and various practical difficulties being faced by the members, the ICSI has decided to extend the ICSI UDIN Amnesty Scheme 2021 till May 31, 2021. All active UDINs generated from the effective date of these Guidelines i.e., October 01, 2019 and to be generated upto the validity of the scheme i.e., May 31, 2021 shall be eligible for the purpose of this Scheme. Other conditions of the Amnesty Scheme shall remain the same.

For details:

https://www.icsi.edu/media/webmodules/Udin_Amnesty_Scheme_Extension%20.pdf

https://www.icsi.edu/media/webmodules/Ecsin_flyer_16052021.jpg

- **Extension of ICSI ECSIN Amnesty Scheme, 2021 till May 31, 2021 (May 15, 2021)**

The ICSI ECSIN Amnesty Scheme, 2021 was introduced to provide an opportunity to the members for rectification of defaults relating to ECSIN which was effective from April 20, 2021 to May 15, 2021. However, keeping in view the persisting situations in the Country due to COVID 19 pandemic whereby members may themselves got affected or some of their family member/close associates may be requiring attention in this difficult time, it has been noticed by the ICSI that the members were not in a position to avail the benefit under the Amnesty Scheme. Therefore, the ICSI in view of the unprecedented conditions has decided to extend the ICSI ECSIN Amnesty Scheme 2021 till May 31, 2021. All active ECSIN generated from the effective date of ECSIN Guidelines i.e., October 01, 2019 and to be generated upto the validity of the scheme i.e., May 31, 2021 shall be eligible for the purpose of this Scheme. Other conditions of the Amnesty Scheme shall remain the same.

For details:

https://www.icsi.edu/media/webmodules/ECSIN_Amnesty_Scheme_Extension_L.pdf

https://www.icsi.edu/media/webmodules/Ecsin_flyer_16052021.jpg

- **Request to SEBI to relax the time gap between two board / Audit Committee meetings of listed entities owing to the Second Wave of CoVID19 pandemic (May 17, 2021)**

Considering the severity of the current crisis due to second wave of the COVID-19 pandemic, the ICSI has requested the SEBI to extend the requirement of the maximum stipulated time gap of 120 days between two meetings of the board and Audit Committees of listed entities, as is required under Regulation 17(2) and 18(2)(a) of SEBI (LODR) Regulations, 2015.

For details:

https://www.icsi.edu/media/webmodules/ICSI_Request_for_extention_Board%20Meeting_Audit_Meeting_17052021.pdf

- **ICSI Special Covid-19 Assistance Corpus for non CSBF members & CSBF members of age 60 years and above (May 17, 2021)**

The ICSI has created a dedicated Corpus Fund of Rs.10,00,00,000/- (Rupees Ten Crore only) for benevolence by providing financial assistance to the declared dependent (s) / legal heir(s) of deceased members of ICSI in case of Covid-19 related unfortunate demises, who were not members of CSBF or were CSBF members of age 60 years and above. Under the said Special Covid - 19 Assistance, the dependent(s) (if declared under CSBF) / legal heir(s), as applicable, of a member of ICSI, who have lost their life due to Covid-19, can claim a one-time financial assistance of maximum Rs. 5,00,000/- (Rupees Five Lakh only) subject to fulfilment of certain specified criteria.

For details:

https://www.icsi.edu/media/webmodules/ICSI_Special_Covid_19_Assistance_Corpus.pdf

- **Crash Course on Related Party Transactions Compliances & Taxation: Registration Open (May 17, 2021)**

The ICSI has launched a Crash Course on Related Party Transactions - Compliances & Taxation for ICSI Members, which will be conducted through web based interactive sessions. The Course will be imparted in total 5 sessions to be conducted on weekdays from 5:30 to 7:30 PM. Certificate of completion will be awarded to all the candidates, upon successfully completion of the course and MCQ based assessment.

For details:

https://www.icsi.edu/media/webmodules/Registration_Open_Crash_Course_on_Related_Party_Transactions.jpg

- **List of ICSI Officials for COVID-19 Support to Members (May 19, 2021)**

Further to the measures taken during this current pandemic period, the ICSI has constituted a task force for providing support /assistance with regard to COVID -19. This task force will support / provide information in respect of available resources to fight against COVID. The Members who may require support/assistance may contact the specified officials on their contact numbers and E mail IDs.

For details:

https://www.icsi.edu/media/webmodules/List_of_ICSI_Officials_for_Covid_19_Support_to_Members.pdf

- **Relaxation in levy of additional fees in filing of certain forms under the Companies Act, 2013 & LLP Act, 2008 (May 19, 2021)**

Considering the current crisis, the ICSI has requested the MCA to consider providing relaxation by wavier of additional fee in respect of the forms under the Companies Act, 2013 and the LLP Act, 2008, which falls due for filling during April 1, 2021 to May 31, 2021 in line with the relaxation provided vide MCA General Circulars No. 06/2021 and 07/2021, so as to enable filling of such forms without additional fees, upto July 31, 2021.

For details:

https://www.icsi.edu/media/webmodules/ICSI_MCA_Representation_19052021.pdf

- **Crash Course on Business Responsibility Reporting Registration Open (May 20, 2021)**

The ICSI has launched a Crash Course on Business Responsibility Reporting (BRR) for Members of ICSI, which will be conducted through web based interactive sessions. The Course will be imparted through 5 continuous sessions in 5 days from 3:00 to 5:00 PM. Certificate of completion will be awarded to all the candidates, upon successful completion of the course and MCQ based assessment.

For details: https://www.icsi.edu/media/webmodules/ICSI_Flyer_BRR3.jpg

- **Last date for payment of annual membership fee and certificate of practice (CoP) fee in FY 2021-22 extended till September 30, 2021 (May 25, 2021)**

Taking cognizance of the hardships being faced by the members due to the prevailing Covid-19 pandemic, the last date for payment of annual membership fee and certificate of practice (CoP) fee in FY 2021-22 stands extended till September 30, 2021.

For details:

https://www.icsi.edu/media/webmodules/Extended_Date_Membership_Fees.pdf

- **Last date for payment of Licentiate fee in FY 2021-22 extended till September 30, 2021 (May 25, 2021)**

Taking cognizance of the hardships being faced by the students due to the prevailing Covid-19 pandemic, the last date for payment of Licentiate fee in FY 2021-22 stands extended till September 30, 2021.

For details: https://www.icsi.edu/media/webmodules/Extended_Date_Licentiate_Fees.pdf

- **ASSOCHAM-ICSI webinar on "Recent Decisions of the Supreme Court/Tribunals and Appellate Tribunal and Pre-packaged Insolvency Resolution Process under IBC for MSMEs" (May 26, 2021)**

ASSOCHAM Southern Region along with ICSI as supporting partner is organising a webinar on "Recent Decisions of the Supreme Court/Tribunals and Appellate Tribunal and Prepackaged Insolvency Resolution Process under IBC for MSMEs" on Saturday, May 29, 2021 from 11:00 AM to 1:30 PM. For registration please visit link - <https://bit.ly/3npe1rw>

For details:

https://www.icsi.edu/media/webmodules/Webinar_29052021.jpeg

- **Cabinet approves Memorandum of Understandings (MoUs) entered into by Institute of Cost Accountants of India (ICoAI) and Institute of Company Secretaries of India (ICSI) with Foreign Countries/Organisations (May 25, 2021)**

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi has granted ex-post facto approval to the Memorandum of Understandings (MoUs) entered into by Institute of Cost Accountants of India (ICoAI) and Institute of Company Secretaries of India (ICSI) with various Foreign Countries/Organisations. The Institute of Cost Accountants of India (ICoAI) and the Institute of Company Secretaries of India (ICSI) have signed MoUs with foreign organisations namely Institute of Public Accountants (IPA), Australia, Chartered Institute for Securities and Investment, UK (CISI), Chartered Institute of Public Finance and Accountancy (CIPFA), UK, Institute of Certified Management Accountants, Sri Lanka and Institute of Chartered Secretaries and Administrators (ICSA), UK. The various memoranda seek to facilitate mutual recognition of qualifications and range of collaborative activities for exchange of knowledge, experience sharing and technical cooperation by way of participation in annual conferences/training programmes/workshops, seminars and joint research projects etc., relevant to their jurisdiction.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1721506>

- **Extension of ICSI ECSIN Amnesty Scheme, 2021 till June 15, 2021 (May 31, 2021)**

ICSI, in view of the persisting situation in the Country due to Covid-19 pandemic has noticed that the Members were not in a position to avail the benefit under the ICSI ECSIN Amnesty Scheme, 2021 by the last date i.e. May 31, 2021. Therefore, due to the unprecedented conditions, it has been decided to further extend the ICSI ECSIN Amnesty Scheme 2021 till June 15, 2021. All active ECSIN generated from the effective date of ECSIN Guidelines i.e. October 01, 2019 and to be generated upto the validity of the scheme i.e. June 15, 2021 shall be eligible for the purpose of this Scheme. Other conditions of the Amnesty Scheme shall remain the same.

For details: https://www.icsi.edu/media/webmodules/ECSIN_Amnesty_Extension_June%2015.pdf

- **Extension of ICSI UDIN Amnesty Scheme, 2021 till June 15, 2021 (June 01, 2021)**

The ICSI has introduced the ICSI UDIN Amnesty Scheme, 2021 considering the practical problems in generating the UDIN and other difficulties being faced by the members due to Covid-19. The Amnesty Scheme was effective from April 20, 2021 to May 15, 2021 and the same was extended upto May 31, 2021. However, keeping in view the persisting situations in the country due to COVID 19 pandemic and various practical difficulties being faced by the members, the ICSI has decided to further extend the ICSI UDIN Amnesty Scheme, 2021 till June 15, 2021. All active UDINs generated from the effective date of the ICSI Unique Document Identification Number (UDIN) Guidelines, 2019 i.e. October 1, 2019 and to be generated upto the validity of the scheme i.e. June 15, 2021 shall be eligible to avail the benefit of the scheme. Other conditions of the Amnesty Scheme shall remain the same.

For details: https://www.icsi.edu/media/webmodules/UDIN_Amnesty_new_010621.pdf

- **Webinar on "GST Input Tax Credit - Game Changer Vaccine for Trade and Industry"**

In order to discuss the overall impact of GST Input Tax Credit, the Indirect Taxes Committee of PHD Chamber is organizing a two days Special Webinar on "GST Input Tax Credit - Game Changer Vaccine for Trade and Industry" on Friday, June 11, 2021 and Tuesday, June 15, 2021 from 02:00 pm to 5:00 pm. Members of the ICSI will be awarded 2 credit hours for each webinar (Unstructured).

For details:

https://www.icsi.edu/media/webmodules/Webinar_on_GST_Input_Tax_Credit_a_Vaccination_for_Trade_and_Industry.pdf

- **EEE 2.0 : Webinar Series on Companies Act, 2013 and SEBI Laws (June 09, 2021)**

The ICSI has initiated a webinar series “Enable, Evaluate, Excel” in 2017, for reviving, refreshing and sharpening the knowledge of its members in the Companies Act, 2013. In view of the various amendments, the ICSI is relaunching this capacity building initiative. EEE 2.0 - Webinar Series on the Companies Act, 2013 and SEBI Laws is an attempt to keep the Governance Professionals abreast with the dynamics of these laws. Members will be awarded 1 unstructured CPE credit for each webinar.

For details: https://www.icsi.edu/media/webmodules/ICSI_Flyer_EEE10.jpg

- **ICSI celebrates 33rd PCS Day (June 15, 2021)**

To commemorate the occasion of 33rd PCS Day, this year, the ICSI has organised a webinar on a theme relevant to the present times “Sustaining the Challenging Times : Passion, Innovation & Technology”. Shri. V Muraleedharan, Union Minister of State for External Affairs & Parliamentary Affairs, graced the occasion as the Chief Guest.

For details:

https://www.icsi.edu/media/webmodules/Press_Release_ICSI_celebrates_33rd_PCS_Day.pdf

- **ICSI representation to RBI requesting relaxation from compliance with various reporting requirements under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 due to the Second Wave of COVID-19 pandemic (June 15, 2021)**

On account of resurgence of Covid-19 Pandemic, the companies are facing lots of difficulties in complying with RBI reporting requirements due to problem in signing of documents from Authorized Signatories. In this regard, the ICSI requested the RBI to kindly consider to grant relaxation of time period for filing the following forms without levy of additional fees, namely:

- 1) Annual Return on Foreign Liabilities and Assets (FLA) - The last date to submit FLA may be extended till August 15, 2021.
- 2) External Commercial Borrowings - The Requirement to file form ‘ECB-2 Return’ may be extended to two months.
- 3) Form Foreign Currency- Transfer of Shares (FC- TRS) - The timeline for filing be extended from 60 days to 90 days of transfer of capital instruments or receipt/ remittance of funds whichever is earlier.
- 4) Form ODI- The timeline for filing be extended from 30 days to 60 days.
- 5) Form DI - The timeline for filing be extended from 30 days to 60 days from the date of allotment of capital instruments.
- 6) Form InVi - The time line for filing be extended from 30 days to 60 days from the date of issue of units.

- 7) Form ESOP- The time line for filing be extended from 30 days to 60 days from the date of issue of employees' stock option.
- 8) Form LLP (I) - The timeline for filing be extended from 30 days to 60 days from the date of receipt of the amount of consideration.
- 9) Form LLP (II) - The timeline for filing be extended from 60 days to 90 days from the date of receipt of funds.
- 10) Form CN- The timeline for filing be extended from 30 days to 60 days of issue of Convertible Notes.

For details:

https://www.icsi.edu/media/webmodules/Request_RBI_relax_time_period_filing_forms_2021.pdf

- **EEE 2.0 : Webinar Series - Inaugural on June 22, 2021**

The inaugural session of EEE 2.0 (Enable, Evaluate & Excel): Biweekly Webinar Series on Companies Act, 2013 & SEBI Laws has been scheduled on June 22, 2021 at 11:00 AM to 1:30 PM.

For details: https://www.icsi.edu/media/webmodules/ICSI_190621.pdf

- **Important Decisions taken by the Council of the ICSI at its 277th Meeting held on June 19, 2021 (June 21, 2021)**

Several important decisions have been taken by the Council of the ICSI at its 277th Meeting held on June 19, 2021 such as:

- Approved the proposal for acquisition of new premises for Mangaluru Chapter of SIRC of ICSI.
- Approved the Gazette Notification for the election to fill casual vacancy of Eastern India Regional Constituency (EIRC) in the 13th Council of the Institute.
- Waiver in the fees payable at the time of registration in CS Executive Programme (for registrations between April 01, 2021 to March 31, 2022) for the students who lost their parents/legal guardian/adoptive parents due to Covid19 pandemic.
- Exemption from appearing in CS Executive Entrance Test (CSEET) to Graduates (having minimum 50% marks) and Post Graduates from the recognized Universities and enabling them to take direct admission in CS Executive Programme by payment of exemption fees.
- Approval of concept paper on providing knowledge support for courses relating to Skill Development for the students of Universities / Institutions under Academic Connect of ICSI for (a) Full-fledged Certificate Course and (b) Short-term Courses.

For details:

https://www.icsi.edu/media/webmodules/Important_decisions_taken_by_the_Council_taken_in_its_277th_meeting_of_the_Council.pdf

- **ICSI International Webinar - 'Developing Leadership in Governance and Risk Management'**

The ICSI is conducting a Live Webinar on Developing Leadership in Governance and Risk Management on June 24, 2021(Thursday) at 6:00 PM (IST). Members will be awarded 2 CPE Credit (Unstructured).

For details: https://www.icsi.edu/media/webmodules/International_Webinar240621.pdf

- **Extension of UDIN Amnesty Scheme, 2021 till June 30, 2021 (June 23, 2021)**

The ICSI in view of the requests of the members to extend the Amnesty Scheme, due to the persisting situations in the country due to COVID-19 and various practical difficulties being faced by the members has decided to extend the UDIN Amnesty Scheme, 2021 till June 30, 2021.

For details:

https://www.icsi.edu/media/webmodules/UDIN_Amnesty_Scheme_extension_230621.pdf

- **Extension of ICSI ECSIN Amnesty Scheme, 2021 till June 30, 2021 (June 23, 2021)**

The ICSI in view of the unprecedented conditions prevailing in the country due to COVID-19 pandemic has decided to further extend the ICSI ECSIN Amnesty Scheme 2021 till June30, 2021.

For details:

https://www.icsi.edu/media/webmodules/ECSIN_Amnesty_Scheme_Extension_230621.pdf

- **Request for extension of timelines due to COVID19-reg. (June 25, 2021)**

Considering that the Country is still under recovery phase and Corporates are finding it difficult to work with full capacity, the ICSI has requested the MCA to consider relaxations in due dates of the following, in line with various other relaxations extended by the MCA, namely:

- Companies Fresh Start Scheme, 2020 (CFSS 2020) - The due date for filing of Form CFSS-2020 may be extended by 1 (one) month i.e. upto July 31, 2021.
- E form-DPT-3- The due date for filing of Form DPT 3, for the year ended March 31, 2021 may be extended upto July 31, 2021.

For details:

https://www.icsi.edu/media/webmodules/Representation_to_MCA_on_extension_of_timelines_du_e_to_Covid_19.pdf

- **Guidance Note on Corporate Social Responsibility (June 25, 2021)**

The ICSI has released Guidance Note on Corporate Social Responsibility and the same is available on the website for reference of all stakeholders.

For details: https://www.icsi.edu/media/webmodules/Guidance_Note_on_CSR_Final.pdf

Ministry of Corporate Affairs

Info Capsule Series 7

- **Relaxation on levy of additional fees in filing of certain Forms under the Companies Act, 2013 and LLP Act, 2008. (May 03, 2021)**

The MCA on account of resurgence of COVID-19 pandemic, has decided to grant additional time upto July 31, 2021 for companies / LLPs to file such forms (other than Form CHG-1, CHG-4 and CHG-9) without any additional fees. Accordingly, no additional fees shall be levied upto July 31, 2021 for the delayed filing of forms (other than charge related forms referred above) which were/would be due for filing during April 01, 2021 to May 31, 2021. For such delayed filings upto July 31, 2021 only normal fees shall be payable.

For details: https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo6_03052021.pdf

- **Relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013 (May 03, 2021)**

On account of the resurgence of COVID-19 pandemic, the MCA has allowed relaxation of time and condone the delay in filing forms related to creation / modification of charges under the Companies Act, 2013. This Circular shall be applicable in respect of filing of Form No. CHG-1 and CHG-9 by a company or a charge holder. Relaxation of time:

- (i) If the date of creation or modification of charge is before April 01, 2021 but the timeline for filing such form had not expired under section 77 of the Companies Act, 2013 as on April 01, 2021:

The period beginning from April 01, 2021, and ending on May 31, 2021, shall not be reckoned for the purpose of counting the number of days under section 77 or 78 of the Companies Act, 2013. In case, the form is not filed within such period, the first day after March 31, 2021 shall be reckoned as June 01, 2021 for the purpose of counting the number of days within which the form is required to be filed under section 77 or 78 of the Companies Act, 2013.

- (ii) If the date of creation or modification of charge falls on any date between April 01, 2021, to May 31, 2021(both days inclusive):

The period beginning from the date of creation/modification of charge to May 31, 2021, shall not be reckoned for the purpose of counting of number of days under section 77 or 78 of the Companies Act, 2013. In case, the form is not filed within such period, the first day after the date of creation/modification of charge shall be reckoned as June 01, 2021 for the purpose of counting the number of days within which the form is required to be filed under section 77 or 78 of the Companies Act 2013.

For details: https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo7_03052021.pdf

- **Gap between two board meetings under section 173 of the Companies Act, 2013- Clarification-reg. (May 03, 2021)**

In view of the difficulties arising due to resurgence of Covid-19 and requests received from stakeholders, MCA has decided that the requirement of holding meetings of the Board of the companies within the intervals provided in section 173 of the Companies Act, 2013 (120 days) shall stand extended by a period of 60 days for first two quarters of Financial Year 2021-22. Accordingly, the gap between two consecutive meetings of the Board may extend to 180 days during the Quarter – April to June 2021 and Quarter– July to September, 2021, instead of 120 days as required in the Companies Act, 2013.

For details:

https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo8_03052021.pdf

- **MCA Update (May 03, 2021)**

The Ministry has issued General Circular Number 06/2021 and 07/2021 on May 03, 2021 allowing stakeholders to file various forms due for filing during April 01, 2021 to May 31, 2021 under the Companies Act, 2013 / LLP Act, 2008 by July 31, 2021 without payment of additional fees. The changes required in the MCA-21 system to implement this decision are being made and stakeholders would be informed in this regard in due course through a similar Notice. The stakeholders may, therefore, plan accordingly.

For details: <https://www.mca.gov.in/MinistryV2/homepage.html>

- **Clarification on spending of CSR funds for ‘creating health infrastructure for COVID care’, ‘establishment of medical oxygen generation and storage plants’ etc. (May 05, 2021)**

In continuation to General Circular No. 10/2020 dated March 23, 2020, the MCA has further clarified that spending of CSR funds for ‘creating health infrastructure for COVID care’, ‘establishment of medical oxygen generation and storage plants’, ‘manufacturing and supply of Oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19’ or similar such activities are eligible CSR activities under item nos. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care, and, disaster management respectively. The companies including Government companies may undertake the activities or projects or programmes using CSR funds, directly by themselves or in

collaboration as shared responsibility with other companies, subject to fulfillment of Companies (CSR Policy) Rules, 2014 and the guidelines issued by the MCA from time to time.

For details: https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo9_05052021.pdf

- **Publication of provisional database for the companies under the regulatory ambit of National Financial Reporting Authority (May 07, 2021)**

The National Financial Reporting Authority (NFRA) is in the process of creating a verified and accurate database of companies and auditors that come under the regulatory ambit of NFRA. Establishment of this data base involves critical steps like identification and verification of the primary data source, and reconciliation of data (such as Company Identification Number (CIN) which is dynamic) from different sources. In this regard the NFRA has been engaging with the Corporate Data Management (CDM) division of Ministry of Corporate Affairs (MCA) and three recognised stock exchanges in India. A provisional data base of companies and their auditors as of March 31, 2019 has been compiled by the NFRA. This includes approx. 6,500 companies, comprising listed companies (around 5,300), unlisted companies (around 1,000), and Insurance and Banking Companies. The auditor details for many of these companies have been compiled; in the remaining cases, this exercise is in progress. To achieve the objectives for which NFRA has been established, and to promote transparency in its working, this provisional data as of March 31, 2019 has been published on the website of the NFRA (https://www.nfra.gov.in/nfra_domain). This provisional data will be updated/revised going forward based on the collection of further data and information. Similar exercise for compilation of the data base as of March 31, 2020 will be undertaken shortly.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1716834>

- **List of forms providing waiver of additional fee as per Circular no. 06/2021 and 07/2021 (May 13, 2021)**

The MCA has issued list of forms for which additional fee waiver is made available as per Circular no. 06/2021 and 07/2021, namely:

S. no.	Form ID	Form description
1.	Form CHG-1	Application for registration of creation, modification of charge (other than those related to debentures)
2.	Form CHG-9	Application for registration of creation or modification of charge for debentures or rectification of particulars filed in respect of creation or modification of charge for debentures
3.	Form ADT-1	Information to the Registrar by company for appointment of auditor
4.	Form INC-22	Notice of Situation or Change of situation of Registered Office of the Company
5.	FORM NDH-3	Return of Nidhi Company for the half year ended

6.	FORM FC-4	Annual Return of a Foreign Company
7.	FORM MSC-3	Return of dormant companies
8.	FORM INC-27	Conversion of public company into private company or private company into public company
9.	FORM NDH-2	Application for extension of time
10.	FORM-IEPF-3	Statement of shares and unclaimed or unpaid dividend not transferred to the Investor Education and Protection Fund

For details: http://www.mca.gov.in/Ministry/pdf/FeeWaiver_13052021.pdf

- **Clarification on offsetting the excess CSR spent for FY 2019-20 (May 20, 2021)**

The MCA vide Circular dated May 20, 2021 has clarified that where a company has contributed any amount to ‘PM CARES Fund’ on March 31, 2020, which is over and above the minimum amount as prescribed under section 135(5) of the Companies Act, 2013 for FY 2019-20, and such excess amount or part thereof is offset against the requirement to spend under section 135(5) for FY 2020-21 in terms of the appeal dated March 30, 2020, then the same shall not be viewed as a violation subject to the conditions that:

- the amount offset as such shall have factored the unspent CSR amount for previous financial years, if any;
- the Chief Financial Officer shall certify that the contribution to “PM CARES Fund” was indeed made on March 31, 2020 in pursuance of the appeal and the same shall also be so certified by the statutory auditor of the company; and
- the details of such contribution shall be disclosed separately in the Annual Report on CSR as well as in the Board’s Report for FY 2020-21 in terms of section 134 (3) (o) of the Companies Act, 2013.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=yh5ok6xXPSdmLMFFFZ9bdQ%253D%253D&type=open>

- **Minister of State for Finance and Corporate Affairs Shri Anurag Singh Thakur launches 1st Phase of MCA21 Version 3.0 (Revamped website, e.Book, e.Consultation module and new email services deployed for better stakeholders’ experience introduced) (May 24, 2021)**

Minister of State for Finance and Corporate Affairs Shri Anurag Singh Thakur launched the first phase of Ministry of Corporate Affairs’ (MCA) MCA21 Version 3.0 (V3.0) comprising of revamped website, new email services for MCA Officers and two new modules, namely, e. Book and e. Consultation during a virtual event on May 24, 2021. The MCA V3.0 is going to be implemented in two phases. The second and final phase shall be launched from October 2021 onwards. The entire project is proposed to be launched within this Financial Year and will be data analytics and machine learning driven. The MCA21 V3.0 in its entirety will not only improve the existing services and modules, but will also create new functionalities like e-adjudication, compliance management system, advanced helpdesk, feedback services, user dashboards, self-reporting tools and revamped master data services.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1721263>

- **FAQs issued by the MCA (May 24, 2021)**

The MCA has issued various FAQs related to New MCA website, E-Book and EConsultation facilities for benefit of the stakeholders.

For details:

<https://www.mca.gov.in/content/dam/mca/documents/WebsiteFAQ.pdf>

<https://www.mca.gov.in/content/dam/mca/documents/EBookFAQ.pdf>

<https://www.mca.gov.in/content/dam/mca/documents/EConsultationFAQ.pdf>

- **List of forms providing waiver of additional fee as per Circular No. 06/2021 and 07/2021 (May 22, 2021)**

The MCA has added 8 more new forms in the list of forms for which additional fee waiver is made available as per Circular no. 06/2021 and 07/2021 due to COVID-19 pandemic, namely:

- FORM AOC-4: Form for filing financial statement and other documents with the Registrar
- FORM AOC-4 NBFC: Form for filing financial statement and other documents with the Registrar for NBFCs
- FORM AOC-4 XBRL: Form for filing XBRL document in respect of financial statement and other documents with the Registrar
- FORM MGT-7: Form for filing annual return by a company.
- LLP Form 3: Information with regard to limited liability partnership agreement and changes, if any, made therein
- LLP Form-11: Annual Return of Limited Liability Partnership (LLP)
- FORM DIR-11: Notice of resignation of a director to the Registrar
- FORM MGT-14: Filing of Resolutions and agreements to the Registrar

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=N2pxvsmVDKIDdx0TtXM3Ow%253D%253D&type=open>

- **List of forms providing waiver of additional fee as per Circular No. 06/2021 and 07/2021 (May 25, 2021)**

The MCA has added 5 more new forms in the list of forms for which additional fee waiver is made available as per Circular no. 06/2021 and 07/2021 due to COVID-19 pandemic, namely:

- FORM INC-20A: Declaration for commencement of business
- FORM MGT-15: Form for filing Report on Annual General Meeting
- FORM PAS-6: Reconciliation of Share Capital Audit Report (Half-yearly)
- FORM AOC-4 CFS NBFC : Form for filing consolidated financial statements and other documents with the Registrar for NBFCs
- FORM AOC-4 CFS: Form for filing consolidated financial statements and other documents with the Registrar

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=N2pxvsmVDKIDdx0TtXM3Ow%253D%253D&type=open>

- **List of forms providing waiver of additional fee as per Circular No. 06/2021 and 07/2021 (May 28, 2021)**

The MCA has revised the list of forms for which additional fee waiver is made available as per Circular no. 06/2021 and 07/2021 due to COVID-19 pandemic. Further, 17 more new forms to the list has been added, namely:

- FORM FC-1 : Information to be filed by foreign company
- FORM FC-2 : Return of alteration in the documents filed for registration by foreign company
- FORM PAS-3 : Return of allotment
- FORM MR-1: Return of appointment of MD/WTD/Manager
- FORM INC-4 : One Person Company- Change in Member/Nominee
- FORM INC-6: One Person Company - Application for Conversion
- FORM IEPF-5 e Verification Report : Company e Verification Report
- FORM INC-20 : Intimation to Registrar of revocation/surrender of license issued under section 8
- FORM NDH-4 : Application for declaration as Nidhi Company and for updation of status by Nidhis
- FORM IEPF-4 : Statement of shares transferred to the Investor Education and Protection Fund
- FORM GNL-3 : Details of persons/directors/ charged/ specified
- FORM MGT-6 : Persons not holding beneficial interest in shares
- FORM GNL-2 : Form for submission of documents with the Registrar.
- FORM ADT-3 : Notice of Resignation by the Auditor
- FORM DIR-12 : Particulars of appointment of Directors and the key managerial personnel and the changes among them
- FORM SH-11 : Return in respect of buy-back of securities
- FORM CRA-4 : Form for filing Cost Audit Report with the Central Government

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=hDZggllIF02cA%252FGWtstDmRQ%253D%253D&type=open>

- **List of forms providing waiver of additional fee as per Circular No. 06/2021 and 07/2021 (June 03, 2021)**

The MCA has revised the list of forms for which additional fee waiver is made available as per Circular no. 06/2021 and 07/2021 due to COVID-19 pandemic. Further, 13 more new forms to the list have been added, namely:

- FORM BEN-2 : Return to the Registrar in respect of declaration under section 90
- FORM IEPF-1 : Statement of amounts credited to Investor Education and Protection Fund
- FORM IEPF-7 : Statement of amounts credited to IEPF on account of shares transferred to the fund
- FORM AOC-5 : Notice of address at which books of account are maintained
- FORM SH-7 : Notice to Registrar of any alteration of share capital
- FORM CRA-2 : Form of intimation of appointment of cost auditor by the company to Central Government.
- FORM-15 : Notice for change of place of registered office
- FORM-4 : Notice of appointment, cessation, change in name / address / designation of a designated partner or partner and consent to become a partner/ designated partner
- FORM-5 : Notice for change of name
- FORM-12 : Form for intimating other address for service of documents
- FORM-22 : Notice of intimation of Order of Court/ Tribunal/CLB/ Central Government to the Registrar
- FORM-29 LLP : Notice of (A) alteration in the certificate of incorporation or registration; (B)alteration in names and addresses of any of the persons authorised to accept service on behalf of a foreign limited liability partnership (FLLP) (C) alteration in the principal place of business in India of FLLP (D) cessation to have a place of business in India
- FORM-27 LLP : Form for registration of particulars by Foreign Limited Liability Partnership (FLLP)

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=N2pxvsmVdKIDdx0TtXM3Ow%253D%253D&type=open>

- **Union Minister of State for Finance and Corporate Affairs Shri Anurag Singh Thakur launches IEPFA's 6 modules of short films titled "Hisab Ki Kitaab" (June 03, 2021)**

Union Minister of State for Finance and Corporate Affairs Shri Anurag Singh Thakur launched the six modules of short films of Investor Education & Protection Fund Authority (IEPFA) titled "Hisab Ki Kitaab" on June 03, 2021. "Hisab ki kitab" is a series of 6 short films, developed by CSC eGov as a part of their training tool. There are 6 short films/ modules of 5 minutes duration each. The various modules highlight the importance of budget, saving, importance of Insurance schemes, various social security schemes of the government etc. The modules also interestingly portray the consequences of a common man falling prey to the schemes and how they should protect themselves from Ponzi schemes. These short films will be used by IEPFA and its partnering organisation for Investor Awareness Programs across the country. During the launch a trivia of all the 6 modules was showcased.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1724103>

- **The Companies (Incorporation) Fourth Amendment Rules, 2021 (June 07, 2021)**

The MCA vide notification dated June 07, 2021 has further amended the Companies (Incorporation) Rules, 2014, whereby in Rule 38A, the facility of obtaining Shops and Establishment Registration has been included. Further, changes in Form No.INC-35 have been notified where in place of “AGILE-PRO”, the letters “AGILE-PRO-S” has been substituted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=sbRk0d1avtQVQZrw%252BKs2GA%253D%253D&type=open>

- **National Financial Reporting Authority seeks comments/suggestions from public and stakeholders on consultation paper on NFRA’s engagement with its stakeholders (June 08, 2021)**

National Financial Reporting Authority (NFRA) has set up a Technical Advisory Committee (TAC) to, inter alia, provide NFRA with inputs from the perspective of various key stakeholders. The TAC has undertaken a consultative exercise to review NFRA’s engagement with its stakeholders, and has, in its report of March, 2021, recommended ways to enhance the same. Important recommendations of the TAC relate to formation of advisory/consulting groups, institution of fellowship programmes, publication of NFRA’s Inspection Policy, and building up of NFRA’s Regulatory Capacity. NFRA acknowledges the valuable contribution of the TAC in this regard. NFRA has now prepared and published a Consultation Paper, incorporating its preliminary views, and proposed action plan, on the recommendations of the TAC and feels it appropriate to seek the comments/suggestions of the wider stakeholder group and the public at large on these recommendations / views/ proposals. The last date for receipt of comments is July 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=1725395>

- **The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2021 (June 09, 2021)**

The MCA vide notification dated June 09, 2021 has further amended the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, whereby a new Rule 6A pertaining to the Manner of transfer of shares under sub-section (9) of Section 90 of the Companies Act, 2013 to the Investor Education and Protection Fund (IEPF) has been inserted.

For details:

<https://egazette.nic.in/WriteReadData/2021/227437.pdf>

- **The Companies (Meetings of Board and its Powers) Amendment Rules, 2021 (June 15, 2021)**

The MCA vide Notification dated June 15, 2021 has omitted Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 which was related to the matters not to be dealt with in a meeting through video conferencing or other audio-visual means.

Accordingly, with the said amendment, now the following items can be considered in a Board Meeting held through video conferencing or other audio-visual means, namely: -

- i. the approval of the annual financial statements;
- ii. the approval of the Board's report;
- iii. the approval of the prospectus;
- iv. the Audit Committee Meetings for consideration of financial statement including consolidated financial statement if any, to be approved by the board under section 134 (1) of the Companies Act, 2013; and
- v. the approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.

For details: <https://egazette.nic.in/WriteReadData/2021/227614.pdf>

- **The Companies (Creation and Maintenance of databank of Independent Directors) Amendment Rules, 2021 (June 18, 2021)**

The MCA vide notification dated June 18, 2021 has amended the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019. Accordingly, with this amendment, a new sub-rule 8 has been inserted in Rule 3, whereby it stipulates that in case of delay on the part of an individual in applying to the Indian Institute of Corporate Affairs for inclusion of name in the data bank of independent directors or in case of delay in filing an application for renewal thereof, the institute shall allow such inclusion or renewal, as the case may be, after charging a further fee of Rs.1000 on account of such delay.

For details: <https://egazette.nic.in/WriteReadData/2021/227694.pdf>

- **The Companies (Indian Accounting Standards) Amendment Rules, 2021 (June 18, 2021)**

The MCA vide Notification dated June 18, 2021 has further amended the Companies (Indian Accounting Standards) Rules, 2015 pertaining to various Indian Accounting Standards (Ind AS), including those related to: Additional disclosures w.r.t. interest rate benchmark reform to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy, regarding this an entity shall disclose information about:

- (a) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform, and how the entity manages these risks; and
- (b) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

Further amendments including changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform, additional temporary exceptions arising from interest rate benchmark reform etc., has been introduced.

For details: <https://egazette.nic.in/WriteReadData/2021/227712.pdf>

- **Short Film on SPICe+ (June 18, 2021)**

The MCA has launched a short film on Ease of Doing Business: SPICe+ and uploaded the same on its website for the benefit of the stakeholders.

For details: <https://www.mca.gov.in/content/mca/global/en/about-us/video-gallery.html>

- **The Companies (Accounting Standards) Rules, 2021 (June 23, 2021)**

The MCA vide notification dated June 23, 2021 has notified the Companies (Accounting Standards) Rules, 2021 for Small and Medium sized companies (SMCs), with which the turnover and borrowing limits has been revised as well as disclosure requirements has been made less onerous for SMCs. The revised definition of “Small and Medium Sized Company” (SMC) means, a company-

- (i) whose equity or debt securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India;
- (ii) which is not a bank, financial institution or an insurance company;
- (iii) whose turnover (excluding other income) does not exceed two hundred and fifty crore rupees in the immediately preceding accounting year;
- (iv) which does not have borrowings (including public deposits) in excess of fifty crore rupees at any time during the immediately preceding accounting year; and
- (v) which is not a holding or subsidiary company of a company which is not a small and medium-sized company.

Explanation.- For the purposes of this clause, a company shall qualify as a Small and Medium Sized Company, if the conditions mentioned therein are satisfied as at the end of the relevant accounting period.

For details:

<https://mca.gov.in/bin/dms/getdocument?mds=RKk43Bmg99ksfv0bUGr6XA%253D%253D&type=open>

<https://www.financialexpress.com/industry/govt-notifies-accounting-standards-for-small-medium-businesses-under-companies-act-2013/2277236/>

- **Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder on account of COVID19- Extension of time (June 23, 2021)**

The MCA in view of the continued disruption caused due to COVID-19 pandemic and to provide greater ease of doing business has further allowed the companies to conduct their EGMs through Video-Conferencing or other audio visual means or transact items through postal ballot in accordance with the framework provided earlier upto December 31, 2021.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=fYGpVQRhK8ssM3lRSs7fsg%253D%253D&type=open>

Securities Laws & Capital Markets

Info Capsule Series 7

SEBI CIRCULARS

- **Circular on Guidelines for warehousing norms for Agricultural and Agri-processed goods and non-agricultural goods (only base and industrial metals) (April 16, 2021)**

SEBI has issued guidelines for preparing warehousing norms by clearing corporations for agricultural, agri-processed, base and industrial metals goods with an aim to bring uniformity, improve ease of doing business and rationalise regulatory compliance cost, among other aspects. The prescribed norms are the minimum requirements/ standards which a clearing corporation will set out for compliance by its accredited WSPs (Warehouse Service Providers) and assayers.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/circular-on-guidelines-for-warehousing-norms-for-agricultural-and-agri-processed-goods-and-non-agricultural-goods-only-base-and-industrialmetals-_49838.html

- **Relaxations relating to procedural matters - Issues and Listing (April 22, 2021)**

SEBI vide Circular no. SEBI/HO/CFD/DIL2/ CIR/P/ 2020/78 dated May 06, 2020 granted one time relaxations from strict enforcement of certain Regulations of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, pertaining to Rights Issue opening. The relaxation mentioned in point (iv) of the said SEBI Circular dated May 06, 2020 is further extended and shall be applicable for Rights Issues opening upto September 30, 2021 provided the issuer along with the Lead Manager(s) shall continue to comply with point (v) of the said SEBI Circular dated May 06, 2020.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/relaxations-relating-to-procedural-matters-issues-and-listing_49900.html

- **Standardizing and Strengthening Policies on Provisional Rating by Credit Rating Agencies (CRAs) for Debt Instruments (April 27, 2021)**

SEBI came out with new framework to strengthen and standardize the policies on provisional rating by credit rating agencies (CRAs) for debt instruments. Under the framework, all provisional ratings ('long term' or 'short term') for debt instruments shall be prefixed as 'provisional' before the rating symbol in all communications viz. rating letter, press release and rating rationale etc. Further, no CRAs can assign a rating, including provisional rating, to an issuer/ client evaluating strategic decisions, such as funding mix for a project, acquisition, debt restructuring, scenario-analysis in loan refinancing, etc.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/standardizing-and-strengthening-policies-on-provisional-rating-by-credit-rating-agencies-cras-for-debt-instruments_49951.html

- **Alignment of interest of Key Employees of Asset Management Companies (AMCs) with the Unitholders of the Mutual Fund Schemes (April 28, 2021)**

In order to align the interest of the Key Employees of the AMCs with the unitholders of the mutual fund schemes, SEBI comes out with the framework which provides that a minimum of 20% of the salary/ perks/ bonus/ non-cash compensation (gross annual CTC) net of income tax and any statutory contributions (i.e. PF and NPS) of the Key Employees of the AMCs shall be paid in the form of units of Mutual Fund schemes in which they have a role/ oversight.

Further, the compensation paid in the form of units shall be proportionate to the asset under management (AUM) of the schemes in which the Key Employee has a role/oversight and locked-in for a minimum period of 3 years or tenure of the scheme whichever is less.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/alignment-of-interest-of-key-employees-of-asset-management-companies-amcs-with-the-unitholders-of-the-mutual-fund-schemes_49979.html

- **Relaxation from compliance with certain provisions of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 due to the CoVID-19 pandemic (April 29, 2021)**

SEBI has relaxed the listed companies from compliance with certain provisions of the LODR Regulations by extending the deadline for submission of financial results for the quarter and the financial year ended to June 30, 2021. In addition, a relaxation of one month till June 30, 2021 has been given with respect to the filing of the annually secretarial compliance report. Along with financial results, SEBI has given a relaxation for companies to file their fourth-quarter statement of deviation or variation in use of funds till June 30, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-disclosure-requirements-regulations-2015-due-to-the-covid-19-pandemic_50000.html

- **Relaxation from compliance with certain provisions of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 / other applicable circulars due to the CoVID-19 pandemic (April 29, 2021)**

SEBI has extended the due dates for the entities that have listed their debt securities, bonds and commercial paper with the requirements for Half-yearly financial results, Annual audited financial results and Statement of deviation or variation in use of funds (in case of debt securities) to June 30, 2021. Further, the listed entities are permitted to use digital signature certifications for authentication / certification of filings/submissions made to the stock exchanges under the SEBI (LODR) Regulations, 2015 for all filings until December 31, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-disclosure-requirements-regulations-2015-other-applicable-circulars-due-to-the-covid-19-pandemic_50001.html

- **Relaxation in timelines for compliance with regulatory requirements (April 29, 2021)**

In view of the prevailing situation due to Covid-19 pandemic, SEBI has provided relaxations in the timelines for compliance with the regulatory requirements by the Trading Members / Clearing Members / Depository Participants / KYC Registration Agencies. The extended timelines for various compliances are given under the circular. The extension is granted for Redressal of investor grievances, Closure of demat account, Processing of the demat requests etc.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/relaxation-in-timelines-for-compliance-with-regulatory-requirements_50007.html

- **Addendum to SEBI Circular on “Relaxation in adherence to prescribed timelines issued by SEBI due to Covid 19” dated April 13, 2020 (April 29, 2021)**

In view of Covid-19 pandemic, the SEBI had provided relaxations in timelines to RTAs for regulatory filings containing the list of 12 items during April, 2020. Now, SEBI has added one more item 'Processing of the demat requests' to this list. SEBI has given this relaxation to intermediaries/ market participants w.r.t. compliance with the prescribed timelines which has been extended to July 31, 2021 in view of the Covid-19 situation. Additionally, regarding the half-yearly Internal Audit Report (IAR) to be submitted by RTAs within 45 days from the closure of the half year as mandated by NSDL and CDSL, it has now been decided that the timeline of May 15, 2021 for submission of IAR by RTAs for half year ended March 31, 2021 has been extended to July 31, 2021 in view of the Covid-19 situation.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/addendum-to-sebi-circular-on-relaxation-in-adherence-to-prescribed-timelines-issued-by-sebi-due-to-covid-19-dated-april-13-2020_50006.html

- **Disclosure of the following only w.r.t schemes which are subscribed by the investor:**
 - a. **Risk-o-meter of the scheme and the benchmark along with the performance disclosure of the scheme vis-à-vis benchmark and**
 - b. **Details of the portfolio (April 29, 2021)**

As per SEBI circular, mutual funds/AMCs will have to make a disclosure about scheme risk-o-meter, performance and portfolio details to investors only for the particular schemes in which they have invested. This is aimed at enhancing the quality of disclosure with respect to risk and performance and portfolio of the schemes without creating information overload on the investor. The new framework will be applicable with effect from June 1, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/disclosure-of-the-following-only-w-r-t-schemes-which-are-subscribed-by-the-investor-a-risk-o-meter-of-the-scheme-and-the-benchmark-along-with-the-performance-disclosure-of-the-scheme-vis-vis-ben-_49992.html

- **Frequently Asked Questions (FAQs) on SEBI (Prohibition of Insider Trading) Regulations, 2015 (April 29, 2021)**

SEBI has issued comprehensive FAQs on SEBI (Prohibition of Insider Trading) Regulations, 2015 based on the feedback received from various stakeholders. These FAQs include all previous guidance note and FAQs issued till date and also provides clarification on several evolving issues. References to all the previous FAQs and guidance note have been indicated appropriately.

For details:

https://www.sebi.gov.in/enforcement/clarifications-on-insider-trading/apr-2021/comprehensive-faqs-on-sebi-pit-regulations-2015_49999.html

- **Timelines for updation of Scheme Information Document (SID) and Key Information Memorandum (KIM) (April 30, 2021)**

Taking into account the difficulties expressed by the industry in light of continuing COVID 19 scenario, SEBI vide this circular has provided that the updation of SID and KIM for the half-year ended March, 2021 shall be completed by May 31, 2021. SID and KIM are among the important documents which are prepared by asset management companies (AMCs) to provide information about a particular mutual fund scheme. In addition, SEBI has modified its guidelines pertaining to updation of SID and KIM.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/timelines-for-updation-of-scheme-information-document-sid-and-key-information-memorandum-kim-_50020.html

- **SEBI eases timelines for compliance with regulatory requirements by debenture trustees (May 03, 2021)**

After taking into consideration the representations received from Debenture Trustees (DTs) and the challenges arising out of the local restrictions placed by various state governments in the wake of the COVID-19 pandemic, it has been decided to extend the timelines for the certain regulatory requirements for the quarter, half-year and full-year ended March 31, 2021 pertaining to disclosure about monitoring of asset cover certificate. Under the norms, DTs are required to

perform periodical monitoring and disclose various reports, certificates on stock exchanges and on their websites within prescribed timelines. According to this circular, SEBI has given time till July 15 to DTs to make disclosure on their websites about monitoring of asset cover certificate and quarterly compliance report of the listed entity.

For details:

<https://www.livemint.com/mutual-fund/mf-news/sebi-eases-timelines-for-compliance-withregulatory-requirements-by-debenture-trustees-11620052521534.html>

- **Business responsibility and sustainability reporting by listed entities (May 10, 2021)**

SEBI came out with disclosure requirements under Business Responsibility and Sustainability Report (BRSR) covering ESG (Environmental, Social and Governance) parameters. The BRSR is accompanied with a guidance note to enable the companies to interpret the scope of disclosures. The BRSR is intended towards having quantitative and standardized disclosures on ESG parameters to enable comparability across companies, sectors and time. Such disclosures will be helpful for investors to make better investment decisions.

The filing of BRSR shall be mandatory for the top 1000 listed companies (by market capitalization) with effect from the financial year 2022-2023 and shall replace the existing Business Responsibility Report (BRR). Filing of BRSR is voluntary for the financial year 2021-22.

For details:

https://www.sebi.gov.in/legal/circulars/may-2021/business-responsibility-and-sustainability-reporting-by-listed-entities_50096.html

- **Procedure for seeking prior approval for change in control of SEBI registered Portfolio Managers (May 12, 2021)**

SEBI vide its circular dated April 26, 2021 inserted Regulation 11(aa) in SEBI (Portfolio Managers) Regulations, 2020 which provides that a Portfolio Manager shall obtain prior approval of SEBI in case of change in control in such manner as may be specified by SEBI. Accordingly, it has been decided vide this circular that all SEBI registered Portfolio Managers shall comply with the procedure in case they propose a change in control.

Portfolio managers have to take prior approval from SEBI by applying through the SEBI Intermediary Portal which shall be valid for a period of six months from the date of such approval. Applications for fresh registration pursuant to change in control shall be made to SEBI within six months from the date of prior approval. Pursuant to grant of prior approval by SEBI, all the existing investors/ clients shall be informed about the proposed change prior to effecting the same, in order to enable them to take well informed decision regarding their continuance or otherwise with the changed management.

For details:

https://www.sebi.gov.in/legal/circulars/may-2021/procedure-for-seeking-prior-approval-for-change-in-control-of-sebi-registered-portfolio-managers_50116.html

- **Relaxation from compliance to REITs and InvITs due to the CoVID -19 virus pandemic (May 14, 2021)**

Due to ongoing second wave of the CoVID-19 pandemic and restrictions imposed by various state governments, SEBI has extended the due date for regulatory filings and compliances for Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) for the period ending March 31, 2021 by one month over and above the timelines, prescribed under SEBI (Infrastructure Investment Trusts) Regulations, 2014 and SEBI (Real Estate Investment Trusts) Regulations, 2014 and circulars issued thereunder.

For details:

https://www.sebi.gov.in/legal/circulars/may-2021/relaxation-from-compliance-to-reits-and-invits-due-to-the-covid-19-virus-pandemic_50127.html

- **Enhancement of overall limit for overseas investment by Alternative Investment Funds (AIFs)/Venture Capital Funds (VCFs) (May 21, 2021)**

In consultation with the Reserve Bank of India, the SEBI has revised the overseas investment limit for Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs) from \$750 million to \$1.5 billion. Further, all other regulations governing such overseas investment by eligible AIFs/VCFs shall remain unchanged.

For details:

https://www.sebi.gov.in/legal/circulars/may-2021/enhancement-of-overall-limit-for-overseas-investment-by-alternative-investment-funds-aifs-venture-capital-funds-vcfs-_50219.html

- **Format of compliance report on Corporate Governance by Listed Entities (May 31, 2021)**

As per SEBI (LODR) Regulations, 2015, a listed entity is required to submit a quarterly compliance report on corporate governance in the specified format by SEBI from time to time to recognised Stock Exchange(s).

In order to bring about transparency and to strengthen the disclosures around loans/guarantees/comfort letters/ security provided by the listed entity, directly or indirectly by promoter/ promoter group entities or any other entity controlled by them, the SEBI has decided to mandate such disclosures on a half yearly basis, in the Compliance Report on Corporate Governance as per the format of disclosure annexed to this circular and shall be effective from financial year 2021-22.

For details:

https://www.sebi.gov.in/legal/circulars/may-2021/format-of-compliance-report-on-corporate-governance-by-listed-entities_50338.html

- **Disclosure of the following only w.r.t. schemes which are subscribed by the investor:**
 - a. **risk-o-meter of the scheme and the benchmark along with the performance disclosure of the scheme vis-a-vis benchmark and**
 - b. **Details of the portfolio (May 31, 2021)**

Based on the representation received from AMFI, SEBI has decided to extend the implementation date to September 01, 2021 for mutual funds to comply with new rules wherein they are required to share details of risk, performance and portfolio to investors

only for the scheme in which they have invested. Earlier the new norms were to come into effect from June 01, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/may-2021/disclosure-of-the-following-only-w-r-t-schemes-which-are-subscribed-by-the-investor-a-risk-o-meter-of-the-scheme-and-the-benchmark-along-with-the-performance-disclosure-of-the-scheme-vis-a-vis-bench-_50344.html

- **Circular on Relaxation in compliance with requirements pertaining to AIFs and VCFs (May 31, 2021)**

Based on the representation received from AIF Industry, SEBI has decided to extend the due dates for regulatory filings by AIFs and VCFs, during the period ending March 2021 to July 2021 as prescribed under SEBI (Alternative Investment Funds) Regulations, 2012 and circulars issued there under. AIFs and VCFs may submit regulatory filings for the aforesaid periods, as applicable, on or before September 30, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/may-2021/circular-on-relaxation-in-compliance-with-requirements-pertaining-to-aifs-and-vcfs-_50361.html

- **'Off-market' transfer of securities by FPI (June 1, 2021)**

SEBI came out with guidelines for relocation of foreign funds to the International Financial Services Centre (IFSC). For relocation, a Foreign Portfolio Investor (FPI) or its wholly-owned special purpose vehicle may approach its Designated Depository Participants (DDP) for approval of a one-time 'off-market' transfer of its securities to the 'resultant fund'. The Finance Act, 2021 provides tax incentives for relocating foreign funds to International Financial Services Centre (IFSC) in order to make the IFSC in GIFT City a global financial hub. DDPs after appropriate due diligence may accord its approval for a one-time 'off-market' transfer of securities for such relocation.

For details :

https://www.sebi.gov.in/legal/circulars/jun-2021/-off-market-transfer-of-securities-by-fpi_50380.html

- **Streamlining the process of IPOs with UPI in ASBA and redressal of investor grievances (June 02, 2021)**

SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, which came into effect from May 01, 2021 had put in place measures to have a uniform policy to further streamline the processing of ASBA applications through UPI process among intermediaries/SCSBs and also provided a mechanism of compensation to investors. The SEBI vide this circular has provided additional time for implementing the system changes with regard to SMS Alerts, Web Portal for CUG, Completion of unblocks by T+4 due to the Covid-19 pandemic.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/streamlining-the-process-of-ipos-with-upi-in-asba-and-redressal-of-investors-grievances_50401.html

- **Enhancement of Overseas Investment limits for Mutual Funds (June 03, 2021)**

Based on the representations received from Mutual Fund industry, the SEBI has enhanced the overseas investment limits for Mutual Fund. The overseas investment limit for an individual mutual fund house has been raised to \$1 billion, per mutual fund from \$600 million, at present. However, the overall industry limit of US \$ 7 billion remained unchanged.

Mutual Funds can make investments in overseas Exchange Traded Fund (ETF(s)) subject to a maximum of US \$ 300 million per Mutual Fund which is higher than the current limit of \$200 million. The overall industry limit stayed at US \$ 1 billion.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/circular-on-enhancement-of-overseas-investment-limits_50415.html

- **Centralized Database for Corporate Bonds/ Debentures (June 04, 2021)**

SEBI streamlined the framework for centralised database for corporate Bonds/Debentures to provide further ease of access of information for investors. Under this, it has provided an updated list of data fields to be maintained in the database along with the manner of filing the same. SEBI has also specified responsibilities of parties involved, contents of the database and manner of submitting the information. SEBI in October 2013 had mandated depositories to jointly create, host and maintain a centralised database of corporate bonds held in demat form. Pursuant to discussions with market participants, it has been decided to further streamline the database and provide further ease of access of information for investors. This new framework will be applicable for debt securities issued on or after August 1, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/centralized-database-for-corporate-bonds-debentures_50421.html

- **Circular on Potential Risk Class Matrix for debt schemes based on Interest Rate Risk and Credit Risk (June 07, 2021)**

Based on the recommendation of the Mutual Fund Advisory Committee (MFAC), it has been decided that all debt schemes also be classified in terms of a Potential Risk Class matrix consisting of parameters based on maximum interest rate risk (measured by Macaulay Duration (MD) of the scheme) and maximum credit risk (measured by Credit Risk Value (CRV) of the scheme). At present, MFs have to follow the only the risk-o-meter labelling system. Mutual Funds shall publish the matrix in their scheme wise Annual Reports and Abridged Summary. For existing schemes, Mutual Funds shall rebalance their scheme portfolios in line with the applicable matrix by December 1, 2021.

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/jun-2021/1623068571719.pdf#page=1&zoom=page-width,-16,436

- **Revised Framework for Regulatory Sandbox (June 14, 2021)**

SEBI has revised the eligibility criteria of the Regulatory Sandbox in order to enhance the reach and achieve the desired aim. With the intent to promote innovation in the securities market, SEBI had issued framework for Regulatory Sandbox vide circular no. SEBI/HO/MRD-1/CIR/P/2020/95 dated June 05, 2020. The Objective of Regulatory Sandbox is to grant certain facilities and flexibilities to the entities regulated by SEBI so that they can experiment with FinTech solutions in a live environment and on limited set of real users for a limited time frame. The updated guidelines pertaining to the functioning of the Regulatory Sandbox are provided at Annexure A to this Circular.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/revised-framework-for-regulatory-sandbox_50521.html

- **Relaxation from the requirement of minimum vesting period in case of death of employee(s) under SEBI (Share Based Employee Benefit) Regulations, 2014 (June 15, 2021)**

The SEBI has relaxed the minimum vesting period requirement for employee stock options (options) in the event of death of an employee in view of the COVID-19 pandemic situation, to provide relief to the families of the deceased employees of listed companies.

The provisions under SEBI (Share Based Employee Benefit) Regulations, 2014 relating to minimum vesting period of one year shall not apply in case of death (for any reason) of an employee and in such instances all the options, stock appreciation rights (SAR) or any other benefit granted to such employee(s) shall vest with his/her legal heir or nominee on the date of death of the employee.

This relaxation shall be available to all such employees who have deceased on or after April 01, 2020.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/relaxation-from-the-requirement-of-minimum-vesting-period-in-case-of-death-of-employee-s-under-sebi-share-based-employee-benefit-regulations-2014_50545.html

- **Settlement of Running Account of Client's Funds lying with Trading Member (TM) (June 16, 2021)**

SEBI modified guidelines for settlement of running account of client's funds and securities that will be applicable from August 1. Under the guidelines, the settlement of the running account of funds of the client will be done by the trading member after considering the End of the day obligation of funds as on the date of settlement across all the exchanges, at least once within a gap of 30 / 90 days between two settlements of the running account as per the preference of the client. Retention of any amount towards administrative / operational difficulties in settling the accounts of regular trading clients (active clients), will be discontinued.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/settlement-of-running-account-of-client-s-funds-lying-with-trading-member-tm-_50570.html

- **Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures for inclusion of listed Debt Securities. (June 16, 2021)**

SEBI decided to include the listed debt securities of equity listed companies under the purview of the System Driven Disclosures for the promoters, directors, members of promoter group and designated persons (hereinafter collectively referred to as 'entities'). The system driven disclosures have already been implemented for entities of a listed company under Regulation 7(2) of PIT Regulations pertains to trading in equity shares and equity derivative instruments i.e. Futures and Options of the listed company by such entities. The disclosures for equity and equity derivative segments are being displayed on the exchange website under 'system driven disclosures'. The stock exchanges and depositories will make necessary arrangements so that disclosures pertaining to listed debt securities along with equity shares and equity derivative instruments are disseminated on the websites of respective stock exchanges with effect from July 1, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/automation-of-continual-disclosures-under-regulation-7-2-of-sebi-prohibition-of-insider-trading-regulations-2015-system-driven-disclosures-for-inclusion-of-listed-debt-securities_50572.html

- **Framework for administration and supervision of Investment Advisers under the SEBI (Investment Advisers) Regulations, 2013 (June 18, 2021)**

As per SEBI (Investment Advisers) Regulations 2013 ("IA Regulations"), SEBI may recognise any body or body corporate for the purpose of regulating Investment Advisers (IAs) and delegate administration and supervision of the IAs on such terms and conditions as may be specified. In this regard, BSE Administration & Supervision Limited (BASL), a wholly owned subsidiary of BSE Limited, has been granted recognition as "Investment Adviser Administration and Supervisory Body" ("IAASB") for a period of three years from June 1, 2021. In order to ensure compliance with the IA Regulations and to keep their registration in force, existing IAs will have to seek membership of IAASB within three months of the recognition of IAASB by SEBI.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/framework-for-administration-and-supervision-of-investment-advisers-under-the-sebi-investment-advisers-regulations-2013_50605.html

- **Norms for investment and disclosure by Mutual Funds in Derivatives (June 18, 2021)**

SEBI modified guidelines for participation of mutual fund schemes in Interest Rate Swap (IRS), a derivative product. Mutual funds can enter into plain vanilla IRS for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. In case participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/norms-for-investment-and-disclosure-by-mutual-funds-in-derivatives_50612.html

- **Alignment of interest of Key Employees of Asset Management Companies (AMCs) with the Unitholders of the Mutual Fund Schemes (June 25, 2021)**

SEBI vide its Circular dated April 28, 2021, specified provisions with regard to 'Alignment of interest of Key Employees of Asset Management Companies (AMCs) with the Unitholders of the Mutual Fund Schemes'. The aforesaid circular was to be applicable with effect from July 01, 2021. However, based on the feedback received from stakeholders, it has been decided to extend the date of implementation of the circular to October 01, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/alignment-of-interest-of-key-employees-of-asset-management-companies-amcs-with-the-unitholders-of-the-mutual-fund-schemes_50693.html

- **Amendment to SEBI (Alternative Investment Funds) Regulations, 2012 (June 25, 2021)**

SEBI came out with a framework for alternative investment funds (AIFs) to invest simultaneously in units of other AIFs and directly in securities of investee companies. Under the framework, existing AIFs may also invest simultaneously in securities of investee companies and in units of other AIFs. This is subject to appropriate disclosures in the private placement memorandum (PPM) and with the consent of at least two-thirds of unit holders by value of their investment. AIFs that propose to invest in units of other AIFs shall provide information in their PPMs about the proposed allocation of investment in units of other AIFs and process to be followed by the manager to ensure compliance with investment conditions.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/circular-on-amendment-to-sebi-alternative-investment-funds-regulations-2012_50694.html

SEBI NOTIFICATIONS

- **SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2021 (May 5, 2021)**

SEBI vide its notification dated May 5, 2021, amended the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, which shall come into force on the date of their publication in the Official Gazette. The amendments have been carried out under the provisions of Innovators Growth Platform.

The amendment inter-alia has added a new sub regulation to the applicability provisions of Innovators Growth Platform and provides that "If an issuer has issued SR equity shares to its promoters/ founders, the said issuer shall be allowed to make an initial public offer of only ordinary shares for listing on the Innovators Growth Platform subject to compliance with the provisions of this Chapter and continued compliance with the provisions for SR equity shares in accordance with sub-regulation (3) of regulation 6."

For details: <https://egazette.nic.in/WriteReadData/2021/226878.pdf>

- **SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2021 (May 5, 2021)**

SEBI vide its notification dated May 5, 2021, amended the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, which shall come into force on the date of their publication in the Official Gazette. The amendments have been carried out related to the provisions of Innovators Growth Platform where it is, inter alia, provided that for the purpose of regulations 3 and 6 of SEBI (SAST) Regulations, 2011, any reference to “twenty-five percent” in case of listed entity which has listed its specified securities on Innovators Growth Platform shall be read as “forty-nine per cent.”

Also, new proviso in Regulation 29(1) has been inserted as “Provided that in case of listed entity which has listed its specified securities on Innovators Growth Platform, any reference to “five per cent” shall be read as “ten per cent”. In Regulation 29(2), new proviso is inserted as “Provided that in case of listed entity which has listed its specified securities on Innovators Growth Platform, any reference to “five per cent” shall be read as “ten per cent” and any reference to “two per cent” shall be read as “five per cent”.”

For details :

<https://egazette.nic.in/WriteReadData/2021/226886.pdf>

- **SEBI (Intermediaries) (Second Amendment) Regulations, 2021 (May 5, 2021)**

SEBI vide its notification dated May 5, 2021, amended the provisions of SEBI (Intermediaries) Regulations, 2008, which shall come into force on the date of their publication in the Official Gazette. Vide this amendment a regulation 30A has been inserted which provides the provisions for the Special procedure for action on expulsion from membership of the stock exchange(s) or clearing corporation(s) or termination of all the depository participant agreements with depository (ies).

For details : <https://egazette.nic.in/WriteReadData/2021/226885.pdf>

- **SEBI (Alternative Investment Funds) (Second Amendment) Regulations, 2021 (May 5, 2021)**

SEBI vide its notification dated May 5, 2021, amended the provisions of SEBI (Alternative Investment Funds) Regulations, 2012, which shall come into force on the date of their publication in the Official Gazette. A new definition ‘startup’ has been inserted and amendment to the definition “venture capital undertaking” has been made under regulation 2 (1). Further, the amendments have been made under the provisions of Investment Conditions for all categories of Alternative Investment Funds and its General Obligations. Also, a new schedule has been inserted after third schedule which deals with Code of Conduct.

For details : <https://egazette.nic.in/WriteReadData/2021/226884.pdf>

- **SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 (May 5, 2021)**

SEBI vide its notification dated May 5, 2021, amended the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which shall come into force on the date of their publication in the Official Gazette. The amendments have been made under the provisions of various regulations which inter-alia covers:

1. Regulation 21(2) shall be substituted with the following: The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director and in case of a listed entity having outstanding SR equity shares, at least two thirds of the Risk Management Committee shall comprise independent directors.
2. The existing provision at regulation 24A shall be numbered as sub-regulation (1) and substituted with the following, namely, -
 - (1) Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the listed entity
after the newly numbered sub-regulation (1), a new sub-regulation shall be inserted, namely, -
 - (2) Every listed entity shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year.

For details: <https://egazette.nic.in/WriteReadData/2021/226859.pdf>

- **Entities specified for qualified financial market participants under Bilateral Netting of Qualified Financial Contract Act, 2020 (May 12, 2021)**

In exercise of the powers conferred by clause (b) of Section 4 read with sub-clause (vi) of clause (o) of sub-section (1) of section 2 of the Bilateral Netting of Qualified Financial Contract Act, 2020 (30 of 2020), the SEBI has specified the Mutual Funds and Alternative Investment Fund registered with SEBI as qualified financial market participants. These entities may enter into qualified financial contracts notified by any regulatory authority as specified in the First Schedule.

For details: <https://egazette.nic.in/WriteReadData/2021/226979.pdf>

- **The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (June 11, 2021)**

With an objective to make the delisting process more transparent and efficient, the SEBI vide gazette notification dated June 11, 2021 has notified the SEBI (Delisting of Equity Shares) Regulations, 2021 which shall be applicable to delisting of equity shares of a company including equity shares having superior voting rights from all or any of the recognised stock exchanges where such shares are listed. The SEBI (Delisting of Equity Shares) Regulations, 2009, stand repealed from the date on which these regulations come into force. Regulation 10 of these Regulations inter-alia provides that the Board of Directors of the company, before considering the proposal of delisting, shall appoint a Peer Review Company Secretary and provide the prescribed information to such Company Secretary for carrying out due-diligence.

For details:

https://www.sebi.gov.in/legal/regulations/jun-2021/securities-and-exchange-board-of-india-delisting-of-equity-shares-regulations-2021_50517.html

- **Securities Contracts (Regulation) (Amendment) Rules, 2021 (June 18, 2021)**

Ministry of Finance (MoF) has notified the Securities Contracts (Regulation) (Amendment) Rules, 2021 which shall come into force on the date of their publication in the Official Gazette i.e. 18-06-2021. It is provided that where the public shareholding in a listed company falls below 10%, as a result of implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016, the same shall be increased to at least ten per cent, within a maximum period of twelve months from the date of such fall, in the manner specified by the SEBI. Further provided that, every listed company shall maintain public shareholding of at least five per cent as a result of implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016.

For details: <https://egazette.nic.in/WriteReadData/2021/227722.pdf>

SEBI CONSULTATION PAPERS/DISCUSSION PAPERS

- **Consultation Paper on Segregation and Monitoring of Collateral at Client level (May 10, 2021)**

The SEBI has placed a consultation paper for public comments on proposed framework for segregation and monitoring of collateral at client level, with the objective to ensure protection of client collateral, latest by June 24, 2021 in the prescribed format. Segregation of client collateral refers to the procedures that enable identification and protection of client collateral from misuse by Trading Member (TM) / Clearing Member (CM) and default of TM/CM. In the past, there have been instances of misuse of client collateral by TM/CM. It is, therefore, desirable to put in place a framework that ensures identification of each client's collateral.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/may-2021/consultation-paper-on-segregation-and-monitoring-of-collateral-at-client-level_50090.html

- **Consultation Paper on “Review of the regulatory framework of promoter, promoter group and group companies as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018” (May 11, 2021)**

The SEBI has issued a consultation paper on Review of the regulatory framework of promoter, promoter group and group companies as per SEBI (ICDR) Regulations, 2018 with an objective of seeking the public comments on the following latest by June 10, 2021:

- a) Reduction in lock-in period for minimum promoter's contribution and other shareholders for public issuance on the Main Board.
- b) Rationalization of the definition of 'Promoter Group'
- c) Streamlining the disclosures of group companies
- d) Shifting from concept of 'promoter' to concept of 'person in control'

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/may-2021/consultation-paper-on-review-of-the-regulatory-framework-of-promoter-promoter-group-and-group-companies-as-per-securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-re-_50099.html

- **SEBI seeks public comments on the Consultation Paper on the proposed framework for Gold Exchange in India and draft SEBI (Vault Managers) Regulations, 2021 (May 17, 2021)**

To implement the announcement related to Gold Exchange in budget speech 2021-22, SEBI constituted two working groups involving the stakeholders in the proposed gold exchange framework. Taking into consideration the recommendations of the two working groups, the SEBI has placed a consultation paper to solicit comments / views from the stakeholders on the following:

1. “proposed framework for operationalizing the regulated Gold Exchange in India”;
2. registering the Vault Managers as a SEBI intermediary by way of issuance of “Regulations for the Vault Managers”.

Comments are invited on the proposed framework in the prescribed format and may be sent by email to goldex@sebi.gov.in on or before June 18, 2021.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/may-2021/consultation-paper-on-proposed-framework-for-gold-exchange-in-india-and-draft-sebi-vault-managers-regulations-2021_50154.html

- **SEBI seeks public comments on the Consultation Paper on Review and Merger of SEBI (Issue and listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 into SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (May 19, 2021)**

The SEBI has placed a consultation paper for public comments on the merger of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (“ILDS Regulations”) and SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (“NCRPS Regulations”) into a single regulation - SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“NCS Regulations”). The comments to be submitted to SEBI within 21 days from the date of this consultation paper in the prescribed format.

The new NCS Regulations would ease compliance burden on listed entities, harmonize with the Companies Act, 2013 and maintain consistency with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, SEBI (Debenture Trustees) Regulations, 1993 and circulars issued thereunder. Further NCS Regulations would also include certain provisions issued via circulars under ILDS Regulations and NCRPS Regulations.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/may-2021/consultation-paper-review-and-merger-of-sebi-issue-and-listing-of-debt-securities-regulations-2008-and-sebi-issue-and-listing-of-non-convertible-redeemable-preference-shares-regulations-2013-i-_50192.html

- **Extension of Timeline for submission of public comments on the Report of the Technical Group on Social Stock Exchange (June 18, 2021)**

SEBI had released the report of the technical group on Social Stock Exchange for public consultation on its website on May 06, 2021 seeking comments by June 20, 2021. In view of the requests received from stakeholders seeking extension of timeline for submission of comments due to COVID-19 pandemic, it has been decided to extend the timeline for seeking public comments to July 20, 2021.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/jun-2021/extension-of-timeline-for-submission-of-public-comments-on-the-report-of-the-technical-group-on-social-stock-exchange_50610.html

- **Discussion Paper Review of delisting framework pursuant to open offer (June 25, 2021)**

The SEBI has placed a Discussion Paper on the proposed new framework of delisting pursuant to open offer, for public comments latest by July 16, 2021 in the prescribed format. If an open offer is triggered by an incoming acquirer acquiring more than 49% from a large exiting shareholder and/or through a fresh issue of shares (preferential allotment) by the listed company, then the acquirer's total shareholding might go up to 75% and perhaps even 90% (between 49% and 64% under the agreement(s) and 26% from the public shareholders), under the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

The provisions of the Securities Contract (Regulation) Rules, 1957 mandate the acquirer to reduce its holding below 75% within 12 months. However, the provisions of the SEBI (Delisting of Equity Shares) Regulations, 2009 do not permit the acquirer to attempt delisting requiring to reach 90% unless the acquirer holding is brought down to 75%.

It has been represented that such directionally contradictory transactions in a sequence pose complexity in the takeover of listed companies and dissuade an incoming acquirer from seeking to acquire control over listed companies.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/jun-2021/discussion-paper-on-review-of-delisting-framework-pursuant-to-open-offer_50688.html

SEBI PRESS RELEASES

- **SEBI seeks public comments on the Report Submitted by the Technical Group on Social Stock Exchange (May 05, 2021)**

The SEBI had constituted a Technical Group (TG) on September 21, 2020 under the chairmanship of Dr. Harsh Kumar Bhanwala (Ex-Chairman, NABARD) to have clarity on certain critical operational issues. The Terms of Reference for the TG included - developing framework for on boarding Non-Profit Organisations (NPOs) and For Profit Social Enterprises (FPEs) on the SSE including defining for profit social investing / enterprises, prescribing disclosure requirements relating to financials, governance, operational performance and social impact. The Technical Group has submitted its report to SEBI with its recommendations which is available at https://www.sebi.gov.in/reports-and-statistics/reports/may-2021/technical-groupreport-on-social-stock-exchange_50071.html The SEBI has sought public comments on the recommendations of TG in the prescribed format by June 20, 2021.

For details

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/may-2021/1620292929013.pdf#page=1&zoom=page-width,-16,800

- **SEBI signs MoU with CSSF, Luxembourg (June 03, 2021)**

The Securities and Exchange Board of India (SEBI) and the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) have entered into a bilateral Memorandum of Understanding (MoU) for mutual cooperation and technical assistance. The MoU took effect on June 02, 2021. The objective of this MoU is to strengthen cross border co-operation in the area of securities regulation. This will facilitate mutual assistance, contribute towards efficient performance of the supervisory functions, and enable effective enforcement of laws and regulations governing the securities markets.

For details:

https://www.sebi.gov.in/media/press-releases/jun-2021/sebi-signs-mou-with-cssf-luxembourg_50411.html

- **BSE Administration & Supervision Limited granted recognition for administration and supervision of Investment Advisers (June 14, 2021)**

BSE Administration & Supervision Limited (BASL), a subsidiary of BSE Limited (BSE), has been granted recognition for administration and supervision of Investment Advisers (IAs) for a period of three years from June 01, 2021. In view of the experience gained while regulating IAs and in order to strengthen the regulatory framework for IAs, SEBI Board in its meeting held on December 16, 2020 had approved amendment to SEBI (Investment Advisers) Regulations, 2013 (IA Regulations), requiring IAs to seek membership of a separate body recognised by SEBI for administration and supervision. All existing SEBI registered IAs shall be required to seek membership of BASL. Further, new applicants shall be required to obtain membership of BASL before applying for registration with SEBI as IA.

The Standard Operating Procedure (SOP) for obtaining BASL's membership, Frequently Asked Questions (FAQs) on the membership and other information in this regard are available on the websites of BASL and BSE.

For details:

https://www.sebi.gov.in/media/press-releases/jun-2021/bse-administration-and-supervision-limited-granted-recognition-for-administration-and-supervision-of-investment-advisers_50540.html

ADJUDICATION ORDERS

- **In the matter of Trinethra Infra Ventures Limited (April 15, 2021)**

SEBI imposed a penalty of Rs. 1 Lakh on M Narasimha Rao (Noticee) for trading in the scrip of Trinethra during the window closure period and also, without taking preclearance for executing trades, leading to alleged violation of Code of Conduct for Prevention of Insider Trading adopted by Trinethra and Model Code of Conduct for Prevention of Insider Trading for Listed Companies specified under SEBI (Prohibition of Insider Trading) Regulations.

For details:

https://www.sebi.gov.in/enforcement/orders/apr-2021/adjudication-order-in-respect-of-m-narasimha-rao-in-the-matter-of-trinethra-infra-ventures-limited_49828.html

- **In the matter of Garware Polyester Limited (GPL) (April 16, 2021)**

SEBI imposed a penalty of Rs. 1 lakh on Mr. Bharat Jayantilal Patel (Noticee No.1), to be payable individually, for failing to make requisite disclosure to GPL and BSE under regulation 13(1) and 13(3) read with regulation 13(5) of the Prohibition of Insider Trading Regulations with regard to acquisition of shares and change in shareholding. Also, a penalty of Rs. 2 Lakh has been imposed on all Noticees (Noticee No. 1 to 8), to be payable jointly and severally, on failing to make requisite disclosure to GPL and BSE under regulation 29(1) and 29(2) read with 29(3) of the SAST Regulations.

For details:

https://www.sebi.gov.in/enforcement/orders/apr-2021/adjudication-order-in-respect-of-8-noticees-in-the-matter-of-garware-polyester-limited_49827.html

- **In the matter of Kanchan International Ltd. (April 16, 2021)**

SEBI imposed a penalty of Rs. 11,00,000/- on eleven Promoters of Kanchan International Ltd. who have failed to disclose the cumulative change in shareholding by 2% and above, as required under SEBI (SAST) Regulations, 1997 and SEBI (SAST) Regulations, 2011. Further, it was also found that consequent upon change in shareholding, Noticees had either not made the requisite disclosure or made delayed disclosures under the provisions of SEBI (SAST) Regulations.

For details:

https://www.sebi.gov.in/enforcement/orders/apr-2021/adjudication-order-in-respect-of-promoters-of-kanchan-international-ltd-_49843.html

- **In the matter of ITC Limited (April 22, 2021)**

SEBI imposed a minimum penalty of Rs. 1 lakh on Victor Peter Christopher (Noticee) for failure to comply with the disclosure requirements of Regulation 7(2)(a) read with Regulation 7(2)(b) of the PIT Regulations on 18 separate instances and thus violated the provisions of PIT Regulations.

For details:

https://www.sebi.gov.in/enforcement/orders/apr-2021/adjudication-order-in-respect-of-victor-peter-christopher-in-the-matter-of-itc-limited_49898.html

- **SAT quashes SEBI order restraining Morepen Lab from securities trading (April 26, 2021)**

The Hon'ble Securities Appellate Tribunal (SAT) by an order pronounced on 15 April 2021, quashed and set aside the Order dated 24 September 2019 passed by the Securities and Exchange Board of India (SEBI) whereby SEBI had restrained the company from buying, selling or otherwise dealing in securities and accessing the securities markets for one year from the date of the SEBI Order. The SEBI order relates to a GDR issued by the company way back in 2003.

For details: http://sat.gov.in/english/pdf/E2021_JO202062_23.PDF

- **In the matter of Asian Granito India Limited (AGIL) (April 26, 2021)**

SEBI imposed a penalty of Rs. 2,00,000 on six entities/individuals (Noticees) to paid jointly and severally who have failed to make disclosures to the stock exchange and the company under Regulation 29(1) and 29(2) read with 29(3) of the SAST Regulations, 2011 when their shareholding crossed 5% of the total shareholding of the AGIL and for subsequent changes of 2% or more in the scrip of AGIL.

For details:

https://www.sebi.gov.in/enforcement/orders/apr-2021/adjudication-order-in-respect-of-6-noticees-in-the-matter-of-asian-granito-india-limited_49927.html

- **Adjudication Order in the matter of Aptech Limited (April 28, 2021)**

SEBI imposed a monetary penalty of Rs. 1 crore on Aptech Limited for failure to effectively use the notional trading window as an instrument for monitoring trading by the designated persons and thus violated the provisions of Clause 4 of Code of Conduct under Schedule B of Regulation 9(1) of the PIT Regulations.

For details:

https://www.sebi.gov.in/enforcement/orders/apr-2021/adjudication-order-in-the-matter-of-apttech-limited_49972.html

- **Adjudication Order in the matter of Issuance of Participating Preference Shares issue of Chemmanur Gold Palace International Limited (April 30, 2021)**

SEBI imposed a penalty of Rs. 25 lakh on Chemmanur Gold Palace International Limited for not complying with the regulatory requirements such as application for listing of securities, in principle approval for listing of securities, credit rating to be obtained from a credit rating agency, appointment of merchant banker, disclosure requirements in offer document, filing of draft offer document with stock exchanges, mandatory advertisement for public issues, disclosure in abridged prospectus, application forms and mandatory listing of securities post issuance, with regards to the Deemed Public Issue and has thus violated the provisions of Regulations 4(2)(a), 4(2) (b), 4(2) (c), 4 (5), 5, 6, 8, 9 and 16 of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013.

For details:

https://www.sebi.gov.in/enforcement/orders/apr-2021/adjudication-order-in-the-matter-of-issuance-of-participating-preference-shares-issue-of-chemmanur-gold-palace-international-limited_50025.html

- **In the matter of Aakruti Nirmitti Limited (May 04, 2021)**

SEBI directed Aakruti Nirmitti Limited (Aakruti) along with two individuals to refund, to the investors, the money collected by the company, during their tenure as Managing Director / Joint Managing Director of Aakruti, through the issuance of equity shares (including the application money collected from investors during their respective period tenure of Managing Director, till date, pending allotment of securities, if any), with an interest of 15% per annum. Further, Aakruti is directed not to access the securities market by issuing prospectus, offer document or advertisement soliciting money from the public and is further restrained from buying, selling, or otherwise dealing in the securities market till the expiry of one year from the date of completion of refunds to investors.

For details:

https://www.sebi.gov.in/enforcement/orders/may-2021/order-in-the-matter-of-aakruti-nirmitti-limited_50046.html

- **Adjudication order in the matter of Dynamic Equities Pvt. Ltd. (May 14, 2021)**

SEBI imposed a penalty of Rs. 1 lakh under Section 23D of the Securities Contracts (Regulation) Act, 1956 on Dynamic Equities Pvt Ltd for failure to segregate own funds vis-à-vis clients' funds resulting in violation of SEBI Circular No. SMD/SED/CIR/ 93/23321 dated November 18, 1993.

For details:

https://www.sebi.gov.in/enforcement/orders/may-2021/adjudication-order-in-the-matter-of-dynamic-equities-pvt-ltd_50131.html

- **Adjudication Order in the matter of Biocon Ltd. (May 19, 2021)**

SEBI imposed a total penalty of Rs. 14 lakh on Biocon Ltd. ('Company') and Narendra Chirmule ('Chirmule'), employed as Senior Vice President with the Company and a Designated Person under the Company's code of conduct. It was alleged that Chirmule had traded in the company's securities when the trading window was closed and further the Company had made delayed disclosures of sale transaction of the Chirmule, to the stock exchanges.

For details:

https://www.sebi.gov.in/enforcement/orders/may-2021/adjudication-order-in-respect-of-narendra-chirmule-and-biocon-ltd-in-the-matter-of-biocon-ltd-_50187.html

- **Adjudication order in respect of Delhi Transco Limited and Karnataka State Financial Corporation Limited in the matter of non-filing / delayed filing of financial results (May 19, 2021)**

SEBI imposed a penalty of Rs. 1 lakh each on Delhi Transco Limited and Karnataka State Financial Corporation Limited under section 15A(b) of the SEBI Act, 1992, for the failure to submit the financial results within the timeframe as prescribed under the provision of regulation 52(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For details:

https://www.sebi.gov.in/enforcement/orders/may-2021/adjudication-order-in-respect-of-karnataka-state-financial-corporation-limited_50190.html

https://www.sebi.gov.in/enforcement/orders/may-2021/adjudication-order-in-respect-of-delhi-transco-limited_50189.html

- **In the matter of Crayon Capital Limited (May 20, 2021)**

SEBI found that Crayon Capital Limited ('Crayon') was engaged in the fund mobilising activity from the public by floating/ sponsoring/ launching Collective Investment Schemes ('CIS') without obtaining certificate of registration from SEBI as required under Section 12(1B) of the SEBI Act, 1992 read with Regulation 3 of the CIS Regulations. SEBI directed Crayon to refund the amount within a period of Six months to the investors who are yet to be repaid with an interest at the rate of 10% per annum. Further, SEBI has restrained Crayon from accessing the securities market and restricted to launch any Collective Investment Scheme or any other activity in securities market.

For details:

https://www.sebi.gov.in/enforcement/orders/may-2021/final-order-in-the-matter-of-crayon-capital-art-fund_50203.html

- **SEBI Adjudication Orders (May 21, 2021)**

S. No.	Name of Entity on which penalty is imposed	Alleged Violations	Penalty (in Rs.)
1)	Indiabulls Venture Limited (currently known as Dhani Services Limited) (Noticee 1)	Noticee 1 failed to notify the period of closure of trading window during the UPSI period and Noticee 2 failed in his duty and responsibility of identifying the material event and to monitor adherence to the closure of window during the UPSI event thus, violated the provisions of Clause 4 of the Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders as specified in Schedule B read with Regulation 9(1) of PIT	50 lakh
	Mr. Lalit Sharma (Compliance Officer) (Noticee 2)		5 lakh

		Regulations and Clause (V) of the Company Code of Conduct adopted for Prevention of Insider Trading.	
<p><i>For details:</i> https://www.sebi.gov.in/enforcement/orders/may-2021/adjudication-order-in-respect-of-ivl-and-mr-lalit-sharma-in-the-matter-of-indiabulls-venture-limited_50229.html</p>			
2)	Ms. Pia Johnson (Noticee 1)	<p>Noticees No. 1 in possession of or access to UPSI and Noticee No. 2 being husband to Noticee No. 1 is also found to be having access to said UPSI by having it procured in violation of Regulation 3(2) of the PIT Regulations. Since, the Noticees No. 1 and 2 have traded in the scrip of the Company, while in possession of said UPSI, the Noticee No. 1 has violated the provisions of Section 12A (d) & (e) of SEBI Act, 1992 & Regulation 3(1) and 4(1) of the PIT Regulations and Noticee No. 2 has violated the provisions of Section 12A (d) & (e) of SEBI Act, 1992 & Regulation 3(2) and 4(1) of the PIT Regulations, respectively.</p>	25 lakh
	Mr. Mehul Johnson (Noticee 2) (In the matter of Indiabulls Venture)		25 lakh
<p><i>For details:</i> https://www.sebi.gov.in/enforcement/orders/may-2021/adjudication-order-in-respect-of-ms-pia-johnson-and-mr-mehul-johnson-in-the-matter-of-indiabulls-venture-limited_50228.html</p>			
3)	22 Entities (In the matter of Marg Limited)	The entities have not made any public announcement and have failed to comply with the order dated November 15, 2019. Moreover, the Noticees in their reply also not claimed to have	1 crore (to be payable jointly and severally by them)

		made such public announcement. Therefore, it is established fact that the Noticees have not complied with directions issued by SEBI vide order dated November 15, 2019 wherein it was mentioned that he Noticees were part of single group and were acting in concert and required to make a Mandatory Open Offer and Voluntary Open Offer and in terms of SEBI letter dated November 30, 2012, within a period of 45 days from the date of service of aforesaid order.	
<p><i>For details:</i> https://www.sebi.gov.in/enforcement/orders/may-2021/adjudication-order-in-the-matter-of-marg-limited_50230.html</p>			

- In the matter of Tree House Education and Accessories Limited (THEAL) (May 24, 2021)**

Entity	Provisions of Law violated	Penalty levied under Section	Quantum of penalty payable individually (in Rs.)
Mr. Rajesh Bhatia Managing Director, THEAL	Regulations 3(1) and 4(1) of SEBI (PIT) Regulations, 2015 and Section 12A (d) & (e) of the SEBI Act, 1992	15G of SEBI Act, 1992	1500000
Ms. Geeta Bhatia, Non-Executive Director, THEAL	Regulation 4(1) of SEBI (PIT) Regulations, 2015 and Section 12A (d) & (e) of the SEBI Act, 1992		1000000

Mr. Rajesh Bhatia and Ms. Geeta Bhatia	Clause 6 of the Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders specified in Schedule B read with regulation 9(1) of SEBI (PIT) Regulations, 2015	15HB of SEBI Act, 1992	3,00,000 each Noticee
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For details:

https://www.sebi.gov.in/enforcement/orders/may-2021/order-in-the-matter-of-tree-house-education-and-accessories-limited_50257.html

- Final Order in the matter of Insider Trading in the scrip of Tara Jewels Limited (TJL) (May 24, 2021)

Entity	Provisions of Law violated	Penalty levied under Section	Quantum of penalty payable individually (in Rs.)
Mr. Rajeev Vasant Sheth Promoter as well as the Chairman cum Managing Director of TJL	Regulation 3(1) and 4(1) of PIT Regulations and Section 12A(d) & (e) of the SEBI Act	15G of SEBI Act, 1992	25,00,000
Ms. Aarti Sheth Promoter, TJL	Regulation 4(1) of PIT Regulations and Section 12A(d) & (e) of the SEBI Act		1000000
Ms. Divya Sheth Promoter, TJL	Regulation 4(1) of PIT Regulations and Section 12A(d) & (e) of the SEBI Act		1000000
Mr. Rajeev Vasant Sheth	Clause 6 of the Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders specified in Schedule B read with regulation 9(1) of PIT Regulations	15HB of SEBI Act, 1992	5,00,000
Ms. Aarti Sheth			1,00,000
Ms. Divya Sheth			1,00,000

For details:

https://www.sebi.gov.in/enforcement/orders/may-2021/final-order-in-the-matter-of-insider-trading-in-the-scrip-of-tara-jewels-limited_50260.html

- **In the matter of M/s Amrapali Capital & Finance Services Ltd. (May 27, 2021)**

SEBI imposed a penalty of Rs. 4 lakh under Section 15HB of SEBI Act and Section 23D of the Securities Contracts (Regulation) Act, 1956 (SCRA) on M/s. Amrapali Capital & Finance Services Ltd. ('Stock Broker') for violation of Section 23D of the Securities Contracts (Regulation) Act, 1956 and various SEBI circulars. A registered Stock Broker with SEBI is obliged to comply with all the regulatory requirements in letter and spirit, and the lapses on the part of the M/s Amrapali Capital & Finance Services Ltd. attract penalty as per law.

For details:

https://www.sebi.gov.in/enforcement/orders/may-2021/adjudication-order-in-the-matter-of-m-s-amrapali-capital-and-finance-services-ltd-_50275.html

- **In the matter of Valuemart Retail Solutions Limited (May 28, 2021)**

SEBI imposed a penalty of Rs.1 lakh on an entity for failure to make the requisite disclosures to BSE under Regulation 29 (1) read with Regulation 29 (3) of the SAST Regulations with regard to acquisition of 1,50,000 equity shares/voting rights of the company on December 01, 2016.

For details:

https://www.sebi.gov.in/enforcement/orders/may-2021/adjudication-order-in-respect-of-mr-manish-uppal-in-the-matter-of-valuemart-retail-solutions-limited_50291.html

- **In the matter of GDR issue of K Sera Sera Limited (now known as KSS Limited) (May 28, 2021)**

SEBI imposed a penalty of Rs.1 crore on Dinesh Bhanusali, Director of KSS in a matter pertaining to manipulation in the issuance of Global Depository Receipts (GDRs) and thus violated the provisions of Section 12A(a), (b), (c) of SEBI Act read with Regulations 3(b), (c), (d) and Regulations 4(2)(c), (f), (k) and (r) of PFUTP Regulations. The firm had come up with its GDR issues on two different occasions on March 2007 and May 2009.

For details:

https://www.sebi.gov.in/enforcement/orders/may-2021/adjudication-order-in-respect-of-shri-dinesh-bhanushali-in-the-matter-of-market-manipulation-of-gdr-issue-of-k-sera-sera-limited-now-known-as-kss-limited_50294.html

- **In the matter of Spicejet India Limited (May 28, 2021)**

SEBI disposed of adjudication proceedings against Axis Capital Limited (Noticee), saying that the allegations against Noticee for violations of regulation 45 (5) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Clause 4 and Clause 20 of the Code of Conduct for merchant bankers provided under schedule III of the SEBI (Merchant Bankers) Regulations, 1992 (MB Regulations) read with regulation 13 of MB Regulations do not stand established.

For details:

https://www.sebi.gov.in/enforcement/orders/may-2021/adjudication-order-in-respect-of-enam-securities-ltd-now-known-as-m-s-axis-capital-limited-in-the-matter-of-spicejet-india-limited_50311.html

- **In the matter of Birla Pacific Medspa Limited (June 1, 2021)**

SEBI imposed a penalty of Rs. 5 lakh each on Subhashree Hiris Pvt. Ltd. and SkyLight Distributors Pvt. Ltd. (Noticees) for violation of Regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations read with Section 12A(a), (b) & (c) of the SEBI Act. It was found that an amount of Rs. 2 crore out of IPO proceeds, has been diverted to the Noticees and has neither been utilized for the stated object of IPO nor been returned to the Birla Pacific Medspa Limited.

For details:

https://www.sebi.gov.in/enforcement/orders/jun-2021/adjudication-order-in-respect-of-subshashree-hiris-pvt-ltd-and-skylight-distributors-pvt-ltd-in-the-matter-of-birla-pacific-medspa-limited_50389.html

- **In the matter of M/s Exclusive Securities Ltd (June 02, 2021)**

SEBI imposed a penalty of Rs. 5 lakh on M/s Exclusive Securities Ltd. (Noticee) for violation of the SEBI Circular dated December 03, 2009, Clauses A (1), (2) and (5) of the Code of Conduct as specified in Schedule II read with Regulation 9(f) and Regulation 26(xvi) and 26(xx) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992. It was found that there was conclusive proof of delay on the part of the Noticee in settling its clients' securities, which is a clear violation of the provisions of the SEBI circular dated December 03, 2009.

For details:

https://www.sebi.gov.in/enforcement/orders/jun-2021/adjudication-order-in-respect-of-m-s-exclusive-securities-ltd-in-the-matter-of-m-s-exclusive-securities-ltd_50399.html

- **In the matter of Santowin Corporation Limited (June 04, 2021)**

SEBI imposed a total penalty of Rs. 14 lakh on five entities, under the provisions of Section 15A(b) of SEBI Act. It was alleged that the entities failed to adhere to disclosure requirement as mandated under Regulations 13(4) and/or 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 on different occasions.

For details:

https://www.sebi.gov.in/enforcement/orders/jun-2021/adjudication-order-in-respect-of-mr-akshat-ashok-gupta-in-the-matter-of-santowin-corporation-limited_50427.html

- **In the matter of Rushabh Research (Proprietor: Mr. Nitin Nanalal Dedhia) (June 07, 2021)**

The SEBI directed Rushabh Research and its sole proprietor Shri Nitin Nanalal Dedhia, (Noticees) to refund the money received from the clients/investors/complainant within three months and also restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any intermediary registered with SEBI in any capacity for a period of 2 (two) years. The SEBI found that Noticees were not registered with SEBI in the capacity of Investment Advisor. The activities/representations made by the Noticees without holding the certificate of registration as investment adviser are in violation of Section 12(1) of SEBI Act, 1992 read with Regulation 3(1) of the SEBI (Investment Advisers) Regulations, 2013.

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/jun-2021/1623073167837.pdf#page=1&zoom=page-width,-15,843

- **Franklin Templeton 'strongly disagrees' with SEBI order, says will move SAT (June 07, 2021)**

Shortly after the SEBI ordered Franklin Templeton India mutual fund to return over Rs 500 crore to investors, the company issued a statement marking its objection. Franklin Templeton said it would be moving an appeal before the Securities Appellate Tribunal (SAT) to challenge the order. According to SEBI, lapses were found in the manner in which six debt funds were suddenly wound up by Franklin Templeton in April 2020. The regulator directed the fund house to return fund management fees worth Rs. 451.63 crore to the investors of the six debt funds, and also levied a 12 percent interest fee on this amount. This sums up the total disgorged fee to Rs 512.50 crore.

For details:

<https://www.moneycontrol.com/news/business/personal-finance/franklin-templetonstrongly-disagrees-with-sebi-order-says-will-move-sat-read-full-statement-here6999571.html>

- **In the matter of Gini Silk Mills Limited (June 08, 2021)**

The SEBI has imposed a penalty of Rs. 5,00,000/- on the Noticees who acted as PACSs and for exceeding the threshold level under Regulation 29(2) of SAST Regulations in respect of their transactions in the scrip of GSML on eleven (11) occasions during the IP but had failed to comply with the disclosure requirements as required under the provisions of SAST Regulations.

For details:

https://www.sebi.gov.in/enforcement/orders/jun-2021/adjudication-order-in-the-matter-of-gini-silk-mills-limited_50460.html

- **In respect of M/s Capital Money Mantra (Proprietor: Mr. Gaurav Yadav) (June 10, 2021)**

The SEBI directed M/s Capital Money Mantra and its sole proprietor Mr. Gaurav Yadav, (Noticees) to refund the money received from the clients/investors/complainant within three months and also restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any intermediary registered with SEBI in any capacity for a period of 2 (two) years. The SEBI found that Noticees were engaged in 'investment advisory services' without having the requisite registration as mandated under the SEBI Act, 1992 and SEBI (Investment Advisers) Regulations, 2013.

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/jun-2021/1623334905926.PDF#page=1&zoom=page-width,-15,842

- **Adjudication Order in the matter of A2Z Infra Engineering Ltd. (June 11, 2021)**

The SEBI imposed monetary penalty on the Noticees (as mentioned in the table below) for violating the provisions of the Securities Contracts (Regulation) Act, 1956, SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 and SEBI (Stock Brokers) Regulations, 1992 as applicable.

Name of Noticee	Penal Provisions	Penalty (in Rs.)
Keshav Shares and Stocks Ltd (Noticee 1)	Section 23H of SCRA, 1956	1,00,000/
Surbhi Resorts Pvt Ltd (Noticee 2)	Section 23H of SCRA, 1956	1,00,000/-
Keshav Shares and Stocks Ltd (Noticee 1)	Section 15HA of SEBI, Act, 1992	5,00,000/ to be paid jointly and severally by Noticee 1 and 2
Surbhi Resorts Pvt Ltd (Noticee 2)		

For details:

https://www.sebi.gov.in/enforcement/orders/jun-2021/adjudication-order-in-the-matter-of-a2z-infra-engineering-ltd_50513.html

- **Final order in the matter of M/s Max India Research (Proprietor: Mr. Abhishek Gupta) (June 11, 2021)**

The SEBI directed M/s Max India Research and its sole proprietor Mr. Abhishek Gupta, (Noticees) to refund the money received from the clients/investors/ complainant within three months and also restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any intermediary registered with SEBI in any capacity for a period of 2 (two) years. The SEBI found that Noticees were engaged in 'investment advisory services' without having the requisite registration as mandated under the SEBI Act, 1992 and SEBI (Investment Advisers) Regulations, 2013.

For details:

https://www.sebi.gov.in/enforcement/orders/jun-2021/final-order-in-the-matter-of-max-india-research-proprietor-mr-abhishek-gupta_50518.html

- **In the matter of Birla Pacific Medspa Limited (BPML) (June 15, 2021)**

SEBI imposed a monetary penalty of Rs 5 lakh each on M/s. N P Enterprise (proprietor Narendra Sanghvi) and M/s Laxmi Trading (proprietor - Malti Sanghvi) ('Noticees') for violations of Regulations 3(a),(b),(c) & (d) and 4(1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations read with Section 12A(a), (b) & (c) of the SEBI Act. It was alleged that the money out of the IPO proceeds have been fraudulently diverted to Noticees who have aided and abetted BPML in diversion of these proceeds of the IPO.

For details:

https://www.sebi.gov.in/enforcement/orders/jun-2021/adjudication-order-in-respect-of-m-s-n-p-enterprises-proprietor-narendra-sanghvi-and-m-s-laxmi-trading-proprietor-malti-sanghvi-in-the-matter-of-birla-pacific-medspa-limited_50557.html

- **In the matter of Himachal Fibres Ltd. (HFL) (June 22, 2021)**

SEBI imposed a monetary penalty of Rs 10 lakh on seven entities, to be paid jointly and severally, for executing manipulative trades in small quantities and carrying out connected counterparty trades to increase the price of scrip of HFL thus violated the provisions of Section 12A(a), (b), (c) of the SEBI Act, 1992 and Regulation 3(a), (b), (c), (d) and 4 (1), 4 (2) (a) and (e) of the PFUTP Regulations, 2003.

For details:

https://www.sebi.gov.in/enforcement/orders/jun-2021/adjudication-order-in-respect-of-seven-entities-in-the-matter-of-himachal-fibres-ltd_50655.html

SEBI / STOCK EXCHANGES NEWS

- **NSE co-location case: SEBI slaps Rs. 18 lakh fine on two trading members (April 16, 2021)**

SEBI imposed a fine of Rs. 12 lakh and Rs. 6 lakh on CPR Capital Services and PRB Securities, respectively for various violations with respect to using National Stock Exchange's colocation facility. There were allegations of preferential access to Tick-By-Tick (TBT) data feed being given by the exchange to certain trading members, following which SEBI probed the matter. These two entities were among the trading members that were identified for comprehensive investigation for primary and secondary server connects. It was found that the two entities continuously logged into the secondary server in F&O, CM and CD segments without any valid reason.

For details:

<https://www.businesstoday.in/current/corporate/nse-co-location-case-sebi-slaps-rs-18-lakh-fine-on-two-trading-members/story/436840.html>

- **Investment advisers cannot charge implementation fee for advisory clients : SEBI (April 19, 2021)**

Investment advisers can offer execution services for their advisory clients but without charging any commission or fees.

An Investment Advisor cannot avail reimbursement of any amount for the services given to its clients from the Asset Management Companies whose direct plans are being sold by it to clients.

The clarifications have been given as part of an informal guidance sought by Paytm Money Ltd. regarding SEBI's Investment Advisers norm.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/investment-advisers-cannot-chargeimplementation-fee-for-advisory-clientssebi/articleshow/82148633.cms>

- **SEBI exempts Anurag Benefit Trust from open offer obligations (April 19, 2021)**

➤ SEBI exempted Anurag Benefit Trust from making open offers following the proposed acquisition of shares in West Leisure Resorts Ltd and Winmore Leasing and Holdings Ltd.

Under the proposed acquisition, the trust proposed to acquire 71.04 per cent equity shares of West Leisure Resorts from Jatia. In addition to the direct acquisition, the trust also proposed to acquire shares in Winmore Leasing and Holdings, member of the promoter group (which is

owned and controlled by promoter and or immediate relatives of the promoter) resulting in an indirect acquisition of shares or control in West Leisure Resorts.

- In the case of Winmore Leasing and Holdings, the trust proposed to pick up Jatia's entire 58.92 per cent stake in Winmore Leasing and Holdings. The proposed acquisitions of equity shares will be made by way of gift and/or purchase. The equity shares acquired through purchase will be acquired at fair market value.

The proposed transactions will attract the obligation to make open offers under the takeover regulations and accordingly exemption was sought from the SEBI.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-exempts-anuragbenefit-trust-from-open-offer-obligations/articleshow/82148615.cms>

- **SEBI bans Equicom Financial, 2 individuals from capital markets (April 19, 2021)**

SEBI restrained Equicom Financial Research Pvt. Ltd. and two individuals from accessing the securities market for inducing gullible investors by promising them huge returns on their investment products.

The SEBI, in January last year, had passed an interim order against the company and individuals directing them to cease and desist from acting as an investment advisor and barring them from the capital market.

In a fresh order, SEBI restrained them from accessing the securities market for a period of three years. However, while calculating the period of debarment, the period of restraint already undergone on account of interim order would be adjusted as per the order

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-bans-equicom-financial2-individuals-from-capital-markets/articleshow/82148295.cms>

- **SEBI levies fine Rs of 1.75 cr on several entities in Vakrangee case (April 26, 2021)**

SEBI imposed a total fine of Rs 1.75 crore on several entities for indulging in fraudulent trading in the scrip of Vakrangee Ltd. The probe found that the connected entities traded in the scrip of Vakrangee and created a misleading appearance of trading in the scrip without any intention of change in ownership of the security, by entering into synchronized trades at the relevant times. Trades among the entities were not genuine and were executed with manipulative intent. They were a part of fraudulent scheme and the synchronized trades have created misleading appearance of trading in the scrip of the company.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-levies-fine-rs-1-75-cron-several-entities-in-vakrangee-case/articleshow/82261462.cms?from=mdr>

- **SEBI drops ombudsman concept for securities market (May 05, 2021)**

The Securities and Exchange Board of India (SEBI) has done away with the concept of ombudsman for the securities market because of legal issues. The regulator said it does not have the power to adjudicate dispute between entities. “SEBI Act does not expressly empower the Board to award compensation and therefore, SEBI may not empower an ombudsman to award compensation through delegated legislation,” SEBI said in an internal note. The regulator said as per rules, the ombudsman need not be a judicial authority. Therefore, it is doubtful as to whether such a non-judicial authority would be entitled to award compensation.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-drops-ombudsman-concept-for-securities-mkt/articleshow/82394062.cms>

- **Biocon share trading case: SEBI bans 6 entities for 2 years for manipulative trade (May 6, 2021)**

SEBI barred six entities from the capital markets for two years for indulging in manipulative trading in the shares of Biocon Limited in the cash market. In addition, the regulator has imposed a penalty of ₹10 lakh each on them. The regulator, in its probe, found that all the six entities had engaged in price manipulation in the scrip of Biocon at NSE cash market during the last half an hour on June 29, 2017 and managed to establish higher settlement price in the futures of Biocon.

For details:

<https://www.livemint.com/market/stock-market-news/biocon-share-trading-case-sebi-bans-6-entities-for-2-yrs-for-manipulative-trade-11620259691425.html>

- **PC Jeweller case: SEBI fines, bars 4 individuals, 1 entity from securities market (May 11, 2021)**

SEBI imposed a total fine of Rs. 1 crore on four individuals and an entity as well as barred them from the securities market for one year in a case of alleged insider trading activities in the shares of PC Jeweller Ltd.

Besides, they have been restrained from dealing with the securities of PC Jeweller, directly or indirectly, for two years.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/pc-jeweller-case-sebi-fines-bars-4-individuals-1-entity-from-securities-mkt/articleshow/82555632.cms>

- **Several companies rush to file draft red herring prospectus with SEBI (May 18, 2021)**

Several companies have rushed to file their draft red herring prospectus (DRHP) with market regulator Securities and Exchange Board of India (SEBI) this month to ensure they meet a key deadline pertaining to financial disclosures. The rush is also the result of supportive sentiment towards the initial public offerings (IPOs), following a year of blockbuster listing gains. According to data compiled by Prime Database, a firm tracking IPOs, 12 companies looking to raise a cumulative Rs 22,230 crore (\$3 billion) have filed their offer documents so far this month.

For details:

https://www.business-standard.com/article/markets/several-companies-rush-to-file-draft-red-herring-prospectus-with-sebi-121051800037_1.html

- **SAT stays SEBI penalty order in Yes Bank case (May 24, 2021)**

The Securities Appellate Tribunal has imposed an interim stay on a SEBI's order issued on 12 April, in which a penalty of ₹25 crore was slapped on Yes Bank, and three of its executives for allegedly not informing investors of risk factors while facilitating the sale of the AT-1 bonds in the secondary market.

For details:

<https://www.livemint.com/industry/banking/sat-imposes-interim-stay-on-sebi-penalty-order-in-yes-bank-at-1-case-11621847396057.html>

- **SEBI asks banks to transfer money available in accounts of PACL's 640 group entities to its a/c (May 28, 2021)**

In a bid to recover investors' money, SEBI has ordered banks to transfer to its account all the money available in the bank accounts of 640 group entities of PACL Ltd by Wednesday. The markets regulator in September 2016 had ordered freezing of bank accounts as well as demat and mutual fund holdings of these entities. In a directive to all banks on Thursday, SEBI has asked them to remit the entire amount available in the banks and fixed deposits accounts of 640 group entities of PACL to the regulator's accounts by June 2.

PACL had raised Rs 49,100 crore from nearly 5 crore investors that it needs to refund along with promised returns, interest payout and other charges, which took the total amount due to over Rs 60,000 crore.

For details:

<https://www.moneycontrol.com/news/business/sebi-asks-banks-to-transfer-money-available-in-accounts-of-pacpls-640-group-entities-to-its-ac-6957741.html>

- **SEBI levies Rs 12 cr fine on Winsome Yarns, its MD (May 31, 2021)**

SEBI has slapped penalty totalling Rs 12 crore on Winsome Yarns Ltd and its managing director in a matter pertaining to manipulation in issuance of global depositories receipts (GDR), thereby violating market norms. The firm had issued GDRs amounting to USD 13.24 million (around Rs 96 crore) on March 29, 2011.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-levies-rs-12-cr-fine-on-winsome-yarns-its-md/articleshow/83120515.cms>

- **CPAI asks SEBI to continue with current 50% peak margin requirement; defers next stage (May 31, 2021)**

Commodity Participants Association of India (CPAI) has asked markets regulator SEBI to continue with the current level of 50 per cent peak margins and defer the proposed higher limit of 75 per cent for the time being. The association has raised concerns ahead of the rollout of the new 75 per cent peak margin requirement from June 1.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/cpai-asks-sebi-to-continue-with-current-50-peak-margin-requirement-defers-nextstage/articleshow/83112175.cms>

- **SEBI bans two Infosys employees for insider trading (June 1, 2021)**

SEBI banned Infosys's senior corporate counsel Pranshu Bhutra and Venkata Subramaniam V. V Senior Principal, Corporate Accounting Group along with six other related entities from accessing capital markets until further orders for insider trading. In a statement on Tuesday, Infosys said it will initiate an internal investigation into the insider trading matter. In a SEBI order, it is said that the aforesaid Infosys officials were found to have leaked unpublished price sensitive information (UPSI) to the company's audited financial results for the quarter ended June 30, 2020, which resulted in ill-gotten gains for those involved.

For details:

<https://www.livemint.com/companies/news/sebi-bans-two-infosys-employees-for-insidertrading-11622563956732.html>

- **SEBI bars Franklin Templeton from launching new debt schemes for 2 yrs, fines ₹5 cr (June 07, 2021)**

SEBI has barred Franklin Templeton Asset Management (India) from launching new debt schemes for two years. In an order on Monday, the market watchdog also imposed a ₹5 crore penalty on the asset management company, which is to be paid within 45 days. The fund house has been ordered to refund the investment management and advisory fees collected from June 4, 2018, till April 23, 2020, with respect to the six wound-up debt schemes along with simple interest at the rate of 12 per annum. The amount, which stands at over ₹512 crore, is to be paid within 21 days from today and will be utilised towards repaying unitholders.

For details:

<https://www.livemint.com/mutual-fund/mf-news/franklin-templeton-faces-2-yr-ban-on-new-debt-schemes-rs-5-cr-fine-11623076324567.html>

- **SEBI restrains Vivek and Roopa Kudva from accessing securities market for 1 year (June 8, 2021)**

The SEB has restrained the head of Franklin Templeton Asia Pacific (APAC), Vivek Kudva, and his wife Roopa Kudva, MD of Omidyar Network India, from accessing securities market for one year. The regulatory body has directed them to transfer Rs 30.70 crore of redeemed FT units to escrow account within 45 days. "As a result of the irregularities in the running of the debt schemes inspected, loss has been caused to the investors. The noticee was under a statutory obligation to abide by the provisions of the Mutual Regulations and circulars issued thereunder, which it failed to do," the SEBI order stated.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-restrains-vivek-andrupa-kudva-from-accessing-securities-market-for-1-year-6998801.html>

- **Franklin Templeton allays investors' fears after SEBI ban on new debt funds (June 10, 2021)**

To soothe investors' nerves, Franklin Templeton India clarified that the ban by Securities and Exchange of Board of India (SEBI) prohibiting it from launching new debt funds would have no impact on existing funds that have \$8 billion in assets under management. Earlier this week on Monday, the SEBI had banned Franklin Templeton India from launching any new debt schemes for two years on account of "serious lapses and violations" in its operations while looking into sudden closure of its six credit funds in April last year.

For details:

<https://www.livemint.com/mutual-fund/mf-news/franklintempleton-allays-investors-fears-after-sebi-ban-on-new-debt-funds-11623282189375.html>

- **Guidance note on communications by Listed Entities (June 11, 2021)**

The Stock Exchanges (NSE and BSE) issued guidance note to the listed entities where it is provided that the company shall ensure that no price-sensitive information is disclosed unless the same has been first disclosed to the stock exchanges. Further, to protect the interest of the stakeholders an indicative list of things has been given that shall be kept in mind by the listed entities while publicizing the company. As per the guidance note, this may be significant to survive in an ecosystem in which the company operates, stakeholder interest is of paramount importance as well.

For details:

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20210611-28>
https://static.nseindia.com/s3fs-public/inlinefiles/NSE_guidance_note_11062021.pdf

- **PhonePe files complaint with SEBI against Ventureast Fund over OSLabs deal (June 12, 2021)**

Walmart-backed PhonePe, one of India's largest digital payments platform, has filed a complaint with the markets regulator Securities and Exchange Board of India (SEBI) against Ventureast Proactive Fund-II (VPF), an alternative investment fund (AIF) operating out of India. PhonePe accused Ventureast of committing multiple violations on the part of its side dealings with Affle, in a deliberate attempt to 'scuttle' its (PhonePe's) OSLabs acquisition.

The SEBI complaint is in addition to the lawsuit filed by PhonePe against Ventureast and Affle in the Singapore High Court claiming that Ventureast 'deliberately' deceived them by continuing to engage with them and OSLabs on the sale of its shares in the latter, in favor of PhonePe, even though it had sold those same shares to Affle in a side deal without OSLabs and PhonePe's knowledge on a prior date during a legally binding no-shop period. Affle Global holds around a 23 per cent stake in IndusOS.

For details:

https://www.business-standard.com/article/companies/phonepe-files-complaint-withsebi-against-ventureast-fund-over-oslabs-deal-121061200837_1.html

- **SEBI imposes ₹15 cr fine on Franklin Templeton, 8 others over wound-up schemes (June 14, 2021)**

Securities and Exchange Board of India (SEBI) has imposed a cumulative fine of ₹15 crore on nine entities, including Franklin Templeton Trustee Services, senior official and fund managers associated with the six debt schemes wound-up by the fund house.

In its latest action, SEBI has issued a fine of ₹3 crore on Franklin Templeton Trustee Services Pvt Ltd, and ₹2 crore each on Franklin Asset Management (India) Pvt. Ltd. President Sanjay Sapre and its Chief Investment Officer Santosh Kamat. The serious lapses and violations clearly appear to be a fallout of the Franklin Templeton's "obsession" to run high yield strategies without due regard from the concomitant risk dimensions, SEBI said.

For details:

<https://www.livemint.com/mutual-fund/mf-news/sebi-imposes-rs-15-cr-fine-on-franklin-templeton-8-others-over-wound-up-schemes-11623676795027.html>

- **SEBI reconstitutes Takeover Panel, appoints Deloitte India's MD N Venkatram as new member (June 20, 2021)**

Markets regulator SEBI has reconstituted its Takeover Panel, which looks into the applications seeking exemption from the mandatory open offer that an acquirer needs to make to minority shareholders. The regulator has appointed N Venkatram MD and CEO, Deloitte India as the new member of the Takeover Panel, latest update with Sebi showed.

For details:

<https://www.moneycontrol.com/news/business/sebi-reconstitutes-takeover-panel7061871.html>

- **Govt eases listing norms for companies having over ₹1 lakh cr m-cap (June 21, 2021)**

Companies that have a market capitalisation of more than ₹1 lakh crore at the time of listing can now sell just five per cent of their shares, with the latest amendment in rules, a move that will be beneficial for the government during the proposed initial public offer of LIC. Such entities will be required to increase its public shareholding to 10 per cent in two years and raise the same to at least 25 per cent within five years. The Department of Economic Affairs under the finance ministry has amended the Securities Contracts (Regulation) Rules.

For details:

<https://www.livemint.com/companies/news/govt-eases-listing-norms-for-companieshaving-over-rs-1-lakh-cr-mcap-11624297446693.html>

- **PNB Housing Finance files appeal before Securities Appellate Tribunal against SEBI's order to freeze on Carlyle deal (June 21, 2021)**

Public sector lender Punjab National Bank Housing Finance has filed an appeal before Securities Appellate Tribunal against SEBI's June 18 order to halt its Rs 4,000-crore transaction with a consortium led by private equity giant Carlyle. The consortium includes former HDFC Bank MD and CEO Aditya Puri and private equity funds General Atlantic and Ares SSG. The rare regulatory intervention from SEBI has come days before a crucial Extraordinary General Meeting (EGM) scheduled on June 22 to approve the issue of shares to the Carlyle-led group. SEBI wants PNB Housing Finance to undertake the valuation exercise based on the firm's articles of association.

For details:

<https://www.moneycontrol.com/news/business/companies/pnb-housing-finance-likely-to-challenge-sebi-freeze-on-carlyle-deal-at-tribunal-7061731.html>

- **Carlyle's long shadow over its buyout target (June 22, 2021)**

PNB Housing Finance got a go-ahead from the Securities Appellate Tribunal (SAT) for a conclave of shareholders scheduled on Tuesday for a vote on its controversial proposal to allot shares worth some ₹4,000 crore to a clutch of investors led by The Carlyle Group, a US-based private equity major. But India's fourth biggest mortgage lender must not declare results till the Tribunal has its final say. The lender had appealed against an 18 June directive from the Securities and Exchange Board of India (SEBI), which demanded an independent valuation of its equity before it sought a wide shareholder nod for the preferential allotment.

For details:

<https://www.livemint.com/opinion/online-views/carlyles-long-shadow-over-its-buyouttarget-11624291983433.html>

- **United Breweries case: SEBI exempts Heineken International from open offer obligation (June 22, 2021)**

SEBI exempted Heineken International B V from the obligation of making an open offer following its proposed acquisition of shares in United Breweries Ltd (UBL). The order came after SEBI received an application from Heineken International seeking exemption from the applicability of SAST (Substantial Acquisition of Shares and Takeovers) Regulations in the matter of its proposed acquisition of certain equity shares of UBL from the recovery officer of the Bangalore Debt Recovery Tribunal (DRT) under whose custody the transfer shares owned by the Vijay Mallya Group are being held.

For details:

<https://www.livemint.com/market/stock-market-news/united-breweries-case-sebi-exempts-heineken-international-from-open-offer-obligation-11624369242422.html>

- **SEBI cancels Unickon Securities' certificate of registrations (June 23, 2021)**

Markets regulator SEBI on Wednesday cancelled the certificate of registrations of Unickon Securities Pvt Ltd on account of violation of several market norms. The entity is a SEBI-registered stock broker and a depository participant. SEBI had started receiving a large number of investor complaints against the broker during January 2014. The complaints pertained to non-payment of funds and non-delivery of securities to clients.

For details:

<https://www.moneycontrol.com/news/business/sebi-cancels-unickon-securitiescertificate-of-registrations-7078831.html>

- **Lenders dispose of assets to recoup money lost to fraud (June 24, 2021)**

Nearly a decade into India's most high profile corporate debt default, banks have recovered nearly 60% of the ₹9,900 crore in dues from fugitive businessman Vijay Mallya. On Wednesday, a State Bank of India-led lenders' consortium sold Mallya's shares worth ₹5,825 crore in United Breweries Ltd (UBL) to Heineken International BV. The banks sold 14.99% in UBL through a block deal on the stock exchanges. The latest share purchase increased Heineken's shareholding to 61.5% in UBL, the owner of India's largest-selling Kingfisher beer brand.

For details:

<https://www.livemint.com/industry/banking/lenders-dispose-of-assets-to-recoup-moneylost-to-fraud-11624473696502.html>

- **SEBI plans to come out with framework for SPACs (June 24, 2021)**

Capital Market Regulator SEBI is planning to come out with framework on special purpose acquisition companies (SPACs), which will enable listing of startups on domestic stock exchanges, sources said. The regulator is expected to put in place guidelines in this regard next week.

SPACs or blank cheque companies are formed to raise capital in an initial public offering (IPO) with the purpose of using the proceeds to identify and merge with a target company.

For details:

https://economictimes.indiatimes.com/markets/stocks/news/sebi-plans-to-come-out-with-framework-forspacs/articleshow/83803425.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **SAT stays SEBI'S penalties on Cairn India, others on share buyback case (June 24, 2021)**

The Securities Appellant Tribunal (SAT) has stayed the penalties imposed by markets regulator Sebi on Cairn India and others for making a misleading announcement regarding buyback of shares in 2014.

While staying the penalties, the tribunal also directed Cairn India, which was merged with Vedanta Limited in 2017, and others involved in the case to deposit ₹2.5 crore with Sebi within three weeks.

If the amount is deposited, no further recovery will be made from them during the pendency of the appeal, the tribunal said in an order dated June 22.

For details:

<https://www.livemint.com/companies/news/sat-stayssebi-s-penalties-on-cairn-india-others-on-sharebuyback-case-11624540657915.html>

- **SEBI clears liquidity holding norms for debt MFs (June 25, 2021)**

The SEBI issued the guidelines for calculating mandatory liquid holdings in debt mutual funds. In November 2020, the regulator had said that debt mutual funds have to invest at least 10% of assets in liquid papers, such as cash, treasury bills, government securities (G-Sec) and repurchase agreements, or repo. According to SEBI, while the liquidity portion will not be excluded while calculating the limits on Macaulay duration, riskometer and issuer, besides group and sector exposure, the mandatory liquid portion will be excluded for rules on asset allocation. For instance, corporate bond funds must invest at least 80% of assets in debt rated AA+ and above.

According to SEBI, this will be counted as 80% of the 90% non-liquid section of the portfolio, which translates to 72% of the overall portfolio. Liquid funds, which are subject to a higher 20% liquid threshold, overnight funds and G-Sec funds, were exempt from this rule.

For details:

<https://www.livemint.com/mutual-fund/mf-news/sebi-clarifies-liquidity-holding-norms-for-debtmutual-funds-11624632960507.html>

SEBI INFORMAL GUIDANCE

- **Clarifications on Insider Trading (May 03, 2021)**

The SEBI gives guidance under SEBI (Informal Guidance) Scheme, 2003, in which a Department of SEBI provides an interpretation of a specific provision of any Act, Rules, Regulations, Guidelines, Circulars or other legal provision being administered by SEBI in the context of a proposed transaction in securities or a specific factual situation. The informal guidance may be sought for and given in two forms: No-action letters and Interpretive letters. In order to enable the users to have an access to all the Informal Guidance sought/given relating to SEBI (Prohibition of Insider Trading) (PIT) Regulations, 2015 at one place, SEBI has consolidated all the informal guidance issued relating to SEBI (PIT) Regulations, 2015 during the period October 14, 2015 to February 08, 2021 at a single place.

For details:

https://www.sebi.gov.in/enforcement/clarifications-on-insider-trading/may-2021/compilation-of-informal-guidance-relating-to-sebi-pit-regulations-2015-for-the-period-oct-2015-mar-2021_50036.html

NCLT / NCLAT

Info Capsule Series 7

- **NCLT-Urgent Matters through Video Conferencing (April 19, 2021)**

Due to sharp increase in COVID-19 cases throughout the Country, it has been decided to take up only urgent matters through Video Conferencing w.e.f. April 20, 2021 at all NCLT Benches.

For details:

<https://nclt.gov.in/sites/default/files/January2021/circulars/Adobe%20Scan%20Apr%2019%2C%202021.pdf>

- **'Incorporated with Fraudulent Motive, invoking Arbitration against Antrix not Bona Fide': NCLT orders Winding Up of Devas Multimedia (May 27, 2021)**

The National Company Law Tribunal, Bengaluru bench, has ordered the forcible liquidation and winding up of Devas Multimedia by allowing a petition filed by Indian Space Research Organization's commercial arm Antrix Corporation Limited. The Tribunal held that Devas was incorporated in a "fraudulent manner to carry out unlawful purposes" and its management resorted to "fraudulent activities" in relation to the commercial contract with Antrix.

For details:

<https://www.livelaw.in/newsupdates/nclt-orders-winding-upof-devas-multimedia-on-isroarm-antrix-plea-174764>

- **Notice regarding attestation of Affidavits and e-filing payment (May 31, 2021)**

The Hon'ble Competent Authority, NCLAT has taken note of the present precarious conditions created by COVID-19 situation, and the difficulties of parties in reaching NCLAT while e-filing matters. Considering the above, the Competent Authority has directed that in case concerned Learned Advocates/Authorised Representatives/ Parties-in-person find difficulty in getting the Affidavit to be filed attested, the Affidavit may be filed with I.A. giving undertaking to file Attested Affidavit as per procedure prescribed under the NCLAT Rules, 2016, when Tribunal resumes physical hearing or until further Orders in this regard as may be passed by the Competent Authority, whichever is earlier.

For details: <https://nclat.nic.in/Useradmin/upload/158159612860b4d5fb89cb5.pdf>

- **Regular hearing via Video Conference at NCLT benches w.e.f. July 01, 2021**

The regular hearing in the National Company Law Tribunal (NCLT) Benches will resume via video conference w.e.f. July 1, 2021.

For details:

<https://nclt.gov.in/sites/default/files/January2021/circulars/NCLT-%20Regular%20hearing%20through%20VC%20order%20dated%205.6.2021.pdf>

Insolvency, Bankruptcy & Corporate Restructuring

Info Capsule Series 7

- **High Courts cannot exercise Section 482 of Code of Criminal Procedure, 1973 powers to undermine statutory dictate under Sections 14, 17 of IBC: Supreme Court (April 22, 2021)**

The inherent power of High Court under Section 482 of the Code of Criminal Procedure should not be used to undermine statutory dictate under Sections 14 and 17 of the Insolvency and Bankruptcy Code (IBC), the Supreme Court ruled on Thursday (*Sandeep Khaitan, Resolution Professional v. JSVM Plywood Industries*). It cannot pass interim orders which overlook the salutary limits on its power under Section 482, a Bench of Justices UU Lalit and KM Joseph held. “The power under Section 482 may not be available to the Court to countenance the breach of a statutory provision. The words ‘to secure the ends of justice’ in Section 482 cannot mean to overlook the undermining of a statutory dictate, which in this case is the provisions of Section 14, and Section 17 of the IBC,” the Court said.

For details:

<https://www.barandbench.com/news/litigation/high-courts-section-482-powers-undermine-statutory-dictate-section-14-ibc-supreme-court>

- **Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Second Amendment) Regulations, 2021 (April 27, 2021)**

Insolvency and Bankruptcy Board of India (IBBI) vide its notification dated 27th April, 2021 amended the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016. The Amendment inter-alia provides that:

For an application received on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Second Amendment) Regulations, 2021 and ending on the 31st October 2021, if the authorisation for assignment is not issued, renewed or rejected by the Agency within thirty days of

the date of receipt of application, the authorisation shall be deemed to have been issued or renewed, as the case may be, by the Agency.

Where an application for issue of authorisation for assignment has been rejected by an insolvency professional agency, on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Second Amendment) Regulations, 2021 and ending on the 31st October, 2021, the applicant aggrieved of an order of rejection may appeal to the Membership Committee within thirty days from the date of receipt of order.

For details: <https://ibbi.gov.in/uploads/legalframework/cc46284330f773a4c2e4515c03d78d6d.pdf>

- **Supreme Court upholds provisions of Insolvency and Bankruptcy Code on insolvency of personal guarantors (May 21, 2021)**

The Supreme Court upheld provisions of the Insolvency and Bankruptcy Code (IBC) relating to insolvency of personal guarantors, that were brought into force in 2019 (*Insolvency and Bankruptcy Board of India v. Lalit Kumar Jain & Ors*). The Bench of Justices L Nageswara Rao and Ravindra Bhat delivered the judgment after the apex court transferred to itself petitions challenging a notification dated November 15, 2019, enforcing certain provisions of the IBC relating to insolvency of personal guarantors. Vide the 2019 notification, the Union Ministry of Corporate Affairs had brought into force the following provisions of the IBC insofar as they related to personal guarantors to corporate debtors:

- I. Clause (e) of Section 2;
- II. Section 78 (except with regard to fresh start process) and Sections 79;
- III. Sections 94 to 187 (both inclusive);
- IV. Clause (g) to Clause (i) of sub-section (2) of Section 239
- V. Clause (m) to Clause (zc) of sub-section (2) of Section 239;
- VI. Clause (zn) to Clause (zs) of sub-section (2) of Section 240; and
- VII. Section 249.

The notification had also enacted a number of Rules on the insolvency resolution process for personal guarantors to corporate debtors. The petitioners also sought that Sections 95, 96, 99, 100, 101 of the IBC be declared unconstitutional in so far as they apply to personal guarantors of corporate debtors. Writ petitions were filed in the Delhi High Court and other High Courts challenging the 2019 notification and the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process of Personal Guarantors to Corporate Debtors) Rules, 2019 as well as a number of similar Rules. The pending writ petitions challenged the constitutional validity of Part III of the IBC, which deals with insolvency resolution for individuals and partnership firms. The top court, while transferring all the petitions to itself in October last year, had stated that the IBC was at a nascent stage and that it was better for the Court to take up the interpretation of the provisions of the Code so as to avoid any confusion, and to authoritatively settle the law.

For details:

<https://www.barandbench.com/news/litigation/supreme-court-upholds-provisions-insolvency-and-bankruptcy-code-insolvency-personal-guarantors>

- **Book Review - Emergence of Commercial Justice Insolvency and Arbitration by Vivek Sood (May 27, 2021)**

The classic case of *Swiss Ribbons Pvt. Ltd. versus Union of India* paved way to our modern day IBC. The Supreme Court soon adopted a proactive judicial approach, thus infusing life into the system. Nowadays, a bankrupt management can no longer hold control once a petition is admitted by the National Company Law Tribunal (NCLT). Vivek Sood, Senior Advocate with the Supreme Court of India, has traced the arbitration procedure and how the law came into being in his recent book - *Emergence of Commercial Justice Insolvency and Arbitration* - published by Bloomsbury Professional India. The author goes on to explain the far-reaching ramifications that arose in a recent case where the meaning of the 'seat' of arbitration and its importance during proceedings came up, and how it was significant to determine the jurisdiction of the court over such proceedings.

For details:

<https://www.livelaw.in/book-reviews/book-review-emergence-of-commercial-justice-insolvency-and-arbitration-bloomsbury-professional-india-174802>

- **Wadhawan moves SC against NCLAT order (June 02, 2021)**

Dewan Housing Finance Ltd's erstwhile promoter Kapil Wadhawan has moved the Supreme Court, challenging the stay order passed by the National Company Law Appellate Tribunal (NCLAT) on his offer to lenders, according to two people aware of the matter. The NCLAT last week stayed the ruling of the National Company Law Tribunal (NCLT), which had directed lenders of Dewan Housing Finance Corporation Ltd. (DHFL) to consider Wadhawan's settlement offer of ₹91,000 crore. "Wadhawan appealed in the Supreme Court on Monday evening. Date for hearing the case is not known yet," said one of the persons cited above. Last week, the committee of creditors (CoC) led by Union Bank, and the Reserve Bank of India-appointed administrator filed separate applications challenging the Mumbai bench of the NCLT that asked them to evaluate the offer by Wadhawan in the next 10 days.

For details:

<https://www.livemint.com/companies/news/wadhawan-moves-sc-against-nclat-order-11622577474765.html>

- **NCLT questions haircut taken by Videocon Industries creditors (June 15, 2021)**

The Mumbai bench of the National Company Law Tribunal (NCLT) has questioned the haircut that creditors have to take in the Videocon Industries Ltd's (VIL) resolution plan. The resolution applicant was paying close to the liquidation value to acquire the company, the tribunal noted in the order approving the resolution plan submitted by Anil Agarwal's Twin Star Technologies. The consolidated resolution amount for 13 companies offered by Twin Star stands at ₹2,962 crore against the admitted claims of ₹64,838 crore. This accounts for only 4.15% of the total outstanding claim and a total haircut of 95.85% to all the creditors. NCLT observed that "Even if the confidentiality clause is in existence, in view of the facts and circumstances as discussed above, a

doubt arises upon the confidentiality clause being in real-time use. Therefore, we request the Insolvency and Bankruptcy Board of India to examine this issue in depth to ensure that the confidentiality clause is followed scrupulously, without any compromise in letter and spirit by all the concerned parties and entities connected in the corporate insolvency resolution process". While approving the resolution, the NCLT said the resolution applicant should increase the payout to operational creditors, especially micro, small and medium enterprises.

For details:

<https://www.livemint.com/companies/news/nclt-questions-vedanta-s-bid-value-for-videocon-firm-to-delist-as-part-of-resolution-11623765692793.html>

- **NCLT clears Kalrock-Jalan resolution plan for Jet Airways with riders (June 23, 2021)**

The National Company Law Tribunal (NCLT) has cleared the Kalrock-Jalan plan to revive Jet Airways, while rejecting the consortium's demand for historicity of airport slots. The Naresh Goyal-founded airline was shut down in April 2019 under heavy debt. The tribunal order comes exactly two years after the start of the insolvency proceedings. Jet is the first airline to see resolution under the Insolvency and Bankruptcy Code (IBC). Even as the order paves the way for the grounded airline's revival, the resumption of operations hinges on negotiations between the consortium and the government on the issue of airport slots.

For details:

https://www.business-standard.com/article/companies/jet-airways-resolution-plan-approved-by-nclt-with-riders-121062200702_1.html

- **Suraksha group beats NBCC India in close race to buy Jaypee Infratech (June 24, 2021)**

The bidding race for Jaypee Infratech ended in a photo finish on Wednesday, with the Suraksha group's resolution plan winning 98.66 per cent of the committee of creditors' (CoC) votes and NBCC India receiving 98.54 per cent of the votes. Both plans were put up for voting separately, and the tight result is leading to speculation that NBCC may move court again.

For details:

https://www.business-standard.com/article/companies/suraksha-group-beats-nbccindia-in-close-race-for-jaypee-infratech-121062301561_1.html

Direct Tax

Info Capsule Series 7

- **CBDT notifies 'Norfund, Government of Norway' as sovereign wealth fund (Notification No. 33 dated April 19, 2021)**

The Central Government specifies the sovereign wealth fund, namely, the Norfund, Government of Norway, (hereinafter referred to as "the assessee") as the specified person for the purposes of sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961, in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 subject to the fulfilment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_33_2021.pdf

- **Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Dividend income (Notification No. 1 dated April 20, 2021)**

The Central Board of Direct Taxes (CBDT) notified the Format, Procedure, and Guidelines for submission of Statement of Financial Transactions (SFT) for Dividend income. Section 285BA of the Income Tax Act, 1961 and Rule 114E requires specified reporting persons to furnish SFT.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_1_2021_dividend_income.pdf

- **Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Interest income (Notification No. 2 dated April 20, 2021)**

The Central Board of Direct Taxes (CBDT) notified the Format, Procedure, and Guidelines for submission of Statement of Financial Transactions (SFT) for Interest income. Section 285BA of the Income Tax Act, 1961 and Rule 114E requires specified reporting persons to furnish SFT.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_2_2021_interest_income.pdf

- **CBDT notifies 'Canada Pension Plan Investment Board' u/s 10(23FE) of the Income Tax Act, 1961 (Notification No. 34 dated April 22, 2021)**

The Central Government hereby specifies the pension fund, namely, the Canada Pension Plan Investment Board, (hereinafter referred to as "the assessee") as the specified person for the purposes of sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_34_2021.pdf

- **CBDT notifies 'Canada Pension Plan Investment Board Private Holdings (4) Inc' u/s 10(23FE) of the Income Tax Act, 1961 [Notification No. 35 dated April 22, 2021]**

The Central Government hereby specifies 'Canada Pension Plan Investment Board Private Holdings (4) Inc', as the specified person for the purposes of sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of Income-tax Act, 1961 in respect of the eligible investment made by it in India on or after 22nd April 2021 but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_35_2021.pdf

- **Government extends certain timelines in light of the Raging Pandemic (PIB dated April 24, 2021)**

In the light of several representations received and to address the hardship being faced by various stakeholders, the Central Government has decided to extend the time limits to 30th June, 2021 in the following cases where the time limit was earlier extended to 30th, April 2021 through various notifications issued under the Taxation and Other Laws (Relaxation) and Amendment of Certain Provisions Act, 2020, namely:

- (i) Time limit for passing of any order for assessment or reassessment under the Income-tax Act, 1961, the time limit for which is provided under section 153 or section 153B thereof;
- (ii) Time limit for passing an order consequent to direction of DRP under subsection (13) of section 144C of the Act;
- (iii) Time limit for issuance of notice under section 148 of the Act for reopening the assessment where income has escaped assessment;
- (iv) Time Limit for sending intimation of processing of Equalisation Levy under sub-section (1) of section 168 of the Finance Act 2016. It has also been decided that time for payment of amount payable under the Direct Tax Vivad se Vishwas Act, 2020, without an additional amount, shall be further extended to 30th June, 2021.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1713723>

- **CBDT notifies Income-tax (11th Amendment) Rules, 2021 (dated April 26, 2021)**

The Central Board of Direct Taxes 'CBDT' vide Notification No. 37/2021 issued the Income-tax (11th Amendment) Rules, 2021 to further amend the Income-tax Rules, 1962 ("Income-tax Rules") with regard to conditions to be satisfied by the Pension Fund, in a following manner :

- Inserted a proviso to Rule 2DB(ii) with respect to condition of assets being administered or invested by Pension Fund as mention in clause (ii) shall deemed to be satisfied if certain condition specified therein are satisfied.
- Inserted a second proviso to Rule 2DB(iii) of the Income-tax Rules stating that provisions of clause (iii) shall not apply to earnings from assets referred in clause (ii), if the earning are credited either to the account of the Government of foreign country or to any other account designated by such Government so that no portion of the earnings inures any benefit to any private person.
- Substituted Form No. 10BBA (Application for notification under Explanation 1(c)(iv) to Section 10(23FE) of the Income-tax Act, 1961)

For details: https://incometaxindia.gov.in/communications/notification/notification_37_2021.pdf

- **Government extend the time for payment under Vivad se Vishwas scheme to June 30, 2021 (Notification No. 39 dated April 27, 2021)**

Government extends time for payment of amount payable under the Direct Tax Vivad se Vishwas Act, 2020, without an additional amount, to 30th June, 2021 vide Notification No. 39/2021-Income Tax, Dated: 27th April, 2021.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_39_2021.pdf

- **Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Depository Transactions (Notification No. 3 dated April 30, 2021)**

Section 285BA of the Income Tax Act, 1961 and Rule 114E requires specified reporting persons to furnish statement of financial transaction (SFT). For the purposes of prefilling the return of income, CBDT has issued Notification No. 16/2021 dated 12.03.2021 to include reporting of information relating to Capital gains on transfer of listed securities or units of Mutual Funds. The new sub rule 5A of rule 114E specifies that the information shall be furnished in such form, at such frequency, and in such manner, as may be specified. Accordingly, the guidelines for preparation and submission of Statement of Financial Transactions (SFT) information, format of control statement to be submitted by the Designated Director and data structure and validation rules have been prescribed.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification-3_2021_depository_transaction.pdf

- **Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Mutual Fund Transactions by Registrar and Share Transfer Agent (Notification No. 4 dated April 30, 2021)**

Section 285BA of the Income Tax Act, 1961 and Rule 114E requires specified reporting persons to furnish statement of financial transaction (SFT). For the purposes of prefilling the return of income, CBDT has issued Notification No. 16/2021 dated 12.03.2021 to include reporting of information relating to Capital gains on transfer of units of Mutual Funds. The new sub rule 5A of rule 114E specifies that the information shall be furnished in such form, at such frequency, and in such manner, as may be specified. Accordingly, the guidelines for preparation and submission of Statement of Financial Transactions (SFT) information, format of control statement to be submitted by the Designated Director and data structure and validation rules have been prescribed.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_4_2021_mutual_fund_transaction.pdf

- **Income Tax (12th Amendment) Rules, 2021 (Notification No. 40 dated April 30, 2021)**

The Central Board of Direct Taxes vide its notification dated 30th April 2021 has published the Income tax (12th Amendment) Rules, 2021 through which it has notified new rule 44DA which prescribes the manner for making application to withdraw pending application filed before Settlement Commission.

As per the new rule, the exercise of the option by an assessee to withdraw his pending application under sub-section (1) of section 245M shall be in Form No. 34BB and it shall be verified by the person who is authorised to verify the return of income of the assessee. Further the form 34BB shall be furnished electronically in accordance with the procedures, formats and standards specified by the Principal Director-General of Income tax (Systems) or Director General of Income tax (Systems), as the case may be, and thereafter signed printout of the said form shall be uploaded in

the manner specified by the Principal Director General of Income-tax (Systems) or Director General of Income tax (Systems).

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_%2040_2021.pdf

- **Extension of time lines related to certain compliances by the Taxpayers under the Income Tax Act, 1961 (Circular No. 08 dated April 30, 2021)**

In view of severe pandemic, the Central Board of Direct Taxes provides following relaxation in respect of Income tax compliances by the taxpayers:

- i) Filing Belated Return and Revised Return for AY 2020-21 (FY 2019-20) - Extended to 31st May, 2021 (which ended on 31st March, 2021).
- ii) Filing SFT (Form 61) extended to 31st May, 2021 (where the due date was 30th April, 2021).
- iii) Return filed in response to 148 of the Income Tax Act - where return of income had to be filed on or after 1st April, 2021 - can now be filed upto 31st May, 2021.
- iv) Relaxation of Filing Appeal dates for Appeals to CIT (Appeals) extended to 31st May, 2021 (where such last date was 1st April, 2021 or after).
- v) Payments of TDS deducted u/s 194IA, 194IB and 194M and filing of challan-cum-statement on the same may be furnished on or before 31st May, 2021 (earlier date 30th April, 2021).
- vi) Objections to Dispute Resolution Panel (DRP) for which the last date of filing is 1st April 2021 or thereafter, may be filed within the time provided under that Section or by 31st May 2021, whichever is later.

For details:

https://www.incometaxindia.gov.in/communications/circular/circular_no_8_2021.pdf

- **Thresholds for the purposes of Significant Economic Presence - Rule 11UD (Notification No. 41 dated May 03, 2021)**

The Central Board of Direct Taxes has notified the Income-tax (13th Amendment) Rules, 2021 which shall come into force from 1st April 2022. Through this amendment a new rule 11UD has been inserted which notifies the threshold for significant economic presence.

As per the new rule, for the thresholds “the amount of aggregate of payments arising from transaction or transactions in respect of any goods, services or property carried out by a non-resident with any person in India, including provision of download of data or software in India during the previous year, shall be two crore rupees.” Further, the number of users with whom systematic and continuous business activities are solicited or who are engaged in interaction shall be three lakhs.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_41_2021.pdf

- **CBDT notifies Amendment in Rule 114AAB and Form No. 49BA [Notification No. 42, dated May 4, 2021]**

CBDT relaxes PAN requirement for a non-resident eligible foreign investor making transaction only in a capital asset listed on a recognised stock exchange located in any IFSC and consideration paid in Foreign Currency.

For details: <https://egazette.nic.in/WriteReadData/2021/226833.pdf>

- **Government notifies "Caisse de dépôt et placement du Québec" as Pension Fund Section 10(23EE) [Notification No. 43, dated May 4, 2021]**

CBDT notifies pension fund, namely, the Caisse de dépôt et placement du Québec under sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income Tax Act, 1961 in respect of the eligible investment made by it in India on or after 4th May 2021 but on or before the 31st day of March, 2024 subject to the fulfillment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_43_2021.pdf

- **Government notifies "CDPQ Infrastructures Asia III Inc." as Pension Fund Section 10(23EE) [Notification No. 44, dated May 4, 2021]**

CBDT notifies pension fund, namely, 'CDPQ Infrastructures Asia III Inc'. under sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income Tax Act, 1961 in respect of the eligible investment made by it in India on or after 4th May 2021 but on or before the 31st day of March, 2024 subject to the fulfillment of the certain conditions.

For details: <https://egazette.nic.in/WriteReadData/2021/226839.pdf>

- **Government notifies "Ivanhoe Logistics India Inc." as Pension Fund Section 10(23EE) [Notification No. 45, dated May 4, 2021]**

CBDT notifies pension fund, namely, 'Ivanhoe Logistics India Inc.' under sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income Tax Act, 1961 in respect of the eligible investment made by it in India on or after 4th May 2021 but on or before the 31st day of March, 2024 subject to the fulfillment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_45_2021.pdf

- **Government notifies ‘CDPQ Fixed Income XI Inc.’ as pension fund Section 10(23EE) [Notification No. 46, dated May 4, 2021]**

CBDT notifies pension fund, namely, ‘Ivanhoe Logistics India Inc.’ under sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income Tax Act, 1961 in respect of the eligible investment made by it in India on or after 4th May 2021 but on or before the 31st day of March, 2024 subject to the fulfillment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_46_2021.pdf

- **CBDT notifies rules for LTC Cash Voucher Scheme [Notification No. 50, dated May 5, 2021]**

CBDT notifies rules for LTC (Leave Travel Concession) Cash Voucher Scheme [Section 10(5)] vide which LTC Exemption of Rs. 36,000 per family member For FY 2020-21 available to Employees of Both Private & Government Sector. Rules are notified by inserting Sub-Rule 1A & IB in Rule 2B of Income Tax Rules as follows:

Sub-Rule 1A: For the assessment year beginning on the 1st day of April, 2021, where the individual avails any cash allowance from his employer in lieu of any travel concession or assistance, the amount exempted shall be the amount, not exceeding thirty-six thousand rupees per person, for the individual and the member of his family, or one-third of the specified expenditure, whichever is less, subject to fulfilment of the certain conditions.

Sub-Rule 1B: Where an exemption is claimed and allowed, shall have effect as if for the words “two journeys”, the words “one journey” has been substituted.”

For details: <https://egazette.nic.in/WriteReadData/2021/226843.pdf>

- **CBDT notifies “the Bricklayers Investment Pte. Ltd.” as Sovereign Wealth Fund [Notification No. 51, dated May 5, 2021]**

The Central Government hereby specifies the Sovereign Wealth Fund, namely, the Bricklayers Investment Pte. Ltd., (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income Tax Act, 1961 in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfilment of the certain conditions.

For details: <https://egazette.nic.in/WriteReadData/2021/226850.pdf>

- **CBDT notifies "the Anahera Investment Pte. Ltd." as Sovereign Wealth Fund [Notification No. 52, dated May 5, 2021]**

The Central Government hereby specifies the Sovereign Wealth Fund, namely, the Anahera Investment Pte. Ltd., (hereinafter referred to as "the assessee") as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income Tax Act, 1961 in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions.

For details: <https://egazette.nic.in/WriteReadData/2021/226851.pdf>

- **CBDT notifies "the Dagenham Investment Pte. Ltd." as Sovereign Wealth Fund [Notification No. 53, dated May 5, 2021]**

The Central Government hereby specifies the Sovereign Wealth Fund, namely, the Dagenham Investment Pte. Ltd., (hereinafter referred to as "the assessee") as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income Tax Act, 1961 in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions.

For details: <https://egazette.nic.in/WriteReadData/2021/226852.pdf>

- **CBDT notifies "the Stretford Investment Pte. Ltd." as Sovereign Wealth Fund [Notification No. 54, dated May 5, 2021]**

The Central Government hereby specifies the Sovereign Wealth Fund, namely, the Stretford Investment Pte. Ltd., (hereinafter referred to as "the assessee") as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income Tax Act, 1961 in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions.

For details: <https://egazette.nic.in/WriteReadData/2021/226853.pdf>

- **CBDT notifies "Chiswick Investment Pte. Ltd." as Sovereign Wealth Fund [Notification No. 55, dated May 5, 2021]**

The Central Government hereby specifies the Sovereign Wealth Fund, namely, the Chiswick Investment Pte. Ltd., (hereinafter referred to as "the assessee") as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income Tax Act, 1961 in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions.

For details: <https://egazette.nic.in/WriteReadData/2021/226854.pdf>

- **Notification No. 56 (May 07, 2021)**

The Central Government, in exercise of powers conferred by clause (iii) of Proviso to Section 269ST of the Income-tax Act, 1961, hereby specifies Hospitals, Dispensaries, Nursing Homes, Covid Care Centres or similar other medical facilities providing Covid treatment to patients for the purpose of Section 269ST of the Income-tax Act, 1961 for payment received in cash during April 01, 2021 to May 31, 2021, on obtaining the PAN or AADHAAR of the patient and the payee and the relationship between the patient and the payee by such Hospitals, Dispensaries, Nursing Homes, Covid Care Centres or similar other medical facilities.

For details: <https://egazette.nic.in/WriteReadData/2021/226922.pdf>

- **Notification No. 60 (May 11, 2021)**

The Central Government, in consultation with the Chief Justice of the Gauhati High Court, hereby designates the Court of Munsiff No. 3-cum-Judicial Magistrate, First Class, Kamrup (M), Guwahati as the Special Court for the States of Assam, Nagaland, Mizoram and Arunachal Pradesh for the purposes of section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

For details: <https://www.egazette.nic.in/WriteReadData/2021/226971.pdf>

- **Notification No. 61 (May 11, 2021)**

The Central Government, in consultation with the Chief Justice of the High Court of Tripura, hereby designates the Court of the Additional Chief Judicial Magistrate, West Tripura as the Special Court for the State of Tripura for the purposes of section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

For details: <https://www.egazette.nic.in/WriteReadData/2021/226972.pdf>

- **Notification No. 62 (Dated May 13, 2021)**

The Central Government hereby specifies the sovereign wealth fund, namely, the CDC Group Plc., (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfilment of the certain conditions

For details: https://incometaxindia.gov.in/communications/notification/notification_62_2021.pdf

- **Notification No. 63 (Dated May 13, 2021)**

The Central Government hereby specifies the sovereign wealth fund, namely, the Ministry of Economy and Finance (of the Republic of Korea), (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfilment of the certain conditions.

For details: https://incometaxindia.gov.in/communications/notification/notification_63_2021.pdf

- **Notification No. 64 (Dated May 13, 2021)**

The Central Government hereby specifies the pension fund, namely, the Public Sector Pension Investment Board, (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43of 1961) in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfillment of the certain conditions.

For details: https://incometaxindia.gov.in/communications/notification/notification_64_2021.pdf

- **Notification No. 65 (Dated May 13, 2021)**

The Central Government hereby specifies the pension fund, namely, the Government Employees Superannuation Board, (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfillment of the certain conditions

For details: https://incometaxindia.gov.in/communications/notification/notification_65_2021.pdf

- **Notification No. 66 (Dated May 13, 2021)**

The Central Government hereby specifies the pension fund, namely, the OMERS Administration Corporation, (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 196 1 (43 of 1961) in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “said investments”) subject to the fulfillment of the certain conditions

For details: https://incometaxindia.gov.in/communications/notification/notification_66_2021.pdf

- **Notification No. 67 (Dated May 17, 2021)**

The Central Government hereby specifies the pension fund, namely, the Indo-Infra Inc., (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the March 31, 2024 (hereinafter referred to as “said investments”) subject to the fulfillment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_67_2021.pdf

- **Extension of time limits of certain compliances to provide relief to taxpayers in view of the severe pandemic (Circular No. 9 dated May 20, 2021)**

<i>Sr. No.</i>	<i>Particulars</i>	<i>Year</i>	<i>Earlier Due Date</i>	<i>Revised Due Dates</i>
1.	Statement of Financial Transactions (SFT)	Financial Year 2020-21	31st May, 2021 under Rule 114E	30th June 2021
2.	Statement of Reportable Account	Calendar Year 2020	31st May 2021 under Rule 114G	30th June 2021
3.	Statement of Deduction of Tax	last quarter of the Financial Year 2020-21	31st May 2021 under Rule 31A	30th June 2021
4.	Certificate of Tax Deducted at Source in Form No 16	Financial Year 2020-21	15th June 2021 under Rule 31	15th July, 2021
5.	TDSITCS Book Adjustment Statement in Form No 24G	For the month of May 2021	15th June 2021 under Rule 30 and Rule 37CA	30th June 2021

6.	Statement of Deduction of Tax from contributions paid by the trustees of an approved superannuation fund	Financial Year 2020-21	31st May 2021 under Rule 33	30th June 2021
7.	Statement of Income paid or credited by an investment fund to its unit holder in Form No 64D	Previous Year 2020-21	15th June, 2021	30th June 2021
8.	Statement of Income paid or credited by an investment fund to its unit holder in Form No 64C	Previous Year 2020-21	30th June, 2021 under Rule 12CB	15th July, 2021
9.	Due date of furnishing of Return of Income	Assessment Year 2021-22	31st July 2021 under sub-section (1) of section 139	30th September 2021
10.	Due date of furnishing of Report of Audit under any provision of the Income Tax Act	Previous Year 2020-21	30th September 2021	31st October, 2021
11.	Due date of furnishing Report from an Accountant by persons entering into international transaction or specified domestic transaction under section 92E of the Income Tax Act	Previous Year 2020-21	31st October, 2021	30th November, 2021

12.	Due date of furnishing of Return of Income	Assessment Year	2021-22	31st October 2021 under Sub-section (1) of section 139	30th November, 2021
13.	Due date of furnishing of Return of Income	Assessment Year	2021-22	30th November 2021 under Sub-section (1) of section 139	31st December, 2021
14.	Due date of furnishing of belated/ revised Return of Income	Assessment Year	2021-22	31st December, 2021 under sub-section (4)/sub-section (5) of section 139	31st January, 2022

Clarification 1 : It is clarified that the extension of the dates as referred to in clauses (9), (12) and (13) above shall not apply to Explanation 1 to section 234A of the Act, in cases where the amount of tax on the total income as reduced by the amount as specified in clauses (i) to (vi) of sub-section (1) of that section exceeds one lakh rupees.

Clarification 2 : For the purpose of Clarification 1, in case of an individual resident in India referred to in sub-section (2) of section 207 of the Act, the tax paid by him under section 140A of the Act within the due date (without extension under this Circular) provided in that Act, shall be deemed to be the advance tax.

For Details:

https://www.incometaxindia.gov.in/communications/circular/circular_9_2021.pdf

- **Procedure for exercise of option under sub-section (1) of section 245M and intimation thereof by furnishing and upload of Form No. 34BB under sub-rule (1) of Rule 44DA of Income-tax Rules, 1962 (Notification No. 5 dated May 24, 2021)**

The Director General of Income Tax (Systems) hereby specify the following procedures : 1. Furnishing and upload of Form No. 34BB to exercise option under sub-section (1) of section 245M - 2 step procedure 2. Viewing submitted Forms 3. Submission to the Assessing Officer

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_no_5_2021.pdf

- **Clarification regarding the limitation time for filing of appeals before the CIT (Appeals) under the Income-tax Act, 1961 (the Act) [Circular No. 10 dated May 25, 2021]**

The Central Board of Direct Taxes 'CBDT' has issued Circular No. 8 of 2021 on 30th April 2021 providing various relaxations till 31st May 2021 including extending time for filing the appeals before CIT (Appeals). At the same time, the Hon'ble Supreme Court vide order dated 27th April 2021 in Suo Motu Writ Petition (Civil) No. 3 of 2020 restored the order dated 23rd March, 2020 and in continuation of the order dated 8th March, 2021 directed that the period(s) of limitation, as prescribed under any General or Special Laws in respect of all judicial or quasi-judicial proceedings, whether condonable or not, shall stand extended till further orders. CBDT clarifies that if different relaxations are available to the taxpayers for a particular compliance, the taxpayer is entitled to the relaxation which is more beneficial to him.

For details: https://www.incometaxindia.gov.in/communications/circular/circular_10_2021.pdf

- **Income-tax (16th Amendment) Rules, 2021 [Notification No. 68 dated May 24, 2021]**

The Central Board of Direct Taxes on 24th May 2021 has published the Income-tax (16th Amendment) Rules, 2021 which has notified a new rule for computation of fair value of capital assets in slump sale. As per the Amendment a new rule 11UAE has been inserted which provides two formulae for calculation of fair market value of the capital asset. The FMV1 shall be the fair market value of the capital assets transferred by way of slump sale determined and FMV2 shall be the fair market value of the consideration received or accruing as a result of transfer by way of slump sale

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_68_2021.pdf

- **Notification No. 70/2021 u/s 35(1)(ii)/(iii) of the Income-tax Act, 1961 in the case of M/s Indian Institute of Technology (IIT), Bhilai (June 08, 2021)**

The Central Government hereby approves M/s Indian Institute of Technology, Bhilai (PAN: AABAI0415K) under the category of 'University, College or other institution' for Scientific Research and Research in Social Science and Statistical Research for the purposes of clauses (ii) and (iii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_70_2021.pdf

- **Income-tax (17th Amendment) Rules, 2021 (June 08, 2021)**

The Central Board of Direct Taxes (CBDT) notified the Income Tax (17th Amendment) Rules, 2021 which further amends the Income Tax Rules, 1962.

As per the notification the deductor at the time of preparing statements of tax deducted shall furnish particulars of amount paid or credited on which tax was not deducted or deducted at lower rate in view of the notification issued under sub-section (5) of section 194A or in view of exemption provided under clause (x) of sub-section (3) of section 194A.

The deductor at the time of preparing statements of tax deducted shall furnish particulars of amount paid or credited on which tax was not deducted in view of clause (d) of the second proviso to section 194 or in view of the notification issued under clause (e) of the second proviso to section 194.

The notification mandates the deductor at the time of preparing statements of tax deducted to furnish particular amounts paid or credited on which tax was not deducted in view of proviso to subsection (1A) or in view of sub-section (2) of section 196D.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_71_2021.pdf

- **Notification No. 72/2021 (June 09, 2021)**

The Central Government hereby notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, 'Competition Commission of India' (PAN AAAGC0012M), a Commission established under sub-section (1) of Section 7 of the Competition Act, 2002, in respect of certain specified income arising to the said Commission and subject to fulfilment of certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_72_2021.pdf

- **Cost Inflation Index for FY 2021-22 (Notification No. 73 dated June 15, 2021)**

The Central Board of Direct Taxes (CBDT) has notified the cost inflation index (CII) for FY 2021-22 as "317" via a notification dated June 15, 2021. CII is used to calculate the inflation adjusted cost price of an asset. The inflation adjusted price then is used to arrive at long term capital gains or long-term losses.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_73_2021.pdf

- **CBDT issues functionality for Compliance Check for Sections 206AB & 206CCA (Circular No. 11 dated June 21, 2021)**

Section 206AB contains the special provisions for (TDS) deduction of tax at source for nonfilers of the income tax return, whereas, section 206CCA provides for special provision for (TCS) collection of tax at source for non-filers of the income tax return. Section 206AB & section 206CCA inserted in the Income-tax Act, 1961 via Finance Act, 2021 will be effective from the 1st day of July, 2021.

According to the interpretation of the new sections, the tax deductor or the tax collector is required to do a due diligence to check whether the deductee or the collectee is a specified person. This is a compliance burden on the part of such tax deductor or the tax collector. To ease this compliance burden, the CBDT has issued a new functionality called “Compliance Check for Sections 206AB & 206CCA”. Through this functionality, tax deductor or the collector can feed the single PAN (PAN search) or multiple PANs (bulk search) of the deductee or collectee and can get a response from the functionality if such deductee or collectee is a specified person or not.

For details: https://www.incometaxindia.gov.in/communications/circular/circular_11_2021.pdf

- **Government grants further extension in timelines of compliances & also announces tax exemption for expenditure on COVID-19 treatment and ex-gratia received on death due to COVID-19 (PIB dated June 25, 2021)**

The Government has granted further extension of timelines of compliances under Income Tax Act. It has also announced tax exemption for expenditure on COVID-19 treatment and ex-gratia received on death due to COVID-19. The details are as follows:

A. Tax exemption

- I. Many taxpayers have received financial help from their employers and well wishers for meeting their expenses incurred for treatment of Covid-19. In order to ensure that no income tax liability arises on this account, it has been decided to provide income-tax exemption to the amount received by a taxpayer for medical treatment from employer or from any person for treatment of Covid19 during FY 2019-20 and subsequent years.
- II. Unfortunately, certain taxpayers have lost their life due to Covid-19. In order to provide relief to the family members of such taxpayer, it has been decided to provide income-tax exemption to ex-gratia payment received by family members of a person from the employer of such person or from other person on the death of the person on account of Covid-19 during FY 2019-20 and subsequent years. The exemption shall be allowed without any limit for the amount received from the employer and the exemption shall be limited to Rs. 10 lakh in aggregate for the amount received from any other persons.

B. Extension of Timelines

<i>Sr. No.</i>	<i>Particulars</i>	<i>Extended Due Date</i>
1.	Objections to Dispute Resolution Panel (DRP) and Assessing Officer under section 144C of the Act	31 st August, 2021
2.	The Statement of Deduction of Tax for the last quarter of the Financial Year 2020-21	15th July, 2021
3.	The Certificate of Tax Deducted at Source in Form No.16	31st July, 2021
4.	The Statement of Income paid or credited by an investment fund to its unit holder in Form No. 64D for the Previous Year 2020-21	15th July, 2021
5.	The Statement of Income paid or credited by an investment fund to its unit holder in Form No. 64C for the Previous Year 2020-21	31st July, 2021
6.	The application under Section 10(23C), 12AB, 35(1) (ii)/(iia)/(iii) and 80G of the Act in Form No. 10A / Form No.10AB for registration / provisional registration/ intimation / approval / provisional approval of Trusts / Institutions / Research Associations etc.	31st August, 2021
7.	The compliances to be made by the taxpayers such as investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, for the purpose of claiming any exemption under the provisions contained in Section 54 to 54GB of the Act	30th September, 2021
8.	The Quarterly Statement in Form No. 15CC to be furnished by authorized dealer in respect of remittances made for the quarter ending on 30th June, 2021	31st July, 2021

9.	The Equalization Levy Statement in Form No.1 for the Financial Year 2020-21	31st July, 2021
10.	The Annual Statement required to be furnished under sub-section (5) of section 9A of the Act by the eligible investment fund in Form No. 3CEK for the Financial Year 2020-21	31st July, 2021
11.	Uploading of the declarations received from recipients in Form No. 15G/15H during the quarter ending on 30th June, 2021	31st August, 2021
12.	Exercising of option under sub-section (1) of Section 245M of the Act in Form No. 34BB	31st July, 2021
13.	Last date of linkage of Aadhaar with PAN under section 139AA of the Act	30th September, 2021
14.	Last date of payment of amount under Vivad se Vishwas (without additional amount)	31st August, 2021
15.	Last date of payment of amount under Vivad se Vishwas (with additional amount)	31st October, 2021
16.	Time Limit for passing assessment order	30th September, 2021
17.	Time Limit for passing penalty order	30th September
18.	Time Limit for processing Equalisation Levy returns	30th September

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1730355>

Indirect Taxes

Info Capsule Series 7

- **GST officers to soon have real-time data on vehicles moving without e-way (April 19, 2021)**

The government is working on a system to soon provide report to GST officers on a realtime basis for those vehicles which are moving without e-way bills, to help intercept stuck trucks at toll plazas and check GST evasion. The tax officers would also be provided analysis reports on identifying e-way bill with no movement of goods as it would help officials identifying cases of circular trading.

For details:

https://www.business-standard.com/article/economy-policy/gst-officers-to-soon-havereal-time-data-on-vehicles-moving-without-e-way-121041800453_1.html

- **CBIC Advisory on implementation of PMT-03 to re-credit the ITC sanctioned as refund (April 20, 2021)**

The CBIC issued advisory w.r.t. implementation of PMT03 to re-credit the ITC sanctioned as refund. Kind reference is invited to the notification No.16/2020- Central Tax dated 23.03.2020, vide which sub-Rule (4A) has been inserted in Rule 86 of the CGST Rules, 2017 and Para 4 of the Circular No 135/05/2020 dated 31.03.2020, wherein the procedure for refund of tax paid on supplies, other than zero rated supplies was provided.

For details:

<https://taxguru.in/goods-and-service-tax/implementation-pmt-03-re-credit-itc-sanctioned-refund.html>

- **Exemption of Customs duty and health cess on import of Oxygen and Oxygen related equipment and COVID-19 vaccines - Notification No. 28/2021 - Customs (April 24, 2021)**

CBIC has notified the exemption of customs duty and health cess on import of oxygen, oxygen related equipment and COVID-19 vaccines, up to July 31, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/cs28-2021.pdf>

- **CBIC has allowed to furnish the return in Form GSTR-3B and details of outward supplies in Form GSTR-1 verified through electronic verification code (EVC) - Notification No. 07/2021 - Central Tax (April 27, 2021)**

The government notified the Central Goods and Services Tax (Second Amendment) Rules, 2021 which seeks to amend CGST Rules, 2017. A registered person registered under the provisions of the Companies Act, 2013, during the period from April 27, 2021 to May 31, 2021, will be allowed to furnish the return under section 39 in FORM GSTR-3B and the details of outward supplies under section 37 in FORM GSTR-1 or using invoice furnishing facility, verified through electronic verification code (EVC).

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-07-central-tax-english-2021.pdf>

- **Goods and Services Tax • GST Collection for April of Rs. 1,41,384 Crores sets new record (May 01, 2021)**

The gross GST revenue collected in the month of April, 2021 is at a record high of Rs. 1,41,384 crore of which CGST is Rs. 27,837 crore, SGST is Rs. 35,621, IGST is Rs. 68,481 crore and Cess is Rs. 9,445 crore. Despite the second wave of COVID-19 pandemic affecting several parts of the country, Indian businesses have once again shown remarkable resilience by not only complying with the return filing requirements but also paying their GST dues in a timely manner during the month.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1715314>

- **Government seeks to provide relief by lowering of interest rate for the month of March and April, 2021 - Notification No. 08/2021 - Central Tax (May 01, 2021)**

Particulars	Tax Period	Interest Relief from the due date
Aggregate Turnover > 5 crores in preceding FY (Monthly Returns)	March 2021	First 15 days: 9%
	April 2021	After 15 days: 18%
Aggregate Turnover < 5 crores in preceding FY (Quarterly Returns, Monthly Payments)	March 2021	First 15 days: Nil
	April 2021	Next 15 days: 9% After 30 days: 18%
Composition Scheme	Quarter Ending March 2021	First 15 days: Nil
		Next 15 days: 9%
		After 30 days: 18%

This notification shall come into effect from the April 18, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-08-central-tax-english-2021.pdf>

- **Waiver of Late Fees for filing Form GSTR -3B - Notification No. 09/2021 - Central Tax (May 01, 2021)**

No late fees will be charged if the return Form GSTR - 3B is filed within 30 days of the original due date for the quarter ending March 31, 2021. This notification shall come into effect from the April 20, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-09-central-tax-english-2021.pdf>

- **Extension in the due date for filing Form GSTR-4 - Notification No. 10/2021 - Central Tax (May 01, 2021)**

The due date for filing Form GSTR-4 for financial year 2020-21 is extended up to May 31, 2021. This notification shall come into effect from the April 30, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-10-central-tax-english-2021.pdf>

- **Extension in the due date for filing Form ITC-04 - Notification No. 11/2021 - Central Tax (May 01, 2021)**

This notification seeks to extend the due date for furnishing of Form ITC-04 for the period Jan-March, 2021 till May 31, 2021. This notification shall come into effect from the April 25, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-11-central-tax-english-2021.pdf>

- **Extension in the due date for filing Form GSTR -1 - Notification No. 12/2021 - Central Tax (May 01, 2021)**

This notification seeks to extend the due date for furnishing of Form GSTR -1 for the tax period April, 2021 till May 26, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-12-central-tax-english-2021.pdf>

- **Third Amendment (2021) to CGST Rules - Notification No. 13/2021 - Central Tax (May 01, 2021)**

A registered person may furnish details, for the month of April, 2021, using IFF from the 1st day of May 01, 2021 till May 28, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-13-central-tax-english-2021.pdf>

- **Extension of specified compliances - Notification No. 14/2021 - Central Tax (May 01, 2021)**

In view of the spread of pandemic COVID-19 across many parts of India the time limit for completion or compliance of any action, by any authority or by any person, has been specified in, or prescribed or notified under the said Act, which falls during the period from the April 15, 2021 to May 30, 2021, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall be extended upto the May 31, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-14-central-tax-english-2021.pdf>

- **Ad hoc Exemption from IGST on imports of specified COVID-19 relief material donated from abroad (May 03, 2021)**

In view of the COVID-19 pandemic, the Central Government has issued notifications exempting Basic Customs Duty and / or Health cess on imports of a number of COVID19 related relief materials, for a limited period. These include-Remdesivir injection / API and Beta Cyclodextrin (SBEBDC), Inflammatory diagnostic (markers) kits and Medical grade Oxygen, oxygen therapy related equipment such as oxygen concentrators, cryogenic transport tanks, etc., and COVID-19 vaccines. The Central Government has granted exemption from IGST on import of such goods received free of cost for free distribution for covid relief. This exemption shall apply till June 30, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/AdHoccs04-2021.pdf>

- **Exempting COVID vaccines from GST will be counterproductive, lead to price increase: FM Sitharaman tells Mamata Banerjee (May 09, 2021)**

A 5 percent GST rate on vaccines ensures that the manufacturer is able to utilise the input tax credit (ITC) and in case of overflow of ITC, claim refund, Finance Minister Nirmala Sitharaman said, in response to a letter from West Bengal CM. The GST on vaccines is charged at 5 percent, and a tax rate of 12 percent is levied on domestic supplies and commercial imports of COVID-19-related drugs and equipment like oxygen concentrators.

For details:

<https://www.moneycontrol.com/news/india/exempting-covid-vaccines-from-gst-will-be-counterproductive-lead-to-price-increase-fm-sitharaman-tells-mamata-banerjee-6872141.html>

- **Restoration of facility of acceptance of an undertaking in lieu of bond by Customs - Circular No. 9/2021 - Customs (May 08, 2021)**

CBIC has restored the facility of acceptance of an undertaking in lieu of bond by Customs formation from May 08, 2021 till June 30, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-09-2021.pdf>

- **CBIC starts special drive to clear pending GST refund claims by month-end (May 16, 2021)**

CBIC has launched a special drive to clear all pending GST refunds by month-end. The 15-day GST refund drive is on the lines of an ongoing similar drive organised by the CBIC for refund of customs and duty drawback claims. In an instruction to all Principal Commissioners of Central Tax formations, the CBIC said there is a need to focus on timely disposal of all pending GST refund claims in order to provide immediate relief to business entities, especially MSMEs, in the difficult times of second wave of the COVID-19 pandemic.

For details:

<https://economictimes.indiatimes.com/news/economy/finance/cbic-starts-specialdrive-to-clear-pending-gst-refund-claims-by-month-end/articleshow/82675495.cms>

- **Changes introduced through the Customs (Import of Goods at Concessional Rate of Duty) Amendment Rules, 2021 - Circular No. 10/2021 - Customs (May 17, 2021)**

The scope of the job work facility has been extended to an importer who is a manufacturer but without complete manufacturing facility. Also, 100% outsourcing for manufacture of goods on job-work basis has been permitted for importers who do not have any manufacturing facility at all. However, sensitive sectors such as gold, articles of jewellery and other precious metals or stones have been excluded from the facility of job work. An option has been given to the importers to import capital goods for a specified purpose at a concessional rate of duty and after having put such capital goods to use for the said purpose, clear the same after payment of the differential duty and interest, at a depreciated value, with permission from the jurisdictional Customs Officer.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-10-2021.pdf>

- **Generation of GSTR-2B for April 2021 after the due date (May 17, 2021)**

Rule-60(7) of CGST Rules-2017 prescribes for generation of auto-drafted statement containing the details of input tax credit in FORM GSTR-2B for counter-party recipients. As per Rule-60(8) of CGST Rules-2017, FORM GSTR-2B shall be made available to the recipients after the Due date of filing GSTR-1/IFF by the suppliers. Notification No. 12/2021-CT and 13/2021-CT, both dated May 1, 2021 extended the Due date of GSTR-1 and IFF for April 2021, to 26th and 28th May 2021, respectively. Consequently, GSTR-2B for April 2021 will be generated after the Due dates, on May 29, 2021.

For details: <https://www.gst.gov.in/newsandupdates/read/473>

- **Notification to make fourth amendment (2021) to CGST Rules, 2017 - Notification No. 15/2021 - Central Tax (May 18, 2021)**

CBIC notified the changes in Refund Related Rules. The Board has notified the Central Goods and Services Tax (Fourth Amendment) Rules, 2021 which seeks to further amend the CGST Rules, 2017. The applicant may, at any time before issuance of provisional refund sanction order in FORM GST RFD-04 or final refund sanction order in FORM GST RFD-06 or payment order in FORM GST RFD-05 or refund withhold order in FORM GST RFD-07 or notice in FORM GST RFD-08, in respect of any refund application filed in FORM GST RFD-01, withdraw the said application for refund by filing an application in FORM GST RFD-01W.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-15-central-tax-english-2021.pdf>

- **SOP for implementation of the provision of extension of time limit to apply for revocation of cancellation of registration - Circular No. 148/04/2021 - GST (May 18, 2021)**

This Circular seeks to prescribe Standard Operating Procedure (SOP) for implementation of the provision of extension of time limit to apply for revocation of cancellation of registration under section 30 of the CGST Act, 2017 and rule 23 of the CGST Rules, 2017. The Joint/Additional Commissioner, on examination of the request filed for extension of time limit for revocation of cancellation of registration and on sufficient cause being shown and for reasons to be recorded in writing, may extend the time limit to apply for revocation of cancellation of registration.

For details: https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_148.pdf

- **Recommendations of 43rd GST Council Meeting (May 28, 2021)**

The GST Council in its 43rd meeting held on May 28, 2021 at New Delhi has made the following recommendations relating to changes in GST rates on supply of goods and services and changes related to GST law and procedure:

- **COVID-19 Relief**

As a COVID-19 relief measure, a number of specified COVID-19 related goods such as medical oxygen, oxygen concentrators and other oxygen storage and transportation equipment, certain diagnostic markers test kits and COVID-19 vaccines, etc., have been recommended for full exemption from IGST, even if imported on payment basis, for donating to the government or on recommendation of state authority to any relief agency. This exemption shall be valid upto August 31, 2021. Further in view of rising Black Fungus cases, the above exemption from IGST has been extended to Amphotericin B.

- **Further relief in individual item of COVID-19 after Group of Ministers (GoM) submits report on June 08, 2021**

As regards individual items, it is decided to constitute a GoM to go into the need for further relief to COVID-19 related individual items immediately. The GoM shall give its report by June 08, 2021.

- **Other Reliefs on Goods**

To support the Lymphatic Filariasis (an endemic) elimination programme being conducted in collaboration with WHO, the GST rate on Diethylcarbamazine (DEC) tablets has been recommended for reduction to 5% (from 12%).

- **Services**

To clarify those services supplied to an educational institution including anganwadi, by way of serving of food including mid-day meals under any midday meals scheme, sponsored by Government is exempt from levy of GST irrespective of funding of such supplies from government grants or corporate donations.

- **Measures for Trade Facilitation**

- Amnesty Scheme to provide relief to taxpayers regarding late fee for pending returns.
- Rationalization of late fee imposed under section 47 of the CGST Act, 2017.
- COVID-19 related relief measures for taxpayers.
- Simplification of Annual Return for Financial Year 2020-21.

- **Other Measures**

GST Council recommended amendments in certain provisions of the Act so as to make the present system of GSTR-1 / 3B return filing as the default return filing system in GST.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1722578>.

- **Amendment of Section 50 of CGST Act related to Interest on delayed payment of Tax - Notification No. 16/2021 - Central Tax (June 01, 2021)**

This notification seeks to appoint June 01, 2021 as the day from which the provisions of section 112 of Finance Act, 2021, relating to amendment of section 50 of the CGST Act, 2017 shall come into force.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-16-central-tax-english-2021.pdf>

- **Extension in the due date for filing FORM GSTR-1 - Notification No. 17/2021 - Central Tax (June 01, 2021)**

This notification seeks to extend the due date for FORM GSTR-1 for May, 2021 by 15 days.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-17-central-tax-english-2021.pdf>

- **Lowering of Interest rate for a specified time - Notification No. 18/2021 - Central Tax (June 01, 2021)**

This notification seeks to provide relief by lowering of interest rate for a specified time for tax periods March, 2021 to May, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-18-central-tax-english-2021.pdf>

- **Rationalization of late fees - Notification No. 19/2021 - Central Tax (June 01, 2021)**

This notification seeks to rationalize late fee for delay in filing of return in FORM GSTR3B; and to provide conditional waiver of late fee for delay in filing FORM GSTR-3B from July, 2017 to April, 2021; and to provide waiver of late fees for late filing of return in FORM GSTR-3B for specified taxpayers and specified tax periods.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-19-central-tax-english-2021.pdf>

- **Rationalization of late fees for delay in filing of Form GSTR-1 - Notification No. 20/2021 - Central Tax (June 01, 2021)**

This notification seeks to rationalize late fee for delay in furnishing of the statement of outward supplies in FORM GSTR-1.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-20-central-tax-english-2021.pdf>

- **Rationalization of late fees for delay in filing Form GSTR-4 - Notification No. 21/2021 - Central Tax (June 01, 2021)** This notification seeks to rationalize late fee for delay in furnishing of the statement of outward supplies in FORM GSTR-4.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-21-central-tax-english-2021.pdf>

- **Rationalization of late fees for delay in filing Form GSTR-7 - Notification No. 22/2021 - Central Tax (June 01, 2021)**

This notification seeks to rationalize late fee for delay in furnishing of the statement of outward supplies in FORM GSTR-7.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-22-central-tax-english-2021.pdf>

- **Exclusion of government departments and local authorities from the requirement of issuance of e-invoice - Notification No. 23/2021 - Central Tax (June 01, 2021)**

This notification seeks to amend earlier Notification to exclude government departments and local authorities from the requirement of issuance of e-invoice.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-23-central-tax-english-2021.pdf>

- **Extension of due date of compliances till June 30, 2021 - Notification No. 24/2021 - Central Tax (June 01, 2021)**

This notification seeks to amend notification no. 14/2021-Central Tax in order to extend due date of compliances which fall during the period from "15.04.2021 to 29.06.2021" till 30.06.2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-24-central-tax-english-2021.pdf>

- **Extension of due date for filing Form GSTR-4 for financial year 2020-21 till July 31, 2021 - Notification No. 25/2021 - Central Tax (June 01, 2021)**

This notification seeks to extend the due date for filing FORM GSTR-4 for financial year 2020-21 to 31.07.2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-25-central-tax-english-2021.pdf>

- **Extension of due date for filing Form ITC-04 - Notification No. 26/2021 - Central Tax (June 01, 2021)**

This notification seeks to extend the due date for furnishing of FORM ITC-04 for Quarter Ending March, 2021 to June 30, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-26-central-tax-english-2021.pdf>

- **Fifth Amendment, 2021 to the CGST Rules, 2017 - Notification No. 27/2021 - Central Tax (June 01, 2021)**

This notification seeks to make amendments (Fifth Amendment, 2021) to the CGST Rules, 2017. Rule 36(4) shall apply cumulatively for the period April, May & June 2021 and the return in FORM GSTR-3B for the tax period June, 2021 or quarter ending June, 2021 shall be furnished with the cumulative adjustment of input tax credit for the said months. The details using IFF for the month of May 2021 can be furnished from June 1, 2021 till June 28, 2021.

For details:

<https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-27-central-tax-english-2021.pdf>

- **Change of place of supply for B2B MRO services - Notification No. 03/2021 - Integrated Tax (June 02, 2021)**

This notification seeks to amend earlier Notification of Integrated Tax dated September 30, 2019 to change the place of supply for B2B MRO services in case of Shipping industry, to the location of the recipient.

For details:

<https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-3-2021-igst-english.pdf>

- **Recommendations of 44th GST Council Meeting (June 12, 2021)**

The 44th GST Council met under the Chairmanship of Union Finance & Corporate Affairs Minister Smt Nirmala Sitharaman through video conferencing on June 12, 2021. The Council in its meeting has decided to reduce the GST rates on the specified items being used in Covid-19 relief and management till September 30, 2021.

The details of recommendations are given below:

S. No.	Description	Present GST Rate	GST Rate recommended by GST Council
A.	Medicines		
1.	Tocilizumab	5%	Nil
2.	Amphotericin B	5%	Nil
3.	Anti-Coagulants like Heparin	12%	5%

4.	Remdesivir	12%	5%
B.	Oxygen, Oxygen generation equipment and related medical devices	12%	5%
C.	Testing Kits and Machines	12%	5%
D.	Other Covid-19 related relief material		
1.	Hand Sanitizer	18%	5%
2.	Ambulances	28%	12%

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1726525>

- **Clarification regarding applicability of GST on supply of food in Anganwadis and Schools - Circular No. 149/05/2021 - GST (June 17, 2021)**

As per recommendation of the GST Council, it is clarified that services provided to an educational institution by way of serving of food (catering including mid- day meals) is exempt from levy of GST irrespective of its funding from government grants or corporate donations. Educational institutions as defined in the notification include aganwadi.

For details:

https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_149.pdf

- **Clarification regarding applicability of GST on the activity of construction of road where considerations are received in deferred payment (annuity) - Circular No. 150/05/2021 - GST (June 17, 2021)**

GST is exempt on service, falling under heading 9967 (service code), by way of access to a road or a bridge on payment of annuity. Heading 9967 covers “supporting services in transport” under which code 996742 covers “operation services of National Highways, State Highways, Expressways, Roads & streets; bridges and tunnel operation services”. Entry 23 of said notification exempts “service by way of access to a road or a bridge on payment of toll”. Together the entries 23 and 23A exempt access to road or bridge, whether the consideration are in the form of toll or annuity. It is hereby clarified that Entry 23A of notification No. 12/2017-CT(R) does not exempt GST on the annuity (deferred payments) paid for construction of roads.

For details: https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_150.pdf

- **Clarification regarding GST on supply of various services by Central and State Board (such as National Board of Examination) - Circular No. 151/05/2021 - GST (June 17, 2021)**

GST is exempt on services provided by Central or State Boards (including the boards such as NBE) by way of conduct of examination for the students, including conduct of entrance examination for admission to educational institution. Therefore, GST shall not apply to any fee or any amount charged by such Boards for conduct of such examinations including entrance examinations. GST is also exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc., when provided to such Boards.

For details: https://www.cbic.gov.in/resources/htdocs-cbec/gst/Circular_Refund_151.pdf

- **Clarification regarding rate of tax applicable on construction services provided to a Government Entity, in relation to construction such as of a Ropeway on turnkey basis - Circular No. 152/05/2021 - GST (June 17, 2021)**

Works contract service provided by way of construction such as of rope way shall fall under entry at sl. No. 3(xii) of notification 11/2017-(CTR) and attract GST at the rate of 18%.

For details: https://www.cbic.gov.in/resources/htdocs-cbec/gst/Circular_Refund_152.pdf

- **GST on milling of wheat into flour or paddy into rice for distribution by State Governments under PDS - Circular No. 153/05/2021 - GST (June 17, 2021)**

In case the supply of service by way of milling of wheat into flour or of paddy into rice, is not eligible for exemption under Sl. No. 3 A of Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 for the reason that value of goods supply in such a composite supply exceeds 25%, then the applicable GST rate would be 5% if such composite supply is provided to a registered person, being a job work service (entry No. 26 of notification No. 11/2017- Central Tax (Rate) dated 28.06.2017). Combined reading of the definition of job-work [section 2(68), 2(94), 22, 24, 25 and section 51] makes it clear that a person registered only for the purpose of deduction of tax under section 51 of the CGST Act is also a registered person for the purposes of the said entry No. 26, and thus said supply to such person is also entitled for 5% rate.

For details: https://www.cbic.gov.in/resources/htdocs-cbec/gst/Circular_Refund_153.pdf

- **GST on service supplied by State Government to their undertakings or PSUs by way of guaranteeing loans taken by them - Circular No. 154/05/2021 - GST (June 17, 2021)**

Entry No. 34A of Notification no. 12/2017-Central Tax (Rate) dated 28.06.2017 exempts “Services supplied by Central Government, State Government, Union territory to their undertakings or Public Sector Undertakings (PSUs) by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions.”

For details: https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_154.pdf

- **Clarification regarding GST rate on laterals/parts of Sprinklers or Drip Irrigation System - Circular No. 155/05/2021 - GST (June 17, 2021)**

The GST rate on Sprinklers or Drip Irrigation System along with their laterals/parts are governed by S. No. ‘195B’ under Schedule II of notification No. 1/2017- Central Tax (Rate), dated 28th June, 2017 which is 6%. The intention of this entry has been to cover laterals (pipes to be used solely with sprinklers/drip irrigation system) and such parts that are suitable for use solely or principally with ‘sprinklers or drip irrigation system’, as classifiable under heading 8424 as per Note 2 (b) to Section XVI to the HSN. Hence, laterals/parts to be used solely or principally with sprinklers or drip irrigation system, which are classifiable under heading 8424, would attract a GST of 12%, even if supplied separately.

For details: https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_155.pdf

Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices - Circular No. 156/12/2021 - GST (June 21, 2021)

Notification No. 14/2020-Central Tax, dated 21st March 2020 had been issued which requires Dynamic QR Code on B2C invoice issued by taxpayers having aggregate turnover more than 500 crore rupees, w.e.f. 01.12.2020. Further, penalty has been waived for non-compliance for the period from 01st December, 2020 to 30th June, 2021, subject to the condition that the said person complies with the provisions of the said notification from 1st July, 2021. Any person, who has obtained a Unique Identity Number (UIN) as per the provisions of Section 25(9) of CGST Act 2017, is not a “registered person” as per the definition of registered person provided in section 2(94) of the CGST Act 2017. Therefore, any invoice, issued to such person having a UIN, shall be considered as invoice issued for a B2C supply and shall be required to comply with the requirement of Dynamic QR Code.

For details:

<https://www.cbic.gov.in/resources/htdocs-cbec/gst/156-12-2021%20GST%20Circular.pdf>

Banking & Insurance

Info Capsule Series 7

- **Constitution of the Regulations Review Authority 2.0 (April 15, 2021)**

The Reserve Bank of India had set up a Regulations Review Authority (RRA) initially for a period of one year from April 1, 1999 for reviewing the regulations, circulars, reporting systems, based on the feedback from public, banks and financial institutions. The recommendations of the RRA enabled streamlining and increasing the effectiveness of several procedures, simplifying regulatory prescriptions, paved the way for issuance of master circular and reduced reporting burden on regulated entities.

For details: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51421

- **Citigroup announces retail business exit from India, 12 other countries (April 15, 2021)**

Citigroup on April 15, 2021 said it was exiting retail banking in India and 12 other countries across Asia and parts of Europe to focus on its wealth management business, as it lacked the “scale” to compete in this space. The decision to exit retail businesses from a few markets was one of the first moves by newly appointed CEO Jane Fraser after she took over the US-headquartered bank in February.

For details:

https://www.business-standard.com/article/companies/citigroup-announces-retail-business-exit-from-india-12-other-countries-121041501272_1.html

- **RBI reveals names of applicants for universal bank, SFB licences (April 16, 2021)**

The Reserve Bank of India (RBI) on April 15, 2021 announced names of applicants under its on-tap licensing window for universal banks and small finance banks (SFBs). The list includes a foreign exchange services provider, two cooperative banks and a former banker.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-reveals-names-ofapplicants-for-universal-bank-sfb-licences/2234122/>

- **Reserve Bank of India constitutes a Committee on functioning of Asset Reconstruction Companies (ARCs) and review of regulatory guidelines applicable to them (April 19, 2021)**

As part of the Statement on Developmental and Regulatory Policies released along with the Monetary Policy Statement on April 7, 2021, the Reserve Bank of India had announced setting up of a Committee to undertake a comprehensive review of the working of ARCs in the financial sector ecosystem and recommend suitable measures for enabling such entities to meet the growing requirements of the financial sector.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51443

- **Paytm, India's most-valued startup, expands ESOP scheme to USD 604 million (April 19, 2021)**

Fintech major Paytm on April 19, 2021 said it has added 242,904 stock options, taking its ESOP pool valuation to USD 604 million (about Rs 4,522 crore). Paytm has added 242,904 stock options taking the existing ESOP pool to 2.4 million equity options. The company's employee stock ownership plan (ESOP) pool valuation has jumped to USD 604 million with this addition, making it the largest among all Indian startups.

For details:

<https://www.financialexpress.com/industry/banking-finance/paytm-indias-most-valuedstartup-expands-esop-scheme-to-usd-604-million/2236353/>

- **LIC ties up with Paytm to handle digital payments (April 19, 2021)**

State-run Life Insurance Corporation of India (LIC) has appointed homegrown payments player Paytm to facilitate its digital payments. Following a tie-up with another payment gateway earlier, the country's largest life insurer has sought a new deal as the majority of its payments have moved to digital modes. The new agreement requires an easy payment process, a broader range of payment options, and more players (wallets, banks, etc.) in payment channels.

For details:

<https://www.businesstoday.in/current/deals/lic-life-insurance-corporation-of-indiadesignates-paytm-to-handle-digital-payments/story/436953.html>

- **COVID impact: Bank unions urge IBA for restriction in services, cutting public dealing hours (April 21, 2021)**

With COVID-19 cases surging across the country, bank unions have requested industry body IBA for restriction in services and reduction in public dealing time to around 3 hours per day till the situation improves to protect bank employees from the coronavirus infection.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/covid-impact-bank-unions-urge-ibafor-restriction-in-services-cutting-public-dealinghours/articleshow/82182890.cms>

- **LIC collects highest-ever Rs 1.84 lakh-crore new premium in corona period (April 22, 2021)**

In 2020-21, LIC has achieved its highest-ever first year premium income of Rs. 56,406 crore under individual assurance business with a 10.11% growth over last year. LIC also procured 2.10 crore policies, out of which 46.72 lakh were procured in March alone. LIC's pension and group schemes vertical also created a record by clocking its highest-ever new business premium income of Rs. 1,27,768 crore over a base of Rs. 1,26,749 crore in the previous year.

For details:

<https://www.financialexpress.com/money/insurance/lic-collects-highest-ever-rs-1-84-lakh-crore-new-premium-in-corona-period/2237688/>

- **Declaration of dividends by banks (April 22, 2021)**

In view of the continuing uncertainty caused by the ongoing second wave of COVID-19 in the country, it is crucial that banks remain resilient and proactively raise and conserve capital as a bulwark against unexpected losses. Therefore, while allowing Commercial Banks and Cooperative banks to pay dividend on equity shares, it has been decided to review the dividend declaration norms for the year ended March 31, 2021 with subject to certain conditions.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12077&Mode=0>

- **MPC minutes: Jump in COVID cases, lockdowns add uncertainty to growth outlook, says RBI Governor Shaktikanta Das (April 22, 2021)**

The uncertainty created by the jump in COVID-19 infections and localised lockdowns prompted RBI Governor Shaktikanta Das and other members of the rating setting panel MPC to unanimously vote for status quo in interest rates and an accommodative policy stance to support growth, as per minutes of the meeting released on April 22, 2021.

For details:

<https://www.financialexpress.com/industry/banking-finance/mpc-minutes-jump-incovid-cases-lockdowns-add-uncertainty-to-growth-outlook-says-rbi-governorshaktikanta-das/2238370/>

- **RBI approves appointment of Atanu Chakraborty as part-time chairman of HDFC Bank (April 23, 2021)**

"The Reserve Bank of India (RBI) vide its communication dated April 22, 2021, has approved the appointment of Atanu Chakraborty as the part time chairman of the HDFC bank for a period of three years with effect from May 05, 2021 or the date of his taking charge, whichever is later,".

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-approves-appointment-of-atanu-chakraborty-as-part-time-chairman-of-hdfcbank/articleshow/82209380.cms>

- **RBI takes supervisory action on Card Networks - American Express Banking Corp. and Diners Club International Ltd. (April 23, 2021)**

The Reserve Bank of India (RBI) has, by order dated April 23, 2021, imposed restrictions on American Express Banking Corp. and Diners Club International Ltd. from on-boarding new domestic customers onto their card networks from May 1, 2021. These entities have been found non-compliant with the directions on Storage of Payment System Data. This order will not impact existing customers.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51471

- **Communication on settlement of Health Insurance Claims (April 23, 2021)**

In order to ensure that all network providers extend cashless services to policyholders and to address any issues causing inconvenience to policyholders while availing cashless service, the Insurers are advised to put in place an effective communication channel with all the network providers for prompt resolution of grievances of policyholders. Insurers are advised to report levying of excess charges or denial of cashless facility to the respective State Governments for appropriate action.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4457&flag=1

- **HDFC Bank deploys mobile ATMs to help people transact amid lockdowns (April 24, 2021)**

Largest private sector lender HDFC Bank on April 24, 2021 said it has deployed mobile automated teller machines (ATM) in 19 cities in view of the rising COVID-19 cases and lockdown-like restrictions in various parts of the country. This will help eliminate the need for the general public to move out of their locality to withdraw cash.

For details:

<https://www.livemint.com/industry/banking/hdfc-bank-deploys-mobile-atms-to-help-people-transact-amid-lockdowns-11619278894202.html>

- **Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board (April 26, 2021)**

Based on the feedback received, a comprehensive review of the framework of Corporate Governance in Banks has been done. The revised instructions would be applicable to all the Private Sector Banks including Small Finance Banks (SFBs) and wholly owned subsidiaries of Foreign Banks.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12078&Mode=0>

- **Shri Ajay Seth, Secretary, Department of Economic Affairs, nominated on RBI Central Board (April 26, 2021)**

The Central Government has nominated Shri Ajay Seth, Secretary, Department of Economic Affairs, Ministry of Finance, Government of India as a Director on the Central Board of Reserve Bank of India vice Shri Tarun Bajaj. The nomination of Shri Ajay Seth is effective from April 24, 2021 and until further orders.

For details : https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51475

- **Insurance Regulatory and Development Authority of India (Manner of Assessment of Compensation to Shareholders or Members on Amalgamation) Regulations, 2021 (April 26, 2021)**

To provide for the manner of assessment of compensation for the shareholders or members whose interests in, or rights against, the transferee insurer resulting from amalgamation are less than his interest in, or rights against the original insurer the Insurance Regulatory and Development Authority of India (IRDAI) has issued captioned regulations.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4461&flag=1

- **Issue of Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including Housing Finance Companies) (April 27, 2021)**

A Circular on 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' has been issued by the RBI on April 27, 2021. These Guidelines provide necessary instructions for appointment of SCAs/SAs, the number of auditors, their eligibility criteria, tenure and rotation, etc. while ensuring the independence of auditors. The Guidelines shall become applicable from FY 2021-22 and onwards. However, UCBs and NBFCs shall have the flexibility to adopt these guidelines from H2 of FY 2021-22 so that there is no disruption.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51480

- **Committee on Asset Reconstruction Companies invites views and suggestions from stakeholders (April 28, 2021)**

The Reserve Bank of India had announced setting up of a Committee to undertake a comprehensive review of the working of Asset Reconstruction Companies (ARCs) in the financial sector ecosystem and recommend suitable measures for enabling such entities to meet the growing requirements of the financial sector. Accordingly, a Press Release dated April 19, 2021 has been issued regarding constitution of the Committee under the chairmanship of Shri Sudarshan Sen, former Executive Director, Reserve Bank of India. Now the Committee invites views and suggestions on the above aspects from ARCs, market participants and other stakeholders. These may be emailed latest by May 31, 2021 to email with the subject line 'Suggestions - Committee on ARCs'.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51487

- **RBI joins Network for Greening the Financial System (April 29, 2021)**

A meeting of the Sub-Committee of the Financial Stability and Development Council (FSDC) was held on April 29, 2021 in virtual format. Shri Shaktikanta Das, Governor, Reserve Bank of India, chaired the meeting. The Reserve Bank of India (RBI) has joined the Central Banks and Supervisors Network for Greening the Financial System (NGFS) as a Member on April 23, 2021. NGFS is a group of central banks and supervisors willing to share best practices and contribute to the development of environment and climate risk management in the financial sector, while mobilising mainstream finance to support the transition towards a sustainable economy.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51496

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51498

- **Norms on settlement of COVID-19 health insurance claims (April 29, 2021)**

In the wake of prevailing conditions of COVID-19 cases in the form of second wave and in line with directions given by the Hon'ble High Court, the following directions are issued to all insurers: a. Decision on authorization for cashless treatment for COVID-19 claims shall be communicated to the network provider (hospital) within a period of 60 minutes from the time of receipt of authorization request along with all necessary requirements from the hospital. b. Decision on final discharge of patients covered in COVID-19 claims shall be communicated to the network provider within a period of ONE hour from the time of receipt of final bill along with all necessary requirements from the hospital.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4465&flag=1

- **Report of the Working Group (WG) for revisiting the retail business of Engineering tariff (April 29, 2021)**

A Working Group was set up by the Authority to revisit the existing Engineering insurance products (Retail) and recommend new suitable standard products in line with advancement in technology for the retail segment. The Working Group has submitted its report in which it has made various recommendations related to retail Engineering products and also recommended certain standard covers to meet the needs of retail customers. The report of the working group is now placed on the website to seek the valuable inputs of all the stakeholders for their feedback in the specified format on or before 20th May, 2021 to nl-products@irdai.gov.in with a copy marked to v.satish@irdai.gov.in and ajay.kumar@irdai.gov.in.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4464&flag=1

- **SBI allocates Rs. 70 crore to combat second wave of Covid19 (May 03, 2021)**

State Bank of India (SBI) has allocated Rs. 71 crore to support various initiatives in combating the second wave of Covid-19 and is in talks with various designated authorities to explore partnerships for setting up makeshift hospitals. The country's largest commercial bank has dedicated Rs. 30 crore to set up 1,000 bed makeshift hospitals, 250 bed ICU facilities and 1,000 bed isolation facilities across some of the worst-hit states.

For details:

https://www.business-standard.com/article/companies/sbi-allocates-rs-70-crore-to-combat-second-wave-of-covid-19-121050300616_1.html

- **Shri T. Rabi Sankar appointed as RBI Deputy Governor (May 03, 2021)**

In pursuance of the Government of India notification dated May 03, 2021, Shri T. Rabi Sankar took over as the Deputy Governor of Reserve Bank of India on May 03, 2021 for a period of three years or until further orders, whichever is earlier.

For details: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51515

- **Portfolios of Deputy Governors of RBI (May 03, 2021)**

The Reserve Bank of India (RBI) reshuffled its Deputy Governors' portfolios after T Rabi Sankar took over as the new deputy governor of the RBI.

For details:

<https://www.livemint.com/industry/banking/rbi-deputy-governors-portfolios-reshuffledafter-rabi-shankar-s-appointment-11620047511961.html> &

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51518

- **Discussion paper on Increasing General Insurance penetration in rural areas with special focus on agriculture and allied activities through the concept of a Model Insured Village (May 03, 2021)**

A discussion paper on “Increasing General Insurance penetration in rural areas with special focus on agriculture and allied activities through the concept of a Model Insured Village” has been issued by the Authority. This paper seeks to advocate and discuss the idea of a village level initiative as a possible solution to increase the penetration of insurance in the rural areas of our country. The Authority welcomes comments of stakeholders on the paper. The views/comments may be sent through e-mail to sagar.bangal@irdai.in with a copy marked to dilip.dange@irdai.in on or before 17th May, 2021.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4469&flag=1

- **Priority Sector Lending (PSL) - Onlending by Small Finance Banks (SFBs) to NBFC-MFIs (May 05, 2021)**

In view of the fresh challenges brought on by the COVID-19 pandemic and to address the emergent liquidity position of smaller MFIs, it has been decided by the RBI to allow PSL classification to the fresh credit extended by SFBs to registered NBFC-MFIs and other MFIs (Societies, Trusts etc.) which are members of RBI recognised ‘Self-Regulatory Organisation’ of the sector and which have a ‘gross loan portfolio’ of upto ₹500 crore as on March 31, 2021, for the purpose of on-lending to individuals. Bank credit as above will be permitted up to 10% of the bank’s total priority sector portfolio as on 31 March, 2021. The above dispensation shall be valid upto March 31, 2022. However, loans thus disbursed will continue to be classified under Priority Sector till the date of repayment/maturity whichever is earlier.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12081&Mode=0>

- **Resolution Framework - 2.0 : Resolution of Covid-19 related stress of Individuals and Small Businesses (May 05, 2021)**

The resurgence of Covid-19 pandemic in India in the recent weeks and the consequent containment measures to check the spread of the pandemic may impact the recovery process and create new uncertainties. With the objective of alleviating the potential stress to individual borrowers and small businesses, Resolution Framework - 2.0 in line with the contours of the Resolution Framework - 1.0, with suitable modifications is announced by the RBI.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12085&Mode=0>

- **Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) (May 05, 2021)**

In view of the uncertainties created by the resurgence of the Covid-19 pandemic in India in the recent weeks, it has been decided by the RBI to extend the above facility for restructuring existing loans without a downgrade in the asset classification subject to the specified conditions.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12086&Mode=0>

- **RBI provides Rs. 50,000-crore liquidity for extending Covid-19 loans to healthcare (May 6, 2021)**

The Reserve Bank of India (RBI) on May 6, 2021 announced immediate liquidity of Rs. 50,000 crore for banks for enabling them to extend Covid loans to healthcare entities. This liquidity window available at the repo will remain open till March 31, 2022. Under this scheme, banks can provide fresh lending support to vaccine manufacturers, hospitals and also patients for treatment, among others.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-provides-rs-50000-crore-liquidity-for-extending-covid-19-loans-to-healthcare/2246545/>

- **Updating KYC: No punitive action till December, says RBI (May 6, 2021)**

The Reserve Bank of India (RBI) on May 6, 2021 directed banks that no punitive action should be taken on the issue of delay in Know Your Customer (KYC) updation till December 31, 2021. The RBI move on KYC follows a spurt in complaints from customers about banks unilaterally suspending and freezing accounts for delay in KYC updation. There were also complaints that banks were freezing accounts without informing the customers.

For details:

<https://indianexpress.com/article/business/banking-and-finance/updating-kyc-no-punitive-action-till-december-says-rbi-7303547/>

- **Group of Advisors to Regulations Review Authority invites feedback and suggestions (May 07, 2021)**

The Reserve Bank of India has set up a Regulations Review Authority (RRA 2.0), initially for a period of one year from May 01, 2021. The RRA will review the regulatory prescriptions internally as well as by seeking suggestions from the RBI regulated entities and other stakeholders on their simplification and ease of implementation. The Group has decided to invite feedback and suggestions from all regulated entities, industry bodies and other stakeholders. The suggestion and feedback may be e-mailed latest by June 15, 2021 to the feedbackrra@rbi.org.in.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51544

- **Special Long-Term Repo Operations (SLTRO) for Small Finance Banks (SFBs) (May 07, 2021)**

Small Finance Banks (SFBs) have been playing a prominent role by acting as a conduit for last mile supply of credit to individuals and small businesses. RBI Has decided to conduct special three-year Long-Term Repo Operations (SLTRO) of Rs.10,000 crore at repo rate for the SFBs, to be deployed for fresh lending of up to Rs.10 lakh per borrower. This facility will be available till October 31, 2021.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51546

- **National Asset Reconstruction Company to be operational next month: IBA CEO (May 09, 2021)**

National Asset Reconstruction Company Ltd. (NARCL), the name coined for the bad bank announced in the Budget 2021-22, is expected to be operational in June. Bad bank refers to a financial institution that takes over bad assets of lenders and undertakes resolution. The new entity is being created in collaboration with both public and private sector banks, as per Indian Banks' Association, Chief Executive Officer (CEO).

For details:

<https://www.financialexpress.com/industry/banking-finance/national-assetreconstruction-company-to-be-operational-next-month-iba-ceo/2248707/>

- **Government Agency Business Arrangement - Appointment of Scheduled Private Sector Banks as Agency Banks of Reserve Bank of India (RBI) (May 10, 2021)**

An embargo put in place from September 2012 by Department of Financial Services (DFS), Ministry of Finance (MoF) on further allocation of Government business to private sector banks has since been lifted by them vide their communication dated February 24, 2021. Based on the above developments, the existing guidelines on appointment of Scheduled Private Sector Banks as Agency Banks of RBI have been reviewed and revised.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12090&Mode=0>

- **Report of the Working Group (WG) to revisit the product structure of Title Insurance (May 10, 2021)**

Title Insurance products are currently offered by only a few General Insurers in the Indian market. The features of these products, namely the terms and conditions, scope of coverage etc. vary from insurer to insurer. In order to examine the needs of the market and make recommendations with regard to the structure of title insurance products, the Authority set up a Working Group in 2019. The Working Group has submitted its report in which it has made various recommendations, including two new product structures for Title Insurance. The report of the working group is now placed on the website to seek valuable inputs of all the stakeholders for their feedback in the prescribed format on or before May 31, 2021 to nl-products@irdai.gov.in with a copy marked to pradeep.singh@irdai.gov.in.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4481&flag=1

- **Reserve Bank of India appoints Jose J Kattoor as new Executive Director (May 10, 2021)**

The Reserve Bank of India (RBI) has appointed its Bangalore regional head, Jose Kattoor as executive director (ED) with effect from May 04, 2021.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/reserve-bankof-india-appoints-jose-j-kattoor-as-new-executive-director/articleshow/82524801.cms>

- **RBI amends KYC norms to further leverage video-based customer identification process (May 10, 2021)**

The Reserve Bank on May 10, 2021 amended its master direction on know your customer to further leverage the Video-based Customer Identification Process (V-CIP) and simplify the process of periodic updation of KYC. V-CIP is an alternate method of customer identification with facial recognition and customer due diligence by an authorised official of the regulated entity by undertaking seamless, secure, live, informed-consent based audio-visual interaction with the customer to obtain identification information.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-amends-kyc-norms-to-further-leverage-video-based-customer-identification-process/2249513/>

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12089&Mode=0>

- **Banking Regulation Act, 1949 - Section 26A Depositor Education and Awareness Fund Scheme, 2014 - Interest rates payable on unclaimed interest-bearing deposit (May 11, 2021)**

The rate of interest has been reviewed and it has been decided that the rate of interest payable by banks to the depositors/claimants on the unclaimed interest-bearing deposit amount transferred to the Fund shall be 3 per cent simple interest per annum with effect from the date of this circular. Accordingly, all the banks are advised to calculate the interest payable on interest bearing deposits transferred to RBI at the rate of 4 per cent p.a. up to June 30, 2018, 3.5 per cent w.e.f. July 1, 2018 up to May 10, 2021 and at 3 per cent with effect from May 11, 2021 till the time of payment to the depositor / claimant.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12091&Mode=0>

- **Exercise of Employee Stock Options (ESOPs) - Applicability of provision of Section 6A (4) (b) of the Insurance Act, 1938 (May 11, 2021)**

The Authority, while approving the remuneration of Whole-time Director, Chief Executive Director and Managing Director, is also considering the granting and / or vesting of ESOPs. However, in a few cases, it has been observed that the exercise of ESOP by one or more KMPs whether singly or jointly is beyond the threshold limits specified in Section 6A(4)(b) of Insurance Act, 1938. Accordingly, the exercise of such ESOPs results in invocation of the provisions of the said section.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4482&flag=1

- **Sponsor Contribution to an AIF set up in Overseas Jurisdiction, including IFSCs (May 12, 2021)**

It has been decided by the RBI that any sponsor contribution from a sponsor Indian Party (IP) to an Alternative Investment Fund (AIF) set up in an overseas jurisdiction, including International Financial Services Centres (IFSCs) in India, as per the laws of the host jurisdiction, will be treated as Overseas Direct Investment (ODI). Accordingly, IP, as defined in regulation 2(k) of the Notification *ibid.* can set up AIF in overseas jurisdictions, including IFSCs, under the automatic route provided it complies with Regulation 7 of the Notification FEMA 120/2004-RB.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12092&Mode=0>

- **Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) (First Amendment) Regulations, 2021 (May 12, 2021)**

Insurance Regulatory and Development Authority of India has issued above regulations to provide the manner in which the premium and unearned premium reserve should be recognized by insurers carrying on general insurance business.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4486&flag=1

- **Sovereign Gold Bond Scheme (SGB) 2021-22- Series /II/III/IV/V/VI (May 14, 2021)**

Government of India has vide its Notification No F.No4.(4)-B (W&M)/2021 dated May 12, 2021 has announced the Sovereign Gold Bond Scheme 2020-21, Series I, II, III, IV, V and VI. Under the scheme there will be a distinct series (starting from Series I) for every tranche. The terms and conditions of the issuance of the Bonds shall be as per the above notification. The date of issuances shall be as per the details given in the calendar below:

S. No.	Tranche	Date of Subscription	Date of Issuance
1.	2021-22 Series I	May 17-21, 2021	May 25, 2021
2.	2021-22 Series II	May 24-28, 2021	June 01, 2021
3.	2021-22 Series III	May 31-June 04, 2021	June 08, 2021
4.	2021-22 Series IV	July 12- 16, 2021	July 20, 2021
5.	2021-22 Series V	August 09-13, 2021	August 17, 2021
6.	2021-22 Series VI	August 30- September 03, 2021	September 07, 2021

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12093&Mode=0>

- **NEFT System Upgrade - Downtime from 00.01 Hrs to 14.00 Hrs. on Sunday, May 23, 2021 (May 17, 2021)**

A technical upgrade of NEFT, targeted to enhance the performance and resilience, is scheduled after the close of business of May 22, 2021. Accordingly, NEFT service will not be available from 00:01 hrs to 14:00 hrs on Sunday, May 23, 2021. The RTGS system will continue to be operational as usual during this period. Similar technical upgrade for RTGS was completed on April 18, 2021.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51583

- **Now, you can avail doorstep banking from govt. banks for a fee (May 18, 2021)**

Major government banks have come together to form Public Sector Banks (PSB) Alliance to jointly offer customers important banking services, including financial and nonfinancial services. Among financial services, customers can avail of cash withdrawal using the DSP app or its web portal or by calling a tollfree number. For this, the customer's bank account number must be linked to Aadhaar, or an individual can also use his or her bank debit card.

For details:

<https://www.livemint.com/industry/banking/now-you-can-avail-doorstep-banking-fromgovt-banks-for-a-fee-11621345782611.html>

- **Smaller NBFCs seek liquidity support from RBI (May 18, 2021)**

Smaller Non-Banking Finance Companies (NBFCs) have written to the Reserve Bank requesting liquidity support as they continue to face challenges in raising funds.

For details:

<https://www.financialexpress.com/industry/banking-finance/smaller-nbfc-see-liquiditysupport-from-rbi/2254425/>

- **Why are banks deducting Rs. 330 from your savings account in May? (May 18, 2021)**

Many savings account holders are finding a debit entry of Rs. 330 in their bank statements. For others, such a deduction may happen anytime in the month of May if they have enrolled themselves in the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), the government of India's insurance scheme. The renewal date of PMJJBY falls on June 1 each year and the banks deduct the charges anytime in May to ensure the scheme benefits are available to the individual.

For details:

<https://www.financialexpress.com/money/insurance/pmjjby-scheme-features-benefitsrenewal-date-age-limit-know-all-details/2254244/>

- **RBI Governor meets MD & CEOs of Public Sector Banks over Video Conference (May 19, 2021)**

The Governor, Reserve Bank of India (RBI) held meetings with the MD & CEOs of Public Sector Banks on May 19, 2021 through video conference. Among other matters, the following issues were discussed in the meeting.

1. Current state of the financial sector;
2. Credit flows to different sectors including to small borrowers, MSMEs, etc.
3. Progress in the implementation of Covid Resolution Framework 1.0;
4. Monetary policy transmission; and 5. Implementation of Covid-related policy measures taken by RBI.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51597

- **Prepaid Payment Instruments (PPIs) - (i) Mandating Interoperability; (ii) Increasing the Limit to ₹2 lakh for Full-KYC PPIs; and (iii) Permitting Cash Withdrawal from Full-KYC PPIs of Non-Bank PPI Issuers (May 19, 2021)**

In April, 2021 the RBI had announced that (a) PPI interoperability shall be made mandatory, (b) the limit for full-KYC PPIs shall be increased from ₹1 lakh to ₹2 lakh, and (c) cash withdrawal shall be permitted using full-KYC PPIs of non-bank PPI issuers. Revised guidelines on captioned subjects have been issued by the RBI.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12094&Mode=0>

- **Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021 (May 20, 2021)**

The Finance Ministry on May 20, 2021 had notified the amendment to the Indian Insurance Companies (Foreign Investment) Rules, 2015 and clarified on the final rules for increasing the foreign direct investment limit in the insurance sector to 74% from the existing 49%. Every Indian insurance company having foreign investment, existing on or before the date of commencement of the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021, shall within one year from such commencement, comply with the requirements of the provisions.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4493&flag=1

- **Order in the matter of M/s Policybazaar Insurance web aggregator Pvt. Ltd. (May 20, 2021)**

Insurance Regulatory and Development Authority of India (IRDAI), imposed a penalty of Rs. 24,00,000/- on Policybazaar Insurance Web Aggregator Pvt. Ltd. based on the number of days the SMS was in circulation i.e., from 15th March, 2020 to April, 2020 for the violation. The SMS based on the information and price charts provided by the HDFC Life and TATA AIA Life which showed the increase in premium rates for term insurance. SMS would have created unnecessary panic and was completely avoidable.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4494&flag=1

- **Relaxation in timeline for compliance with various payment system requirements (May 21, 2021)**

Keeping in view the resurgence of the COVID-19 pandemic and the representations received from various bank and non-bank entities, it has been decided to extend the timeline prescribed for compliance in respect of a few areas.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12095&Mode=0>

- **589th Meeting of Central Board of the Reserve Bank of India (May 21, 2021)**

The 589th meeting of the Central Board of Directors of Reserve Bank of India was held on May 21, 2021 under the Chairmanship of Shri Shaktikanta Das, Governor, through video conferencing. The Board in its meeting reviewed the current economic situation, global and domestic challenges and recent policy measures taken by the Reserve Bank to mitigate the adverse impact of the second wave of COVID-19 on the economy. With the change in the Reserve Bank's accounting year to April-March (earlier July-June), the Board discussed the working of the Reserve Bank of India during the transition period of nine months (July 2020-March 2021) and approved the Annual Report and accounts of the Reserve Bank for the transition period. The Board also approved the transfer of ₹99,122 crore as surplus to the Central Government for the accounting period of nine months ended March 31, 2021 (July 2020-March 2021), while deciding to maintain the Contingency Risk Buffer at 5.50%.

For details: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51617

- **Amalgamation of District Central Co-operative Banks (DCCBs) with the State Cooperative Bank (StCB) - Guidelines (May 24, 2021)**

In recent past, a few State Governments approached RBI for amalgamation of DCCBs with the StCB as a two-tier Short-term Co-operative Credit Structure (STCCS). In order to help the States contemplating layering their STCCS, captioned guidelines are being issued to bring the requirements and indicative benchmarks for the amalgamation of DCCBs with the StCB to the notice of all stakeholders. These guidelines will also apply for amalgamation of one or more DCCBs in a State with the StCB or amalgamation of one DCCB with another.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12096&Mode=0>

- **Development Research Group (DRG) Study No. 45 : Threshold Level of Inflation - Concept and Measurement (May 24, 2021)**

The Reserve Bank of India on May 24, 2021 released on its website the DRG Study titled, "Threshold Level of Inflation - Concept and Measurement". The study examines the concept of threshold inflation and defines it as the long run equilibrium rate of inflation that maximises the steady state growth within the relevant range of values. The empirical findings of the study broadly confirm higher threshold inflation and higher growth in emerging market economies than in advanced economies.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51630

- **Development Research Group (DRG) Study No. 46: Risk Premium Shocks and Business Cycle Outcomes in India (May 24, 2021)**

The Reserve Bank of India on May 24, 2021 released on its website the DRG Study titled, “Risk Premium Shocks and Business Cycle Outcomes in India”. This study investigates the dynamic effects of financial shocks on the business cycle. Against the backdrop of high nonperforming assets (NPAs) of banks, a financial shock is conceived to be a shock to the interest rate spread stemming from a change in the default risk of borrowers.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51631

- **RBI asks banks to ‘quickly’ implement Covid package, step up credit flow (May 26, 2021)**

With credit offtake remaining sluggish amid the Covid pandemic, the Reserve Bank of India (RBI) on May 25, 2021 asked private banks to ensure credit facilities to individuals and businesses, and “quickly” implement its recent measures.

For details:

<https://indianexpress.com/article/business/banking-and-finance/rbi-asks-banks-to-quickly-implement-covid-package-step-up-credit-flow-7330420/>

- **Insurance FDI rules set, govt looks to whet investor appetite (May 26, 2021)**

The government expects foreign direct investment to pick up pace in the insurance sector, as most regulations have been amended to give effect to 74 per cent FDI limit. With the government defining the management and control criteria for Indian insurance companies on May 19, 2021 through a gazette notification, the Finance Ministry expects the sector to be a key recipient of foreign capital.

For details:

<https://indianexpress.com/article/business/banking-and-finance/insurance-fdi-rules-set-govt-looks-to-whet-investor-appetite-7330392/>

- **Govt to seek approval from Cabinet to set up a land bank company (May 26, 2021)**

The government will soon move a cabinet note to set up a land bank company that will take over land parcels of public sector undertakings. The Department of Investment and Public Asset Management (DIPAM) has finalised the structure of the company that will be tasked with selling land parcels – including those stuck in litigation – owned by government departments and public sector companies.

For details:

https://www.business-standard.com/article/economy-policy/govt-to-seek-approval-from-cabinet-to-set-up-a-land-bank-company-121052501721_1.html

- **HSBC to exit US retail banking sector (May 27, 2021)**

HSBC announced on May 27, 2021 that it is exiting the retail and small business banking market in the United States, in line with its strategy to refocus on corporate and investment banking in Asia. The London-headquartered, Asia-focused giant intends to "focus on the banking and wealth management needs of globally connected affluent and high net worth clients,".

For details:

<https://www.livemint.com/industry/banking/hsbc-to-exit-us-retail-banking-sector-11622090920010.html>

- **Annual Report for the year 2020-21 (May 27, 2021)**

The Reserve Bank of India on May 27, 2021 released its Annual Report for 2020-21, a statutory report of its Central Board of Directors. The Report covers the working and functions of the Reserve Bank for the transition period of nine months (July 2020 - March 2021) following the decision to change its accounting year from July-June to April-March.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51637

- **Bank frauds fall by 25% in 2020-21 : RBI report (May 27, 2021)**

Bank frauds of ₹1 lakh and more fell by 25% in value to ₹1.38 trillion in the previous fiscal with the number of such cases also seeing a decline of 15% during the year, showed the Reserve Bank of India's annual report released on May 27, 2021.

For details:

<https://www.livemint.com/industry/banking/in-pandemic-year-bank-frauds-fall-25-rbiannual-report-11622119403692.html>

- **Delhi HC asks IRDA to consider insurance claims of Covid patients who couldn't get hospital beds (May 27, 2021)**

The Delhi high court on said that several people were not able to avail the benefit of the insurance policies during the second wave of the pandemic as they did not get hospital beds, "not due to their fault, but for the dearth of infrastructure". "The insurance policies issued by several insurance companies which have been in existence do not cover claims unless the insurer is a hospital. It appears that it is only the Corona kavach policy which has been introduced as a standard policy. However, a large number of insured people would not be able to receive any benefit under the insurance policies held by them only because they did not get hospitalization for no fault of theirs, but for the dearth of infrastructure," the court noted in its order.

For details:

<https://www.hindustantimes.com/cities/others/delhi-hc-asks-irda-to-consider-insurance-claims-of-covid-patients-who-couldn-t-get-hospital-beds-101622139960515.html>

Banks move Supreme Court against RTI disclosure, seek direction to RBI (May 31, 2021)

The Supreme Court will consider in July petitions filed by various banks including SBI and HDFC Bank seeking a direction to the Reserve Bank of India (RBI) to exempt information related to their customers, trade secrets, risk ratings, any unpublished price sensitive information from the Right to Information Act.

For details:

<https://www.financialexpress.com/industry/banking-finance/banks-move-supreme-court-against-rti-disclosure-seek-direction-to-rbi/2261932/>

- **Master Directions - Priority Sector Lending (PSL) - Targets and Classification (May 31, 2021)**

The Priority Sector Lending (PSL) guidelines issued by Reserve Bank of India were last reviewed for Commercial Banks in April 2015 and for UCBs in May 2018 respectively. With an objective to harmonise various instructions issued to Commercial Banks, SFBs, RRBs, UCBs and LABs; align these guidelines with emerging national priorities and bring sharper focus on inclusive development, it was decided to comprehensively review the PSL guidelines. The revised guidelines also aim to encourage and support environment friendly lending policies to help achieve Sustainable Development Goals (SDGs).

For details: https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959

- **Customer Due Diligence for transactions in Virtual Currencies (VC) (May 31, 2021)**

The Reserve Bank of India said that banks and other regulated entities cannot cite its April 2018 order on virtual currencies (VCs) as it was set aside by the Supreme Court last year. RBI Also said that all the Banks, as well as other regulated entities to continue to carry out customer due diligence processes in line with regulations governing standards for Know Your Customer (KYC), Anti-Money Laundering (AML), Combating of Financing of Terrorism (CFT) and obligations of regulated entities under Prevention of Money Laundering Act, (PMLA), 2002 in addition to ensuring compliance with relevant provisions under Foreign Exchange Management Act (FEMA) for overseas remittances.

For details: <https://rbi.org.in/Scripts/NotificationUser.aspx?id=12103&Mode=0>

- **IAMAI to set up a board to oversee self-regulation by crypto exchanges (June 01, 2021)**

Industry body, Internet and Mobile Association of India (IAMAI), on June 01, 2021 said it is setting up a board to oversee the implementation of a self-regulatory code of conduct for its members that lays down that all crypto exchange members will voluntarily comply with AML/CFT and KYC and other company and taxation laws.

For details:

<https://www.livemint.com/market/cryptocurrency/iamai-to-set-up-a-board-to-overseeself-regulation-by-crypto-exchanges-11622547532128.html>

- **How RBI's Resolution Framework 2.0 can help MSMEs tide over Covid mess; is Udyam registration required? (June 01, 2021)**

The Reserve Bank of India (RBI) in August last year during its second bi-monthly monetary meet had extended provisions of restructuring MSME loans classified as standard as of March 1, 2020. The move was intended to support Covid-hit MSMEs and to align the restructuring guidelines with the Resolution Framework for Covid-related stress announced for other loans. However, the resurgence of the pandemic post-mid February and following lockdowns across the country had further necessitated support to the most vulnerable borrower class - MSMEs. Consequently, the RBI had in early May announced Resolution Framework 2.0 to allow individuals, small businesses, and MSMEs – with loans up to Rs 25 crore and who have not availed restructuring under Resolution Framework 1.0 and others and were classified as 'Standard' as on March 31, 2021 – avail one-time restructuring under the proposed framework till September 30, 2021.

For details:

<https://www.financialexpress.com/industry/sme/how-rbis-resolution-framework-2-0-can-help-msmes-tide-over-covid-mess-is-udyam-registration-required/2263186/>

- **Further rate cuts not likely, RBI may retain accommodative stance (June 03, 2021)**

The Monetary Policy Committee (MPC) of the RBI on June 02, 2021 kicked off its three day deliberations with analysts and rating firms expecting the policy panel to keep the benchmark policy rate – repo rate – unchanged in the wake of uncertainty over the impact of the second wave of Covid-19 pandemic.

For details:

<https://indianexpress.com/article/business/banking-and-finance/monetary-policy-committee-meet-further-rate-cuts-not-likely-rbi-may-retain-accommodative-stance-7341810/>

- **HDFC Bank deploys mobile ATMs across 50 cities in India amid Covid-19 (June 02, 2021)**

HDFC Bank has installed mobile ATMs across 50 cities in India, which can be used for over 15 transactions by customers. These ATMs have been deployed in various metros and non-metros in view of the restrictions imposed by Covid-19. Customers can conduct over 15 types of transactions using the Mobile ATM, which will be operational at each location for a specific period.

For details:

https://www.business-standard.com/article/finance/hdfc-bank-deploys-mobile-atmsacross-50-cities-in-india-amid-covid-19-121060200070_1.html

- **Non-banks' NPAs may rise to 4.5% - 5% by March 2022 : ICRA (June 02, 2021)**

Restrictions in movements imposed by various states are likely to impact collections of Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs), which may see NPAs rising to 4.5% - 5% by March 2022, says a report. ICRA Ratings said non-banks (NBFC and HFCs) will feel the stress of the second wave of COVID-19 and movement restrictions imposed by various states in April-May 2021, given the fact that 25-30% of their loan collections happen through field collection teams and largely via cash.

For details: <https://economictimes.indiatimes.com/industry/banking/finance/banking/non-banksnpas-may-rise-to-4-5-5-per-cent-by-march-2022-icra/articleshow/83147376.cms>

- **Niti Aayog submits names of PSU banks to be privatised to Core Group of Secys on Disinvestment (June 3, 2021)**

Government think tank Niti Aayog has submitted to the Core Group of Secretaries on Disinvestment the finalised names of PSU banks to be privatised in the current fiscal as part of the disinvestment process, a senior government official said. Niti Aayog has been entrusted with the task of selection of names of two public sector banks and one general insurance company for the privatisation as announced in the Budget 2021-22. Niti Aayog has submitted the names (of PSU banks) to the Core Group of Secretaries on Disinvestment.

For details:

<https://www.financialexpress.com/industry/banking-finance/niti-aayog-submits-namesof-psu-banks-to-be-privatised-to-core-group-of-secys-on-disinvestment/2264403/>

- **Monetary Policy Statement, 2021-22 Resolution of the Monetary Policy Committee (MPC) June 2-4, 2021 (June 04, 2021)**

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting held on June 4, 2021 decided to:

- keep the policy Repo Rate under the Liquidity Adjustment Facility (LAF) unchanged at 4.0 per cent. Consequently, the Reverse Repo Rate under the LAF remains unchanged at 3.35 per cent and the Marginal Standing Facility (MSF) rate and the Bank Rate at 4.25 per cent.
- The MPC also decided to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward. These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51683

- **Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses and Micro, Small and Medium Enterprises (MSMEs) - Revision in the threshold for aggregate exposure (June 4, 2021)**

The Reserve Bank of India has enhanced the limits of below mentioned eligible borrowers who may be considered for resolution under the framework from Rs.25 crore to Rs.50 crore:

- (i) Individuals who have availed of loans and advances for business purposes and to whom the lending institutions have aggregate exposure of not more than Rs.25 crore as on March 31, 2021.
- (ii) Small businesses, including those engaged in retail and wholesale trade, other than those classified as MSME as on March 31, 2021, and to whom the lending institutions have aggregate exposure of not more than Rs.25 crore as on March 31, 2021.
- (iii) MSME accounts- the aggregate exposure, including non-fund based facilities, of all lending institutions to the MSME borrower should not exceed Rs.25 crore as on March 31, 2021.

For details:

*<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12104&Mode=0> &
<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12105&Mode=0>*

- **Submission of returns under Section 31 of the Banking Regulation Act, 1949 (AACs) - Extension of time (June 4, 2021)**

Reserve Bank hereby extends the period of three months for the furnishing of the returns under Section 31 of the Act for the financial year ended on March 31, 2021, by a further period of three months. Accordingly, all UCBs, State Co-operative Banks and Central Co-operative Banks shall ensure submission of the aforesaid returns to Reserve Bank on or before September 30, 2021. The State Co-operative Banks and Central Cooperative Banks shall also ensure submission of the aforesaid returns to NABARD on or before September 30, 2021.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12107&Mode=0>

- **Master Direction - Reserve Bank of India (Certificate of Deposit) Directions, 2021 (June 4, 2021)**

The draft Directions were released by the Reserve Bank of India for public comments on December 04, 2020. Based on the feedback received from the market participants, the Reserve Bank of India (Certificate of Deposit) Directions, 2021 were reviewed, finalised and issued.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12108&Mode=0>

- **On-Tap Liquidity Window for Contact-Intensive Sectors (June 4, 2021)**

The Reserve Bank of India has decided to open a separate liquidity window of Rs.15,000 crore with tenors of up to three years at the repo rate till March 31, 2022 for certain contact-intensive sectors i.e., hotels and restaurants; tourism - travel agents, tour operators and adventure/heritage facilities; aviation ancillary services - ground handling and supply chain; and other services that include private bus operators, car repair services, rent-a-car service providers, event/conference organisers, spa clinics, and beauty parlours/saloons.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51687

- **Transactions in Government securities by Foreign Portfolio Investors : Reporting (June 07, 2021)**

Over The Counter (OTC) transactions in Government securities (including State Development Loans and Treasury Bills) undertaken by market participants other than on the Negotiated Dealing System - Order Matching (NDS-OM) platform are required to be reported to the 'NDS-OM' platform for settlement. Based on the feedback received, it has been decided by the RBI to provide operational flexibility for reporting of such transactions undertaken by the Foreign Portfolio Investors (FPIs) in Government securities, as under. a. FPIs/custodian banks shall report their transactions to the NDS-OM platform within three hours after the close of trading hours for the Government securities market. b. Information about trades undertaken by domestic counterparties with FPIs shall be disseminated by the Clearcorp Dealing Systems (India) Ltd. (CDSL) after one leg of the trade is reported on the NDS-OM platform by the domestic counterparty with a suitable qualifier to indicate that the trade is awaiting counterparty confirmation. c. Domestic market participants, including domestic counterparties to transactions with FPIs, shall continue to report transactions to the NDS-OM platform as per extant practice.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12109&Mode=0>

- **Preservation of CCTV recordings (June 8, 2021)**

Earlier banks were advised to preserve the CCTV recordings of operations at bank branches and currency chests for the period from November 08, 2016 to December 30, 2016, until further instructions, to facilitate coordinated and effective action by the enforcement agencies in dealing with matters relating to illegal accumulation of new currency notes. In continuation to the above, keeping in view the investigations pending with law enforcement agencies, proceedings pending at various courts, you are advised to preserve the CCTV recordings of operations at bank branches and currency chests for the period from November 08, 2016 to December 30, 2016 in a proper way, till further orders.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12110&Mode=0>

- **RBI nod for Ghosh's re-appointment as Bandhan Bank MD & CEO for 3 yrs; company board had okayed 5-yr term (June 8, 2021)**

Bandhan Bank has received RBI nod to re-appoint Chandra Shekhar Ghosh as its MD and CEO for three years, lower than the five-year tenure approved by the company's board in November last year.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-nod-for-ghoshs-reappointment-as-bandhan-bank-md-company-board-had-okayed-5-yr-term/2267747/>

- **Shri Mahesh Kumar Jain re-appointed as RBI Deputy Governor (June 09, 2021)**

The Central Government has re-appointed Shri Mahesh Kumar Jain as Deputy Governor, Reserve Bank of India for a period of two years with effect from June 22, 2021, or until further orders, whichever is earlier, upon completion of his existing term on June 21, 2021.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51709

- **Yes Bank: CBI files case against realty firm, directors in over ₹466 cr. fraud (June 09, 2021)**

The Central Bureau of Investigation (CBI) on June 08, 2021 registered a case against two Delhi-based private companies including its directors or promoters for causing alleged loss of around ₹466.51 crore to Yes Bank. The CBI has also booked Raghubir Kumar Sharma, Rajendra Kumar Mangal, Tapsi Mahajan, their companies Oyster Buildwell Pvt. Ltd. and Avantha Realty Pvt. Ltd., and officials of Jhabua Power Ltd. for allegedly cheating Yes Bank of over ₹466 crore in 2017-19.

For details:

<https://www.livemint.com/industry/banking/yes-bank-cbi-files-case-against-realty-firm-directors-in-over-rs-466-cr-fraud-11623237114215.html>

- **India offers huge potential for digital banks: Report (June 09, 2021)**

India offers a huge potential for Digital Challenger Banks (DCBs) but currency depreciation and local regulations are concerns for foreign investors, according to a report. Leading consultancy BCG said in the report on June 08, 2021 that the revenue opportunity in India, which has a population of 130 crore people, was pegged at being up to ten times higher than that of rest of South East Asia.

For details:

<https://www.financialexpress.com/industry/banking-finance/india-offers-huge-potential-for-digital-banks-report/2268193/>

- **Usage of Automated Teller Machines / Cash Recycler Machines - Review of Interchange Fee and Customer Charges (June 10, 2021)**

The Reserve Bank of India had constituted a Committee in June 2019 under the Chairmanship of the Chief Executive, Indian Banks' Association to review the entire gamut of Automated Teller Machine (ATM) charges and fees with particular focus on interchange structure for ATM transactions. The recommendations of the Committee have been comprehensively examined. It is also observed that the last change in interchange fee structure for ATM transactions was in August 2012, while the charges payable by customers were last revised in August 2014. A substantial time has thus elapsed since these fees were last changed. Accordingly, given the increasing cost of ATM deployment and expenses towards ATM maintenance incurred by banks / white label ATM operators, as also considering the need to balance expectations of stakeholder entities and customer convenience, RBI has decided to revise the charges.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12111&Mode=0>

- **Banking and Insurance Risk Based Internal Audit (RBIA) (June 11, 2021)**

It has been decided by the Reserve Bank of India that the provisions of the Risk Based Internal Audit (RBIA) circular dated February 03, 2021 shall be applicable to Housing Finance Companies (HFCs) also, as stipulated below: a) All deposit taking HFCs, irrespective of their size b) Non-deposit taking HFCs with asset size of ₹5,000 crore and above The above-mentioned entities shall put in place a RBIA framework by June 30, 2022.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12112&Mode=0>

- **Guidelines on Standard Professional Indemnity Policy For Insurance Brokers/Corporate Agent/Web Aggregators/Insurance Marketing Firms (June 11, 2021)**

Insurance Regulatory and Development Authority of India (IRDAI) has issued Guidelines on Standard Professional Indemnity Policy for Insurance Brokers / Corporate Agent / Web Aggregators / IMF for insurance intermediaries which are engaged in solicitation and distribution of insurance products and are required to take Professional Indemnity Insurance policy in order to get themselves from claim lodged against them.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4509&flag=1

- **Covid-19: Supreme Court rejects plea for fresh loan moratorium relief (June 11, 2021)**

The Supreme Court on June 11, 2021 rejected a plea seeking a fresh loan moratorium relief in the wake of the second Covid wave as implemented in the aftermath of the first, saying such decisions with financial ramifications are best left to the policymakers - the government and RBI – as “judges are not experts in financial matters”.

For details:

<https://www.financialexpress.com/industry/banking-finance/covid-19-supreme-court-rejectsplea-for-fresh-loan-moratorium-relief/2269939/>

- **Bharat Bill Payment System - Addition of Biller Category (June 14, 2021)**

Bharat Bill Payment System (BBPS) started as an interoperable platform for repetitive bill payments, which covered bills of five categories viz. Direct to Home (DTH), Electricity, Gas, Telecom and Water. The system provided standardised bill payment experience, centralised customer grievance redressal mechanism, prescribed customer convenience fee and ensured availability of a bouquet of anytime, anywhere digital payment options. Now due to consistent growth in different biller categories and to facilitate mobile prepaid customers with more options to recharge, it has been decided to permit ‘mobile prepaid recharges’ as a biller category in BBPS, on a voluntary basis. This will be implemented on or before August 31, 2021.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12113&Mode=0>

- **RBI releases Consultative Document on Regulation of Microfinance (June 14, 2021)**

The Reserve Bank of India had announced that a consultative document will be issued for harmonising the regulatory frameworks for various regulated lenders in the microfinance space. Accordingly, the Consultative Document on Regulation of Microfinance has been released on June 14, 2021 for feedback from all stakeholders. Comments/observations/suggestions on the Consultative Document, especially on the discussion points mentioned therein, are invited from banks, NBFCs including NBFCMFIs, industry associations and other stakeholders latest by July 31, 2021. Feedback on the Consultative Document may be sent by microfinancefeedback@rbi.org.in with the subject line ‘Feedback on the Consultative Document on Microfinance’.

For details: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51725

- **Experts see new surge in bad loans, could rise to 13-15% this FY (June 16, 2021)**

With a number of large banks and Non-Banking Finance Companies facing fresh challenges posed by the second Covid wave, bad loans are projected to see a fresh spike as the rising stress across sectors is beginning to impact the repayment capacity of borrowers. Analysts estimate that non-performing assets (NPAs) will jump from a little under 8 per cent in the previous fiscal year – helped by restructuring, write-offs and regulatory relaxations including a loan moratorium – to 13-15 per cent in 2021-22.

For details:

<https://indianexpress.com/article/business/banking-and-finance/experts-see-new-surge-in-bad-loans-could-rise-to-13-15-per-cent-this-fy-7360806/>

- **BoB to offer flexible working model to employees; focus on mobile banking (June 15, 2021)**

State-owned Bank of Baroda (BOB) is working towards providing a flexible working model to its employees aimed at striking a work-life balance and productivity enhancement in the long run. The work environment went through a sea change during the pandemic and employees are able to work from home and office, the bank said in its annual report for 2020-21.

For details:

https://www.business-standard.com/article/companies/bob-to-offer-flexible-workingmodel-to-employees-focus-on-mobile-banking-121061501248_1.html

- **Second COVID wave impacts bank deposits, currency holding with public: RBI article (June 16, 2021)**

Bank deposits and currency holding with the public have been adversely impacted during the second COVID wave, indicating a heavy outgo towards pandemic-induced medical expenditure, an RBI article said on June 16, 2021. Bank deposits -- having a share of around 55 per cent in total assets of households -- decelerated by 0.1 per cent at end April 2021 on a m-o-m (month-on-month) basis as against a growth of 1.1 per cent in April 2020.

For details: <https://economictimes.indiatimes.com/industry/banking/finance/banking/second-covidwave-impacts-bank-deposits-currency-holding-with-public-rbiarticle/articleshow/83580241.cms>

- **ICICI Banks launches 'ICICI STACK for Corporates': All about it (June 16, 2021)**

ICICI Bank on June 16, 2021 announced the launch of 'ICICI STACK for Corporates', a comprehensive set of digital banking solutions for corporates and their entire ecosystem including promoters, group companies, employees, dealers, vendors and all other stakeholders. The wide range of 360-degree solutions enables corporates to seamlessly meet all banking requirements of their ecosystem in an expeditious and frictionless manner.

For details:

<https://www.livemint.com/industry/banking/icici-bank-launches-icici-stack-forcorporates-all-about-it-11623818772032.html>

- **Lanco Infratech declared as 'fraud' account by Punjab & Sind Bank (June 17, 2021)**

Public sector lender Punjab & Sind Bank has declared Lanco Infratech as 'fraud' account, the bank said in a regulatory filing on June 16, 2021. The bank has an exposure of Rs. 215 crore towards Lanco Indratech.

For details:

<https://www.financialexpress.com/industry/banking-finance/lanco-infratech-declared-asfraud-account-by-punjab-sind-bank/2272814/>

- **Awaiting RBI directions on lifting curbs: HDFC Bank (June 18, 2021)**

HDFC Bank is hoping the Reserve Bank of India (RBI) will lift restrictions on onboarding new customers. The country's largest private lender said on June 17, 2021, it was awaiting directions from the regulator on the temporary halt on sourcing of new credit card customers and digital launches.

For details:

<https://www.financialexpress.com/industry/banking-finance/awaiting-rbi-directions-onlifting-curbs-hdfc-bank/2273561/>

- **Bank staff seek job security assurance after privatization (June 18, 2021)**

The proposed privatization of two state-run lenders has cast a pall of gloom over bank employees who fear loss of jobs and pensions, with unions vowing indefinite strikes to counter any adverse announcement. People who joined government-owned banks with job security in mind believe that while mergers largely did not lead to job losses, privatization will.

For details:

<https://www.livemint.com/industry/banking/bank-staff-seek-job-security-assuranceafter-privatization-11623957323248.html>

- **Bank of Maharashtra tops PSU bank chart in MSME loan growth in FY21 (June 20, 2021)**

State-owned Bank of Maharashtra (BoM) has become top performer among public sector lenders in terms of retail and MSME loan growth during 2020-21. The Pune-based lender recorded a 35 per cent growth in MSME loans at ₹23,133 crore in 2020-21, according to the BoM data.

For details:

<https://www.livemint.com/industry/banking/bank-of-maharashtra-tops-psu-bank-chart-in-msme-loan-growth-in-fy21-11624187219770.html>

- **Insurers seek re-pricing of Corona Kavach, Corona Rakshak policies (June 20, 2021)**

Worried by rising claims and low premium, insurers have approached the insurance regulator IRDAI for a re-pricing of the Corona Kavach and Corona Rakshak policies.

Insurers point out that these low ticket policies were expected to be for a short duration, but with the pandemic continuing, they are turning out to be expensive propositions for them and hitting their balance sheets.

For details:

<https://www.thehindubusinessline.com/money-and-banking/insurers-seek-re-pricing-of-corona-kavach-corona-rakshak-policies/article34865002.ece>

- **PMC Plan : BharatPe and CFS will collectively infuse between Rs 500-3,000 crore in SFB (June 21, 2021)**

Centrum Financial Services and BharatPe, will collectively infuse anywhere between Rs 500-3,000 crore capital in the Small Finance Bank (SFB) as per requirement.

For details:

<https://www.financialexpress.com/industry/banking-finance/PMC-plan-bharatpe-and-cfswill-collectively-infuse-between-rs-500-3000-crore-in-sfb/2275058/>

- **Windfall gains on bond portfolios aided PSBs report net profits in FY2021 : ICRA (June 21, 2021)**

After five consecutive years of posting losses, Public Sector Banks (PSBs) reported net profits in the fiscal 2020-21, supported by windfall gains on their bond portfolio, rating agency ICRA Ratings said in a report. Apart from trading gains, the return to profitability was supported by lower credit provisions on their legacy Non-Performing Assets (NPAs), after the high provisions made during the last few years.

For details:

<https://www.financialexpress.com/industry/banking-finance/windfall-gains-on-bondportfolios-aided-psbs-report-net-profits-in-fy2021-icra/2275620/>

- **IIFCL seeks Reserve Bank nod to lend to InvITS, earmarks Rs. 4,000 crore (June 22, 2021)**

India Infrastructure Finance Company Ltd (IIFCL) has sought clearance from the banking sector regulator to lend to infrastructure investment trusts, or InvITs, as they are performing well.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/iifcl-seeks-reserve-banknod-to-lend-to-invits-earmarks-rs-4000-crore/articleshow/83749054.cms>

- **Gang steals Rs. 48 lakh from SBI cash deposit machines; lender puts withdrawal on hold (June 23, 2021)**

Abusing technology that is meant to help customers, a gang has stolen Rs. 48 lakh from various cash deposit machines of State Bank of India in Tamil Nadu. The government owned top lender meanwhile said it has halted the facility to withdraw cash from these machines across the country, as an immediate preventive measure and these could be used only to deposit cash.

For details: <https://economictimes.indiatimes.com/industry/banking/finance/banking/gang-steals-rs48-lakh-from-sbi-cash-deposit-machines-lender-puts-withdrawal-onhold/articleshow/83754492.cms>

- **IDBI Bank privatisation process kicks off (June 23, 2021)**

Kickstarting privatisation process in the banking sector, the government on June 22, 2021 invited bids to appoint transactions and legal advisors to assist in strategic sale of its equity, along with transfer of management control, in IDBI Bank to private players.

For details:

<https://indianexpress.com/article/business/banking-and-finance/idbi-bank-privatisation-process-kicks-off-7371203/>

- **Gold (Metal) Loans - Repayment (June 23, 2021)**

As per the extant instructions, nominated banks authorized to import gold and designated banks participating in Gold Monetization Scheme, 2015 (GMS) can extend Gold (Metal) Loans (GML) to jewellery exporters or domestic manufacturers of gold jewellery. It has been decided by the Reserve Bank of India that banks shall provide an option to the borrower to repay a part of the GML in physical gold in lots of one kg or more, provided:

- a. the GML has been extended out of locally sourced / GMS-linked gold;
- b. repayment is made using locally sourced IGDS (India Good Delivery Standard)/ LGDS (LBMA's Good Delivery Standards) gold;
- c. gold is delivered on behalf of the borrower to the bank directly by the refiner or a central agency, acceptable to the bank, without the borrower's involvement;
- d. the loan agreement contains details of the option to be exercised by the borrower, acceptable standards and manner of delivery of gold for repayment;
- e. the borrower is apprised upfront, in a transparent manner, of the implications of exercising the option.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12117&Mode=0>

- **ED transfers Rs. 9,371-cr assets seized from Mallya, Nirav, Choksi to PSBs (June 23, 2021)**

The Enforcement Directorate (ED) has transferred a portion of the assets valued at Rs. 8,441 crore it had seized in connection with cases related to the three fugitive economic offenders – Vijay Mallya, Nirav Modi, and Mehul Choksi – to state-run banks. With this, the total transfer of the attached assets stand at Rs. 9,371 crore.

For details:

https://www.business-standard.com/article/current-affairs/assets-worth-rs-18-000-crof-mallya-nirav-modi-and-choksi-attached-ed-121062300801_1.html

- **Declaration of dividends by NBFCs (June 24, 2021)**

In order to infuse greater transparency and uniformity in practice, it has been decided by the Reserve Bank of India to prescribe guidelines on distribution of dividend by NBFCs.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12118&Mode=>

- **RBI launches Survey on Computer Software and Information Technology Enabled Services (ITES) Exports: 2020-21 (June 24, 2021)**

The annual survey being conducted since 2002-03, collects data on various aspects of computer services exports as well as exports of information technology enabled services (ITES) and business process outsourcing (BPO). The survey results are released in the public domain besides being used for compilation of balance of payments (BoP) statistics and other uses. The survey schedule for the 2020-21 round is required to be filled in by all software and ITES/BPO exporting companies. The soft form of this survey schedule (both in Hindi and English) is available on the RBI's website under the head 'Forms' (available under 'More Links' at the bottom of the home page) and sub-head 'Survey', which can be duly filled and submitted by surveysoftex@rbi.org.in by July 31, 2021.

For details: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51784

- **RBI launches the Survey on Foreign Liabilities and Assets of Mutual Fund and Asset Management Companies': 2020-2021 round (June 24, 2021)**

The Reserve Bank has launched the 2020-21 round of its annual survey on 'Foreign Liabilities and Assets of Mutual Funds and Asset Management Companies'. The survey collects information from Mutual Fund companies and Asset Management Companies on their external financial liabilities and assets as at end-March of the latest financial year. Consolidated results of the survey are released in the public domain besides being used for compilation of India's external sector statistics. Asset Management companies (AMCs) are required to submit the annual return on Foreign Liabilities and Assets (FLA) online through the web-based portal (<https://flair.rbi.org.in>) by July 31, 2021. In addition, Mutual Fund companies are required to fill the survey schedule (Schedule-4), which is available on the RBI website (www.rbi.org.in → Forms → Survey) and send via e-mail on mf@rbi.org.in by July 31, 2021.

For details: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51785

- **SBI launches Aarogyam healthcare business loan (June 24, 2021)**

To provide enhanced support to the healthcare sector amid the pandemic, State Bank of India (SBI) has launched the Aarogyam healthcare business loan. Under this new product, entire healthcare ecosystem such as hospitals, nursing homes, diagnostic centres, pathology labs, manufacturers, suppliers, importers, logistic firms engaged in critical healthcare supply can avail of loans up to Rs 100 crore (as per the geographic location) repayable in 10 years.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbilaunches-aarogyam-healthcare-business-loan/articleshow/83818772.cms>

- **Appointment of Managing Director (MD) / Whole-Time Director (WTD) in Primary (Urban) Co-operative Banks (June 25, 2021)**

The Reserve Bank of India has issued guidelines relating to appointment, reappointment, termination and removal of Managing Director (MD) and Whole-Time Director (WTD) in Primary (Urban) Co-operative Banks.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12119&Mode=0>

- **Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2021 (June 25, 2021)**

On a review based on representations received by the Reserve Bank of India, the prudential borrowing limits for transactions in Call, Notice and Term Money Markets have been revised.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12120&Mode=0>

- **Appointment of Chief Risk Officer in Primary (Urban) Co-operative Banks (June 25, 2021)**

With increasing size and scope of business, Primary (Urban) Co-operative Banks (UCBs) are gradually getting exposed to greater degree of risks. It is, therefore, necessary that every UCB focuses its attention on putting in place appropriate risk management mechanism commensurate with its business profile and strategic objectives. In this connection, it has been decided that all UCBs having asset size of Rs. 5000 crore or above, shall appoint a Chief Risk Officer (CRO).

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12121&Mode=0>

- **Cabinet secretary-led panel holds crucial meeting on bank privatisation (June 27, 2021)**

Inching a step closer to privatisation of two public sector banks, a high-level panel headed by the cabinet secretary recently held a meeting to thrash out various regulatory and administrative issues so that the proposal could be placed with the group of ministers on disinvestment or Alternative Mechanism (AM) for approval.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/cabinetsecretary-led-panel-holds-crucial-meeting-on-bankprivatisation/articleshow/83889326.cms>

Legal

Info Capsule Series 7

- **Cabinet approves Model Tenancy Act for circulation to States, UTs (June 2, 2021)**

The Union Cabinet on Wednesday, June 2, 2021 approved the Model Tenancy Act to be sent to the States and Union Territories to enact legislation or amend laws on rental properties. The meeting was chaired by Prime Minister Narendra Modi. “It will help overhaul the legal framework with respect to rental housing across the country, which would help spur its overall growth...It will enable creation of adequate rental housing stock for all the income groups thereby addressing the issue of homelessness,” a government statement said. Among the provisions in the model Act is a cap of two months rent on the security deposit to be paid by tenants for residential properties and six months rent for non-residential spaces and appointment of a rent authority to settle disputes in each district. The Act also makes it mandatory for there to be a written agreement between the property owner and the tenant.

For details:

<https://www.thehindu.com/news/national/cabinet-approves-model-tenancy-act-for-circulation-to-states-uts/article34708533.ece>

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1723636>

- **Interaction with High Court Chief Justices : Chief Justice of India takes stock of court work during Covid time, discusses digital divide (June 05, 2021)**

With courts switching to the virtual mode in the wake of Covid-19, the digital divide is impacting functioning of the judiciary, too, and concrete steps are needed to address this, it was felt at a meeting held between Chief Justice of India N V Ramana and High Court Chief Justices. In the wake of the second wave of the pandemic, all High Courts have moved from hybrid mode – part-physical, part-virtual – to complete videoconferencing mode, and most courts have rescheduled their summer vacations to minimise the suffering. The general view that emerged was that the digital divide is impacting functioning of the judiciary, and better connectivity and network in

districts, particularly in rural and tribal areas, would go a long way in enhancing efficiency of the subordinate judiciary.

For details:

<https://indianexpress.com/article/india/interaction-with-high-court-cjs-cjitakes-stock-of-court-work-during-covidtime-discusses-digital-divide-7344848>

- **e-Committee of Supreme Court releases Draft Model Rules for Live-Streaming and Recording of Court Proceedings; Comments/inputs sought from stakeholders : Draft Model Rules aims to imbue greater transparency, inclusivity and foster access to justice (June 07, 2021)**

The e-Committee, Supreme Court of India has released the Draft Model Rules for Live-Streaming and Recording of Court Proceedings and has invited inputs, feedback and suggestions on it from all the stakeholders. The Draft Model Rules are available on the e-committee website. The e-Committee of Supreme Court of India along with the Department of Justice, Government of India is working under the National Policy and Action Plan for implementation of Information and Communication Technology (ICT) in the Indian Judiciary. Suggestions and inputs on the Draft Model Rules for LiveStreaming and Recording of Court Proceedings can be sent in the following email ID: ecommittee@ajj.gov.in on or before June 30, 2021.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1725051>

- **Bhaskara Pantula Mohan made acting head of National Company Law Tribunal (NCLT), Delhi (June 11, 2021)**

Bhaskara Pantula Mohan, currently working as a judicial member at Amaravati bench of National Company Law Tribunal (NCLT) in Hyderabad, has been appointed as acting president of NCLT principal bench in Delhi. The appointment is for three months or until a new president is appointed or until further orders.

For details:

<https://timesofindia.indiatimes.com/city/hyderabad/bp-mohan-made-acting-head-of-nclt-delhi/articleshow/83415261.cms#:~:text=ARTICLES&text=Hyderabad%3A%20Bhaskara%20Pantula%20Mohan%2C%20currently,a%20notification%20to%20this%20effect>

Competition & Economic Laws

Info Capsule Series 7

Competition Law

- **Delhi High Court dismisses Facebook, WhatsApp pleas against CCI order to investigate privacy policy (April 22 2021)**

The Delhi High Court on Thursday dismissed plea of instant messaging app WhatsApp challenging a decision of the Competition Commission of India (CCI) calling for an investigation into its controversial new privacy policy. WhatsApp had contended that since the issue of its privacy policy was before the Supreme Court, the CCI did not need to order the probe. Not only WhatsApp, but social media giant Facebook, which owns the instant messaging app, also filed a similar petition challenging the competition watchdog's March 24 decision.

For details:

<https://www.thehindu.com/news/national/hc-dismisses-facebook-whatsapp-pleas-againstcci-order-to-probe-privacy-policy/article34382221.ece>

- **Delhi HC dismisses Facebook, WhatsApp pleas against CCI order to probe privacy policy (April 22, 2021)**

The Delhi High Court dismissed pleas by social media platforms, Facebook and WhatsApp, challenging India's competition regulator CCI's order directing a probe into WhatsApp's new privacy policy. Justice Navin Chawla said though it would have been "prudent" for the Competition Commission of India (CCI) to await the outcome of petitions in the Supreme Court and the Delhi HC against WhatsApp's new privacy policy, but not doing so would not make the regulator's order "perverse" or "wanting of jurisdiction". The court said it saw no merit in the petitions of Facebook and WhatsApp to interdict the investigation directed by the CCI. The Competition Commission had argued before the court that the new privacy policy of WhatsApp would lead to excessive data collection and "stalking" of consumers for targeted advertising to bring in more users and is therefore an alleged abuse of dominant position. The two social media platforms had contended

that when the top court and the Delhi High Court were looking into the privacy policy, then CCI ought not to have "jumped the gun" and intervened in the issue. WhatsApp and Facebook had challenged the CCI's March 24, 2021 order directing a probe into the new privacy policy. In January, the CCI on its own decided to look into WhatsApp's new privacy policy on the basis of news reports regarding the same.

For details:

<https://telecom.economictimes.indiatimes.com/news/delhi-hc-dismisses-facebook-whatsapp-pleasagainst-cci-order-to-probe-privacy-policy/82192846>

- **CCI prima facie finds Google in violation of abuse of dominance in smart TV OS market, orders probe (June 22, 2021)**

The Competition Commission of India (CCI) has prima facie found Google to be in violation of competition laws relating to abuse of dominance in the smart TV operating system (OS) market. The CCI has ordered its investigative arm, the Director General, to conduct a probe into Google's market practices including for anti-competitive agreements, in an order on Tuesday.

For details:

<https://economictimes.indiatimes.com/industry/cons-products/electronics/cci-prima-faciefinds-google-in-violation-of-abuse-of-dominance-in-smart-tv-os-market-ordersprobe/articleshow/83750439.cms>

Labour Law

Info Capsule Series 7

- **Labour Ministry Seeks Feedback on Draft Rules on Trade Unions Under Industrial Relation Code (May 4, 2021)**

The Ministry of Labour and Employment on Tuesday, May 04, 2021 sought public feedback on draft rules for recognition of trade unions and disputes related to those under the Industrial Relations Code 2020. The Industrial Relations Code 2020 was passed by Parliament in the Budget session which concluded in March this year. The various rules under it were finalised but could not be notified yet. According to the notification, the draft Industrial Relations (Central) Recognition of Negotiating Union or Negotiating Council and Adjudication of Disputes of Trade Unions Rules, 2021 would be firmed up within 30 days from May 04, 2020. The rules provide for criteria for recognising a registered trade union of workers as the sole negotiating union of workers.

For details:

www.businessworld.in/article/Labour-Ministry-Seeks-Feedback-On-Draft-Rules-On-Trade-Unions-Under-IR-Code/05-05-2021-388683/

<https://egazette.nic.in/WriteReadData/2021/226832.pdf>

- **Aadhaar mandatory for all workers to avail social security benefits (May 03, 2021)**

The ministry of Labour and Employment appointed May 03, 2021 as the date on which the provisions of section 142 Social Security Code shall come into force. Section 142 provides for establishing the identity of an employee or an unorganised worker or any other person through Aadhaar number for seeking benefits and availing services under the Social Security Code, 2020. As per the Code, the Aadhaar registration is mandatory for all workers seeking benefit from the government in either kind or cash. These would also include medical and sickness benefit, pension, gratuity, maternity benefit or any other benefit or for withdrawal of fund.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/aadhaar-mandatory-forall-workers-to-avail-social-security-benefits/articleshow/82401711.cms>

<https://www.outlookindia.com/newscroll/labour-min-gets-mandate-to-seek-aadhaarfrom-beneficiaries-under-social-security-code/2077411>

<https://egazette.nic.in/WriteReadData/2021/226829.pdf>

- **Pension funds : PFRDA revises sponsor's capital requirement criteria (May 26, 2021)**

Pension fund regulator PFRDA is keen that sponsors and pension funds set up by them are strong enough to ride the current growth wave in the pension sector. Towards this end, it has tweaked the capital requirement norms for sponsors of Pension Funds, stipulating higher paid-up capital and networth for those looking to set up such funds. A sponsor - individually or jointly- of a pension fund should have atleast ₹25 crore in paid-up capital on the date of making application as a sponsor and positive tangible networth of at least ₹50 crore on the last date of each of the preceding five financial years, the PFRDA has now ruled.

For details:

<https://www.thehindubusinessline.com/money-andbanking/pension-funds-pfrda-revises-sponsors-capitalrequirement-criteria/article34648297.ece>

- **Draft Rules on Code of Social Security, 2020 (June 3, 2021)**

On June 3, 2021, Ministry of Labour and Employment published the Code on Social Security (Employee's Compensation) (Central) Rules, 2021. The purpose of these rules is to supersede Employee's Compensation Rules, 1924, Employee's Compensation (Transfer of Money) Rules, 1935 and Employee's Compensation (Venue of Proceedings) Rules, 1996 made by the Central Government and repealed by which is repealed by the provisions of the Code on Social Security, 2020. The purpose of these rules is provide beneficial measures to Labours which inter-alia includes rate of Interest on delayed compensation, mode of transferring money, manner for application for claim or settlement, rules on International compensation, venue for proceedings etc. Objections and suggestions, if any, may be addressed to Shri Rahul Bhagat, Director, Ministry of Labour and Employment, Room No.302, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001 or by e-mail - rahul.bhagat@ips.gov.in before the expiry of the period specified in the rules.

For details: <https://egazette.nic.in/WriteReadData/2021/227359.pdf>

International Business News

Info Capsule Series 7

- **Asia should be major Engine for Sustainable Global Recovery: Report (April 18, 2021)**

Asia should be a major engine for sustainable global recovery, according to a report released by the Boao Forum for Asia (BFA) Sunday, April 18, 2021. Asian countries that have emerged from the pandemic need to offer more assistance to their neighbours, said the BFA's Sustainable Development : Asia and the World Annual Report 2021. The countries need to make concerted efforts in virus prevention and control, and accelerate the vaccination process, thus creating conditions for reopening borders and resuming normal travel, it said.

For details: http://www.xinhuanet.com/english/asiapacific/2021-04/18/c_139888678.htm

- **World Bank's IFC to invest in Everstone's largest fund (April 19, 2021)**

World Bank's International Finance Corporation (IFC) said it has proposed to invest in homegrown private equity firm Everstone's largest ever fund. The investment will be capped at 20% of the final fund size, with proposed equity investment of \$50 million and co-investment of \$10 million, said IFC in a disclosure.

For details: <https://www.vccircle.com/world-bank-s-ifc-to-invest-in-everstone-s-largest-fund/>

- **NDB issues USD 1.5 billion benchmark bond (April 21, 2021)**

On April 20, 2021, the New Development Bank (NDB) priced its 5-year USD 1.5 billion benchmark bond. This transaction is the third USD benchmark bond offering of the Bank in the international markets. The net proceeds of the Bond will be used for financing sustainable development activities as well as COVID-19 Emergency Program Loans to the Bank's member countries.

For details :

<https://www.prnewswire.com/news-releases/ndb-issues-usd-1-5-billion-benchmark-bond-301274410.html>

- **IMF chief urges G20 to adopt carbon price floor to reach climate goals (April 22, 2021)**

The head of the International Monetary Fund on Thursday, April 22, 2021 urged the Group of 20 major economies to adopt an international carbon price floor to help reach agreement on carbon pricing, which she said was essential to combating climate change.

For details:

<https://www.reuters.com/article/global-climate-summit-imf/imf-chief-urges-g20-to-adopt-carbon-price-floor-to-reach-climate-goals-idUSL1N2MF1J0>

- **CarDekho Group plans expansion across Southeast Asia in next two years (April 25,2021)**

Automotive platform CarDekho Group is pressing ahead with its international expansion plans with an aim to be present across South-East Asia in the next two years, according to a top company official. The company, which is currently in the process of deploying \$25 million for the expansion programme, will enter Malaysia this year followed by Thailand and Vietnam next year.

For details:

<https://economictimes.indiatimes.com/tech/startups/cardekho-group-plans-expansionacross-southeast-asia-in-next-two-years/articleshow/82240040.cms>

- **RCEP to accelerate Asia-Pacific's regional integration, says IMF official (April 26, 2021)**

The Regional Comprehensive Economic Partnership (RCEP) will expedite the ongoing economic integration of the Asia-Pacific region, an International Monetary Fund (IMF) official has said. "Production, especially on the manufacturing side, has been increasingly integrated across countries in the region ... you would expect this to continue," Helge Berger, IMF's China mission Chief and Assistant director in the Asia and Pacific Department, told Xinhua in a recent interview.

For details:

<https://www.hellenicshippingnews.com/rcep-to-accelerate-asia-pacifics-regional-integration-says-imf-official/>

- **Global EV sales accelerating, but government help needed - IEA (April 29)**

Global electric vehicle (EV) sales picked up speed in the first quarter, but more government action is needed on charging stations and fossil-fuel vehicle bans to keep the momentum going, the International Energy Agency (IEA) said on Thursday, April 29, 2021.

For details:

<https://energy.economictimes.indiatimes.com/news/power/global-ev-sales-accelerating-butgovernment-help-needed-ia/82305557>

- **India, China to lead developing Asia rebound: ADB (May 5, 2021)**

South Asia will record the fastest economic recovery this year, with the Asian Development Bank (ADB) predicting an expansion of 9.5 per cent after a 6 percent contraction in 2020, buoyed by India's economic revival, Khaleej Times reported. India and China are expected to lead an economic rebound in vast developing Asia, the Asian Development Bank predicted on April 28, 2021 raising its growth forecast for the whole 45-nation region.

For details:

https://akipress.com/news:657807:India,_China_to_lead_developing_Asia_rebound__ADB/

- **Help nations to prevent health crisis from becoming economic crisis : FM Sitharaman to ADB (May 5, 2021)**

Addressing the 54th annual meeting of the board of governors of the ADB, Honourable Finance Minister Nirmala Sitharaman also underlined the need for a "coordinated and inclusive" global strategy to avoid the long-term debilitating impact of the pandemic on the developing economies. She said that amidst this crisis, multilateral institutions, such as the ADB, are needed more than ever to support DMCs (Developing Member Countries) and prevent the health crisis from cascading into a full-blown economic crisis.

For details:

<https://www.financialexpress.com/economy/help-nations-to-prevent-health-crisis-frombecoming-economic-crisis-fm-sitharaman-to-adb/2246601/>

- **Access India: How UK Businesses Can Take Advantage of the 2021 Enhanced UK-India Trade Partnership Deal (May 6, 2021)**

The UK and India have agreed new trade and investment deals, while formalizing the enhanced economic partnership that was set out earlier in the year during high level intergovernmental talks. The major benefits of the new trade and investment deals are as under:

- ✚ Bilateral trade set to double in coming decade.
- ✚ Using e-commerce, matchmakers, and agents to export to India.
- ✚ Setting up liaison offices and manufacturing units to take advantage of a middle class consumer market the size of the United States.

For details:

<https://www.india-briefing.com/news/access-india-how-uk-businesses-can-take-advantage-of-the-2021-enhanced-uk-india-trade-partnership-deal-22243.html/>

- **China's export rebate withdrawal augurs well for Indian steel exporters : ICRA (May 10, 2021)**

Withdrawal of export rebates by China augurs well for Indian steel exporters and will also support buoyancy in international steel prices, ratings agency ICRA said on Friday, May 07, 2021. China's steel exports have been on an uptrend in the current year and grew sharply by 24 per cent YoY in Q1 CY2021, partly aided by a lower base and improving demand from other geographies.

For details:

<https://www.icra.in/Media/OpenMedia?Key=c95d7845-1b26-4b1a-b03d-9b2c3089c8a5>

- **France's AFD, World Bank lending 234 mln euro to back Serbia's green agenda (May 11, 2021)**

France's development agency AFD (The French Development Agency) has signed agreements to extend two public policy loans with a total value of 234 million euro (\$284 million) in support of Serbia's green recovery in cooperation with the World Bank. AFD will contribute 50 million euro to a loan destined to support the improvement of efficiency and transparency of public sector and initiative of green growth, co-financed by the International Bank of Reconstruction and Development (IBRD), a unit of the World Bank, with 82.6 million euro, the development agency said in a statement on Monday, May 10, 2021.

For details:

<https://seenews.com/news/frances-afd-world-bank-lending-234-mln-euro-to-back-serbiasgreen-agenda-740702>

- **Corporate Governance Code increases reporting on remuneration practices (May 13, 2021)**

Companies are better aligning their Board remuneration policy and practices with longterm shareholder interests according to new research conducted by the Financial Reporting Council (FRC) and the University of Portsmouth. This research assessed a sample of FTSE 350 companies to determine the extent to which they have applied requirements set by the updated UK Corporate Governance Code in 2020.

For details:

<https://www.miragenews.com/corporate-governance-code-increases-reporting-559077/>

- **KFC, Pizza Hut Franchisee Seeks SEBI's Nod for IPO (May 16, 2021)**

The operator of Pizza Hut and KFC in India has sought the market regulator's approval to go public. Devyani International Ltd. will offer fresh equity shares worth up to Rs 400 crore and an offer-for-sale of 12.5 crore equity shares by Dunearn Investments (Mauritius) Pte. Ltd. – an arm of private equity firm Temasek and its promoter RJ Corp Ltd. in its initial public offering, according to a draft red herring prospectus.

For details:

<https://www.bloombergquint.com/ipos/kfc-pizza-hut-franchisee-seeks-sebis-nod-for-ipo>

- **Tata Motors wins Rs. 44 crore CESL contract for 300 EVs (May 19, 2021)**

Tata Motors, which was the No. 1 electric car OEM in India in FY2021 with sales of 4,216 units and 64% of all-India sales, has just received a new order for its electric passenger vehicles. The first big one in FY2022. Convergence Energy Services Ltd (CESL), a wholly owned subsidiary of Energy Efficiency Services Ltd (EESL) has placed a Letter of Award with the company to procure “300 electric cars with 3 years of warranty. This will consist of 300 four-wheeler electric cars (whose length is less than 4 metres) and range equal to or more than 250km.” This contract is a part of the Scaling up Demand Side Energy Efficiency Sector Project financed by the Asian Development Bank line of credit to CESL. CESL says it will work with Tata Motors to deploy these vehicles to government entities looking to change over to electric vehicles.

For details:

<https://www.autocarpro.in/news-national/tata-motors-wins-rs-44-crore-cesl-contract-for300-evs-79202>

- **First ‘green & safe highway’ partly funded by World Bank to be built in Rajasthan by year end (June 27, 2021)**

The first stretch of green highway being built under the Green National Highways Corridor Project (GNHCP) is expected to be completed by December 2021 in Rajasthan, an official in the Ministry of Road Transport and Highways told The Print. In December last year, the Government of India had signed an agreement for a \$500 million project with the World Bank, to develop the GNHCP across 781 km in four states - Rajasthan, Himachal Pradesh, Uttar Pradesh and Andhra Pradesh. The plan is to construct five-six ‘green and safe national highways’ - which have been divided into 23 stretches - as part of the corridor. The entire project is expected to be completed by the end of the 2023-2024 financial year.

For details:

<https://theprint.in/india/first-green-safe-highway-partly-funded-by-world-bank-to-be-built-in-rajasthan-by-year-end/684830/>

Business and Economic News

Info Capsule Series 7

- **Amazon Starts \$250 Million Venture Fund Targeting Tech In India (April 16, 2021)**

Amazon's launch of a \$250 million venture fund focused on India is the Big Tech Company's next big step for its investment program targeting the subcontinent. The \$250 million Amazon Smbhav Venture Fund will invest in startups and entrepreneurs in the areas of agriculture, healthcare and the digitization of small to medium-sized businesses (SMBs). The fund plans to invest in "technology-led startups."

Source : www.pymnts.com

- **Government limits industrial use of oxygen amid spike in Covid-19 cases (April 18, 2021)**

Amid acute shortage of medical-grade oxygen for Covid-19 patients, the Department for Promotion of Industry and Internal Trade (DPIIT) has limited the industrial use of oxygen to only nine key sectors, including steel plants, petroleum refineries, pharmaceuticals, food and water purification, among others.

The decision to restrict the industrial usage of oxygen has been taken to meet the rising demand for medical oxygen.

Source : www.business-standard.com

- **SC stays further proceedings in Amazon-Future-Reliance case before Delhi HC (April 19, 2021)**

The Supreme Court on April 19, 2021 stayed further proceedings before Single Judge and Division Bench of Delhi High Court in the Amazon-Future-Reliance case. A Bench headed by Justice Rohinton F Nariman said the matter will be finally decided by the top court. The matter will be heard on May 4, 2021.

Source : www.business-standard.com

- **How e-commerce has changed shopping rules in the pandemic (April 22, 2021)**

For shoppers, the imposition of fresh restrictions means it's not just about finding a good deal online anymore. A good deal in 2021 means ease of shopping and payment, and most importantly, contact-less delivery.

Brands have taken the last year to upgrade their digital presence to ensure safety for their customers and staff.

For details:

https://economictimes.indiatimes.com/magazines/panache/how-e-commerce-has-changed-shopping-rules-in-the-pandemic/articleshow/82189836.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **How E-Commerce is Aiding to Expansion of MSMEs ? (April 26, 2021)**

E-commerce plays a vital role in the economy of many countries, majorly for MSMEs in increasing the number in trade and business.

E-commerce has emerged as one of the best examples of technology utilization that has transformed the traditional technique of business into the digital space. The transformation of technology has led to the increase of internet users significantly. The shift in digital space is also rapidly influencing the current condition and trend in several aspects, including academic, medical, banking, government, and business.

Source : www.businessworld.in

- **Centre clears appointment of 4 members for National Consumer Disputes Redressal Commission (May 12, 2021)**

The Appointment Committee of the Cabinet has approved the proposal of the Department of Consumer Affairs for appointment to 4 posts of Members (2 judicial and 2 non-judicial) in the National Consumer Disputes Redressal Commission (NCDRC) for a period of 4 years w.e.f. the date of their assumption of charge of the post, or upto attaining the age of 67 years, or until further orders, whichever is the earliest, subject to the final outcome of the Writ Petition filed in the Bombay High Court, Nagpur Bench.

Source : www.indialegallive.com

- **WhatsApp faces fresh trouble in Germany for its new privacy policy (May 12, 2021)**

As per a report from Reuters, Germany's lead data protection regulator opened emergency proceedings against Facebook last month and has now ordered the social network to stop processing personal data from WhatsApp users as it views the messaging app's new terms of use as illegal. The regulator is invoking extraordinary powers granted under the GDPR to impose a three-month freeze on Facebook's collection of WhatsApp user data. The decision comes in mere days before the May 15 deadline for consenting to WhatsApp's new terms. The Data Protection Authority will also be seeking an EU-wide ruling at the European Data Protection Board.

Source : www.xda-developers.com

- **IRDAI directs insurers to continue to renew/sell COVID-19 policies (May 12, 2021)**

Insurance companies are refusing to renew Corona Kavach, the special Covid-19 policy launched last year to provide a hospital cover against admissions arriving due to the disease. The main reason behind the hesitancy in renewing the insurances is due to the rising number of claims, as many across the country catch the deadly virus, especially amid the second Covid-19 wave. Taking note of the situation, insurance regulator IRDA has directed insurance companies to continue the renewal and sale of the Corona Armor Policy till September 30, 2021. Previously, insurers were expecting that the IRDA won't extend the policy renewal and sale after March 31, 2021.

Source : www.zeenews.india.com

- **12,930 companies shut down operations in financial year 2020-21 (May 13, 2021)**

Amid the Covid pandemic and lockdowns that significantly disrupted economic activities since March last year, as many as 1,107 companies closed their operations voluntarily in the financial year 2020-21 in the northern region. However, in 2019-20 fiscal, 3,380 companies had wound up their operations. According to data released by the Ministry of Corporate Affairs (MCA), the maximum number of companies that ceased to exist were in Haryana (436), followed by Punjab (315), Himachal Pradesh (192) and Chandigarh (164). The companies shut down their businesses voluntarily and not due to any penal action.

For details:

<https://www.tribuneindia.com/news/business/12-930-companies-shut-down-operations-in-financial-year-2020-21-251905>

- **Government asks e-commerce companies to appoint nodal officer for compliance with consumer protection rules (May 20, 2021)**

The government has asked e-commerce companies to appoint a nodal officer to ensure compliance with the new rules on consumer protection. The rules are applicable to e-commerce entities registered in India, as well as those registered abroad but offering goods and services to Indian consumers.

For details:

<https://retail.economictimes.indiatimes.com/news/industry/govt-asks-e-commerce-cos-to-appoint-nodal-officer-for-compliance-with-consumer-protection-rules/82788523>

- **Tata buys majority stake in India's online grocer BigBasket (May 31, 2021)**

India's antitrust body approved the acquisition of up to a 54.3% stake in BigBasket by Tata Digital in March this year. Tata Digital, a wholly-owned subsidiary of Tata Sons, has acquired a majority stake in Indian online grocery seller BigBasket. The announcement came after India's antitrust body Competition Commission of India (CCI) approved the acquisition of up to a 54.3% stake in BigBasket by Tata Digital in March this year, as reported by PTI. Financial details of the transaction are not disclosed, but according to media sources, the deal is valued at approximately \$1.31bn (Rs 95bn).

Source : www.retail-insightnetwork.com

- **Labour Laws Draft Rules on Code of Social Security, 2020 (June 3, 2021)**

On June 3, 2021, Ministry of Labour and Employment published the Code on Social Security (Employee's Compensation) (Central) Rules, 2021. The purpose of these rules is to supersede Employee's Compensation Rules, 1924, Employee's Compensation (Transfer of Money) Rules, 1935 and Employee's Compensation (Venue of Proceedings) Rules, 1996 made by the Central Government and repealed by which is repealed by the provisions of the Code on Social Security, 2020. The purpose of these rules is provide beneficial measures to Labours which inter-alia includes rate of Interest on delayed compensation, mode of transferring money, manner for

application for claim or settlement, rules on International compensation, venue for proceedings etc. Objections and suggestions, if any, may be addressed to Shri Rahul Bhagat, Director, Ministry of Labour and Employment, Room No.302, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001 or by e-mail - rahul.bhagat@ips.gov.in before the expiry of the period specified in the rules.

Source : <https://egazette.nic.in>

- **Indian economy will grow at 8.3% in 2021, says World Bank (June 08, 2021)**

Indian economy is expected to expand 8.3% in fiscal year 2021-22, a report by World Bank projected. In its latest issue of Global Economic Prospects, the Washington-based global lender said that even though the forecast has been revised up by 2.9 percentage points, it masks significant expected economic damage from the second wave of Covid-19. Besides, it projected the global economy to grow 5.6% this year, up from the 4.1% it forecasted in January. It said that Covid vaccinations and stimulus given by various central governments will power the fastest worldwide expansion in nearly five decades.

For details:

http://timesofindia.indiatimes.com/articleshow/83341057.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **SoftBank seeks CCI approval for investment in Swiggy (June 09, 2021)**

SoftBank Vision Fund 2 (SVF 2) has sought approval from the Competition Commission of India (CCI) to invest in food delivery platform Swiggy. “SVF II proposes to acquire a certain shareholding percentage in Bundl. The Proposed Combination is notifiable to the Hon’ble Competition Commission of India under Sections 5(a) of the Competition Act, 2002 (sic),” the CCI order stated.

For details:

Source : www.thenewsminute.com

- **Industrial oxygen: DPIIT further relaxes norms for mandatory diversion (June 09, 2021)**

The government has further relaxed the norms guiding the mandatory diversion of industrial oxygen for medical use, now allowing upto 41.8 percent of oxygen produced in the country to be allowed for industrial use. According to an order dated 8 June, the Department for Promotion of Industry and Internal Trade (DPIIT) allowed manufacturers and suppliers to now supply revised quantities of oxygen for industrial use. As the second wave of the COVID-19 pandemic slowly subsides and medical oxygen demand follows suit, the government is slowly allowing more oxygen to be used for industrial purposes.

Source : www.moneycontrol.com

- **GST Council to meet on June 12 to discuss tax on Covid relief materials (June 10, 2021)**

It is believed that matter of taxing vaccines has been left to the GST Council while rates on other Covid relief materials have been suggested at 5% for a limited period. The GST Council will meet on Saturday, June 12 to consider taxation issue of Covid relief materials including vaccines.

Source : www.thehindubusinessline.com

- **How the global push for digital privacy will impact users, advertisers (June 10, 2021)**

Technology giants are strengthening privacy protections for their users, making it harder for advertisers to track them online. The intense regulatory effort worldwide is forcing many firms to review advertising policies meant to serve targeted digital ads.

For details:

<https://www.livemint.com/technology/tech-news/how-privacy-first-rules-can-impactusers-advertisers-11623260257398.html>

- **India's agriculture exports jump 17.34% to \$41.25 billion in FY21 (June 10, 2021)**

Growth in agricultural exports, despite pandemic disruptions, has been driven by the government's policy-level interventions as well as the expansion of products into new markets. After remaining stagnant for the last three years, the export of agriculture and allied products during 2020-21 grew 17.34% to \$41.25 billion. In 2017-18 and 2018-19, they hovered around \$38 billion, thereafter declining to \$35.16 billion in 2019-20. In the first two months of the current fiscal year, there was a 43% jump.

For details:

https://www.business-standard.com/article/economy-policy/india-s-agriculture-exportsjump-17-34-to-41-25-billion-in-fy21-121061001623_1.html

- **ICRA projects GDP growth at 8.5% in FY2022 (June 10, 2021)**

With decline in number of fresh COVID-19 cases and easing of restrictions, the country's gross domestic product (GDP) will grow at 8.5% in FY2021-22, according to credit rating agency ICRA Ratings. It expects the gross value added (GVA) at basic prices (at constant 2011-12 prices) to grow at 7.3% in FY2022.

For details:

<https://economictimes.indiatimes.com/news/economy/indicators/icra-projects-gdpgrowth-at-8-5-in-fy2022/articleshow/83400034.cms?from=mdr>

- **DPIIT notifies 74% FDI cap in insurance sector under Automatic Route (June 15, 2021)**

The department for promotion of industry and internal trade (DPIIT) has notified the government's decision to increase the foreign direct investment (FDI) limit in the insurance sector under the automatic route to 75% from 49% earlier.

The Insurance (Amendment) Bill, 2021, was passed by Parliament in March. The Bill amended the Insurance Act, 1938. The new arrangement is expected to benefit 23 private life insurers, 21 private non-life insurers and seven specialised private health insurer companies.

For details:

http://timesofindia.indiatimes.com/articleshow/83551600.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Reserve Bank of India imposes Rs 11 lakh penalty on 2 co-operative banks (June 15, 2021)**

The RBI has imposed penalty totalling Rs 11 lakh on Bijnor Urban Co-operative Bank Limited, Bijnor and National Urban Co-operative Bank Limited, New Delhi for contravention of certain norms. A penalty of Rs 6 lakh has been imposed on the Bijnor Urban Co-operative Bank Limited, and Rs 5 lakh on the National Urban Co-operative Bank Limited.

Source : www.business-standard.com

- **Payments System Operators: RBI imposes restrictions on new entities from non FATF compliant jurisdictions (June 15, 2021)**

The Reserve Bank put in place restrictions with respect to investments in payments system operators (PSOs) by new entities from jurisdictions that have weak measures to deal with money laundering and terrorist financing activities.

The Financial Action Task Force (FATF) periodically identifies jurisdictions with weak measures to combat money laundering and terrorist financing activities.

For details:

<https://www.newindianexpress.com/business/2021/jun/15/payments-system-operatorsrbi-imposes-restrictions-on-new-entities-from-non-fatf-compliant-jurisdic-2316489.html>

- **High Court comes down on Indian borrowers (June 16, 2021)**

Those who avail bank loans in the country behave as if it is their “fundamental right” not to repay the credit facilities and resort to all sorts of “gimmicks” to make the creditors run round in circles, the Madras High Court has said. It disapproved of the practice of borrowers clinging on to properties furnished by way of security, and resorting to litigation to delay the inevitable, despite having failed to repay the debt.

Chief Justice Sanjib Banerjee and Justice Senthilkumar Ramamoorthy made the observations while dismissing a writ petition filed by a guarantor who had furnished his property as security for a bank loan of ₹55 lakh in 2006. The judges directed the petitioner to pay costs of ₹20,000 each to State Bank of India (SBI) and the auction purchaser of the property for having made them face multiple legal proceedings since 2010.

For details:

<https://www.thehindu.com/news/national/tamil-nadu/hc-comes-down-on-indianborrowers/article34833479.ece>

- **Only PAN, Aadhaar required for MSME registration (June 16, 2021)**

The government has simplified the registration process for micro, small and medium enterprises (MSMEs) and they will now only need to furnish PAN and Aadhaar to register.

Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Shri Nitin Gadkari announced simplification of the process for registration of MSMEs.

Source : www.livemint.com

- **Government approves restructuring of OFB into 7 new corporate entities (June 17, 2021)**

The Ordnance Factory Board (OFB) will be dissolved, and replaced by seven new Defence Public Sector Undertakings, which will oversee the 41 ordnance factories across the country. The Cabinet on June 16, 2021 approved the creation of the entities, which will be 100 per cent owned by the government. The transformation is likely to take place by the end of the year.

Source : www.indianexpress.com

- **Ministry of Micro, Small and Medium Enterprises Extends Validity of Udyog Aadhaar Memorandum from 31st March, 2021 to 31st December, 2021 (June 17, 2021)**

Ministry of Micro, Small and Medium Enterprises has issued an amendment to the original notification No. S.O. 2119 (E) dated 26.06.2020 vide 2347(E) dated 16.06.2021, extending the validity of EM Part-II and UAMs from 31.03.2021 to 31.12.2021. This would facilitate the holders of EM Part-II and UAMs to avail benefits of the provisions under various existing schemes and incentives including Priority Sector Lending benefits of MSME.

Considering the hardships faced by MSMEs during the prevailing COVID-19 situation and the representations received from the various MSME associations, financial institutions and Government departments dealing with the interest of MSME Sector, the said amendment has been carried out.

For details: <https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1727980>

- **Life after LIBOR: MCA shows the way on corporate financial reporting (June 20, 2021)**

Corporate India and the financial sector, including banks, now have guidance on financial reporting of the transactions undertaken with new interest rate benchmarks that are to replace the London Interbank Offered Rate (LIBOR) at the end of this year. The Ministry of Corporate Affairs (MCA) has effected amendments to several accounting standards to cover the International Accounting Standards Board's Phase 2 amendments, Interest Rate Benchmark Reform finalised in August last year.

These changes to existing Indian accounting standards are expected to smoothen financial reporting under the replacements for LIBOR.

For details:

<https://www.thehindubusinessline.com/money-and-banking/life-after-libor-mca-showsthe-way-on-corporate-financial-reporting/article34868222.ece>

- **New social media rules framed after broad consultations with stakeholders: India to United Nations (June 21, 2021)**

India's permanent mission at the United Nations has clarified that India's new IT rules are "designed to empower ordinary users of social media" and were finalised after holding broad consultations with civil society and other stakeholders in 2018.

"Permanent Mission of India would like to inform that MeitY & Information & Broadcasting Ministry undertook broad consultations in 2018 with various stakeholders, including individuals, civil society, industry associations and invited public comments to prepare draft rules," the mission said in a communication to the rapporteurs of the Special Procedures Branch of the Human Rights Council.

For details:

http://timesofindia.indiatimes.com/articleshow/83686146.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **RIL launches new clean energy business, to invest ₹75,000 crore in 3 years (June 24, 2021)**
Reliance will build solar manufacturing units, a battery factory for energy storage, a fuel cell-making factory and an electrolyzer unit to produce green hydrogen as a part of the business.

Source : www.livemint.com

- **Start-ups raise \$8 billion in 5 months (June 28, 2021)**

Indian start-ups mobilised as much as \$8.1 billion venture capital (VC) funding between January and May, 93 per cent of what start-ups raised in the whole of calendar year 2020.

For details:

<https://www.thehindubusinessline.com/companies/start-ups-raise-8-b-in-5-months/article35006521.ece>

Pronouncements

Info Capsule Series 7

March 8, 2021	<i>Gujarat Urja Vikas Nigam Limited (Appellant) vs. Mr. Amit Gupta & Ors. (Respondent)</i>	<i>Supreme Court of India Civil Appeal No. 9241 of 2019</i>
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Jurisdiction of NCLT/NCLAT over Contractual Disputes

Hon'ble Supreme Court of India in the above case observed that NCLT owes its existence to statute. The powers and functions which it exercises are those which are conferred upon it by law, in this case, the IBC. Further the Apex Court observed in Para 87 that the residuary jurisdiction of the NCLT under Section 60(5)(c) of the Code provides it a wide discretion to adjudicate questions of law or fact arising from or in relation to the insolvency resolution proceedings. If the jurisdiction of the NCLT were to be confined to actions prohibited by Section 14 of the Code, there would have been no requirement for the legislature to enact Section 60(5)(c) of the Code. Section 60(5)(c) would be rendered otiose if Section 14 is held to be the exhaustive of the grounds of judicial intervention contemplated under the Code in matters of preserving the value of the CD and its status as a 'going concern'.

NCLT cannot derive its powers from the 'spirit' or 'object' of the Code. Section 60(5)(c) of the Code vests the NCLT with wide powers since it can entertain and dispose of any question of fact or law arising out or in relation to the insolvency resolution process. The NCLT's residuary jurisdiction, though wide, is nonetheless defined by the text of the Code. Specifically, the NCLT cannot do what the Code consciously did not provide it the power to do.

For details:

<https://ibbi.gov.in/uploads/legalframework/6a638b7d5cb6127680a4e0aeb470a3c5.pdf>

April 13, 2021	<i>Ghanashyam Mishra and Sons Private Limited through the Authorized Signatory(Appellant) vs. Edelweiss Asset Reconstruction Company Limited through the Director & Ors(Respondent)</i>	Supreme Court of India [Civil Appeal No. 8129 of 2019 with WP (Civil) No. 1177 of 2020 and Civil Appeals No. 1550-1554 of 2021
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Whether any creditor, including the Central Government, State Government or any local authority is bound by the resolution plan once it is approved by an AA under subsection (1) of section 31 of the Code?

Judgment :

In this case Hon'ble Supreme Court of India observed that A bare reading of section 31 makes it abundantly clear that once a resolution plan is approved by the AA, after it is satisfied that the resolution plan as approved by CoC meets the requirements as referred to in sub-section (2) of section 30, it shall be binding on the CD and its employees, members, creditors, guarantors and other stakeholders. Such a provision is necessitated since one of the dominant purposes of the Code is revival of the CD and to make it a running concern.

Further, the Hon'ble court observed that once a resolution plan is duly approved by the AA under sub-section (1) of section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the CD and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the Adjudicating Authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;

For details;

<https://www.ibbi.gov.in/uploads/legalframework/e4abe155c7c4a5e6eb66291650fdee24.pdf>

April 19, 2021	<i>Brillio Technologies Pvt. Ltd. (Appellant) vs. Registrar of Companies, Karnataka & Ors. (Respondents)</i>	NCLAT
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Security Premium Account can be utilized for making payment to non-promoter shareholders.

Fact of the case :

The Appellant 'Brillio Technologies Pvt. Ltd.' filed this Appeal against the order dated August 28, 2019 passed by the National Company Law Tribunal, Bengaluru whereby the Tribunal held that as per Section 52 (2) of the Companies Act, 2013, Security Premium Account may be used only for the purpose specifically provided under Section 52 (2) of the Companies Act, 2013. Further, selective reduction in equity share capital to a particular group involving non-

promoter shareholders and bringing the company as a wholly owned subsidiary of its current holding company and also return excess of capital to them is an arrangement between the company and shareholders or a class of them and hence, it is not covered under Section 66 of the Companies Act, 2013. However, the case may be covered under Sections 230-232 of the Companies Act, 2013, wherein compromise or arrangement between the Company and its creditors or any class of them or between a Company and its members or any class of them is permissible. Therefore, the Company failed to make out any case under Section 66 of the Act and thus, the petition is dismissed. Being aggrieved with this order, the Appellant has filed this Appeal.

Judgment :

The NCLAT observed that Security Premium Account can be utilized for making payment to non-promoter shareholders. W.r.t. the submissions made by the Respondents that the amount laying in the Security Premium Account can be applied by the company, only for the purposes which are specifically provided in Section 52 (2) of the Companies Act, 2013 and for no other purpose is not convincing. Further, it can be held that selective reduction is permissible if the non-promoter shareholders are being paid fair value of their shares. Furthermore, Section 66 of the Companies Act, 2013 makes provision for reduction of share capital simpliciter without it being part of any scheme of compromise and arrangement.

Therefore, the Tribunal has erroneously held that the Application for reduction of share is not maintainable under Section 66 of the Companies Act, 2013, consent affidavits from the creditors is mandatory for reduction of share capital, Security Premium Account cannot be utilized for making payment to non-promoter shareholders, selective reduction of shareholders of non-promoter shareholders is not permissible and has dismissed the Application on untenable grounds. Therefore, the impugned order passed by the Tribunal is set aside.

For details : <https://nclat.nic.in/Useradmin/upload/1042340601607d438fd6367.pdf>

April 20, 2021	Radha Krishan Industries (Appellant) vs. State of Himachal Pradesh (Respondent)	Supreme Court of India
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Power to order Provisional Attachment of Property including Bank Account is draconian in nature, all conditions to be strictly fulfilled

Facts of the case :

The Appellant challenged the orders issued on 28 October 2020 by the Joint Commissioner of State Taxes and Excise, provisionally attaching the appellant's receivables from its customers. The provisional attachment was ordered while invoking Section 83 of the Himachal Pradesh Goods and Service Tax Act, 2017 and Rule 159 of Himachal Pradesh Goods and Service Tax Rules, 2017. While dismissing the writ petition on grounds of maintainability the High Court was of the view that the appellant had an 'alternative and efficacious remedy' of an appeal under Section 107 of the HPGST Act. The GST Department had moved the Apex Court against the ruling of a Division Bench of the High Court of Himachal Pradesh. The High Court dismissed the writ petition instituted under Article 226 of the Constitution challenging orders of provisional attachment on the ground that an alternate remedy is available. While

dismissing the writ petition on grounds of maintainability, the High Court was of the view that the appellant had an ‘alternative and efficacious remedy’ of an appeal under State GST law. While dismissing the writ petition, the High Court held that it was undisputed that the third respondent and the Divisional Commissioner, who has been appointed as Commissioner (Appeals) under the GST Act, are constituted under the HPGST Act, and therefore, it is assumed that there is no illegal or irregular exercise of jurisdiction. The High Court further observed that even if there is some defect in the procedure followed during the hearing of the case, it does not follow that the authority acted without jurisdiction, and though the order may be irregular or defective, it cannot be a nullity so long it has been passed by the competent authority.

Judgment :

The Supreme Court has recently held that power to order a provisional attachment of the property of the taxable person including a bank account is draconian in nature and the conditions which are prescribed by the statute for a valid exercise of the power must be strictly fulfilled. The Court said that before passing an order of provisional attachment, it is necessary to adhere to the twin conditions: first, allowing the assessee to submit objections to the order of attachment on the ground that the property was or is not liable for attachment and second, give him opportunity to be heard before the order.

For details:

https://main.sci.gov.in/supremecourt/2021/1775/1775_2021_36_1502_27668_Judgement_20-Apr-2021.pdf

April 20, 2021	<i>K. Satheesh Babu Rajesh (Applicant) vs. Mr. George Varkey, Resolution Professional of Propyl Packaging Limited (Respondent)</i>	NCLT, Kochi
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The Tribunal allowed the Promoter of Corporate Debtor qualifying as MSME under the revised norms to file Resolution Plan in his Individual Capacity.

Fact of the case :

M/s Prayag Polytech Private Limited (Operational Creditor) sought the initiation of Corporate Insolvency Resolution Process against M/s Propyl Packaging Limited (Corporate Debtor). The applicant being the Promoter Director of the Corporate Debtor company was keen in restarting the business operations of the unit and intend to submit a Resolution Plan. However, the eligibility criterion specified in the invitation to submit Expression of Interest prescribed Minimum “Tangible Net Worth of Rs.10 Crores” for an individual who submits the Expression of Interest. Hence the expression of interest submitted by the applicant to the respondent Resolution Professional on January 17, 2021 has not been accepted. The applicant states that as per the Government of India Gazette Notification No. SO. 2119-E dated June 26, 2020 for implementation of the upward revision in the definition and criteria of MSME(s) and that the applicant will come within the purview of micro small or medium enterprises if the investment is upto Rs. 50 crores and turnover is upto Rs.250 crores. It is further stated that the applicant is not a wilful defaulter and is not ineligible under Section 29A of IBC to apply as a Prospective Resolution Applicant of the Corporate Debtor under Section 240A of

IBC. In this connection, the applicant has referred to a decision of the Hon'ble NCLAT in Saravana Global Holdings Ltd. vs. Bafna Pharmaceuticals Limited and others wherein it was stated that the intention of the legislature shows that the Promoters of 'MSME' should be encouraged to pay back the amount with the satisfaction of the 'Committee of Creditors' to regain the control of the 'Corporate Debtor' and entrepreneurship by filing 'Resolution Plan' which is viable, feasible and fulfils other criteria as laid down by the 'Insolvency and Bankruptcy Board of India'. Therefore, in exceptional circumstances, if the 'Corporate Debtor' is MSME, it is not necessary for the Promoters to compete with other 'Resolution Applicants' to regain the control of the 'Corporate Debtor'.

Order :

The NCLT, Kochi ruled that the Corporate Debtor qualifies as a MSME under the revised norms, and allowed the applicant to submit the Expression of Interest/Resolution Plan in his individual capacity and directed the Resolution Professional to register the Corporate Debtor as an MSME, provided the applicant produces the certificate of Registration as an MSME under the "Udhayam Registration" of the Ministry of Micro Small and Medium Enterprises.

For details:

<https://nclt.gov.in/sites/default/files/January2021/final-orders-pdf/IA%28IBC%29-64-KOB-2021%20in%20IBA-52-KOB-2019.pdf>

April 22, 2021	<i>In re Bowring Institute</i>	GST AAR Karnataka
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Goods and Services Tax (GST) not applicable on Membership Subscription Fees collected from Members of the Club

Facts of the case :

The appellant, Bowring Institute is a club and a non-profit organization established by the British in the year 1868 as a literary and scientific society. The members contribute by way of subscription fees and infrastructure development fund which is used for the purposes of provision of services and goods and a reading room, library, chambers for accommodating family and guests, a bar and sports facilities. The appellant sought the advance ruling on the issue whether the amount collected as membership subscription fees paid by the members of the applicant towards facilities provided by the applicant are liable as supply of service under GST. Another issue raised was whether the amount collected as infrastructure development fund for the development and maintenance of the facilities provided by the applicant are liable as supply of service under GST?

Judgment :

The Karnataka Authority of Advance Ruling (AAR) ruled that the GST is not applicable on membership subscription fees collected from members of the club. The Authority noted that by virtue of Section 1 of Finance Act, 2021, the amendment brought in Section 7 of CGST Act, 2017 by way of Section 108 of Finance Act, 2021, will only come into effect on the date when Central Govt. notifies the same and then the same will be notified with the corresponding amendments passed by the respective States and Union territories in respective SGST/ UTGST Act.

For details: <https://gst.kar.nic.in/Documents/General/BowringInstitute26042021.pdf>

May 13, 2021	India Resurgence Arc Private Limited (Appellant) vs. M/S. Amit Metaliks Limited & Anr. (Respondent (S))	Supreme Court
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Dissenting secured creditor cannot challenge the resolution plan under IBC by suggesting that higher amount should be paid with reference to the security interest

Fact of the case :

The appellant company was the assignee of the rights, title and interest carried by Religare Finvest Limited as secured financial creditor of the corporate debtor, having 3.94% of voting share in the Committee of Creditors. When the resolution plan submitted by the respondent No. 1 was taken up for consideration by the Committee of Creditors (CoC), the appellant expressed reservations on the share being proposed, particularly with reference to the value of the security interest held by it; and chose to remain a dissentient financial credit

It is contended that the CoC could not have approved the resolution plan which failed to consider the priority and value of security interest of the creditors while deciding the manner of distribution to each creditor even though the legislature in its wisdom has amended Section 30(4) of the Insolvency and Bankruptcy Code (IBC), requiring the CoC to take into account the order of priority amongst creditors as laid down in Section 53(1) of the IBC, including the priority and value of the security interest of a secured creditor.

The appellant's main grievance was that against its admitted claim of Rs. 13.38 crores over the corporate debtor, the resolution applicant had offered a "meagre amount" of about Rs. 2.026 crores without considering the valuation of the security held by the appellant, which admittedly had the valuation of more than Rs.12 Crores.

Judgment :

The Supreme Court observed that the matter is essentially that of the commercial wisdom of Committee of Creditors and the scope of judicial review remains limited within the four-corners of Section 30(2) of the IBC for the Adjudicating Authority and Section 30(2) read with Section 61(3) for the Appellate Authority.

The provisions of amended sub-section (4) of Section 30 of IBC, do not make out any case for interference with the resolution plan. As this amendment only amplified considerations for the Committee of Creditors while exercising its commercial wisdom so as to take an informed decision in regard to the viability and feasibility of resolution plan, with fairness of distribution amongst similarly situated Creditors and the business decision taken in exercise of the commercial wisdom of CoC does not call for interference unless creditors belonging to a

class being similarly situated are denied fair and equitable treatment. Hence, the Supreme Court has held that a dissenting secured creditor cannot challenge a resolution plan approved under the Insolvency and Bankruptcy Code(IBC) with an argument that higher amount should have been paid to it with reference to the value of the security interest held by it over the corporate debtor.

Source : <https://main.sci.gov.in/>

May 21, 2021	Lalit Kumar Jain (Petitioner(S)) vs. Union of India & Ors. (Respondent(S))	The Supreme Court
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The Supreme Court upholds IBC provisions to Personal Guarantors or Corporate Debtors

Fact of the case :

Petitions has been filed to challenge the validity of notification dated November 15, 2019 (“the impugned notification”), which enabled financial institutions to initiate insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 against the promoters in their capacity as personal guarantors of the defaulting corporate debtor.

The common question which arises in all these cases concerns the legality and validity of the impugned notification dated November 15, 2019.

The main argument advanced by the writ petitioners is that the impugned notification is an exercise of excessive delegation. It is contended that the Central Government has no authority - legislative or statutory - to impose conditions on the enforcement of the IBC Code, 2016. It is further contended as a corollary, that the enforcement of Sections 78, 79, 94-187 etc. in terms of the impugned notification of the Code only in relation to personal guarantors is ultra vires the powers granted to the Central Government.

Judgment :

The Supreme Court held that approval of a resolution plan does not ipso facto discharge a personal guarantor (of a corporate debtor) of her or his liabilities under the contract of guarantee. As held by this court, the release or discharge of a principal borrower from the debt owed by it to its creditor, by an involuntary process, i.e. by operation of law, or due to liquidation or insolvency proceeding, does not absolve the surety/guarantor of his or her liability, which arises out of an independent contract.

Therefore, it is held that the impugned notification is legal and valid. It is also held that approval of a resolution plan relating to a corporate debtor does not operate so as to discharge the liabilities of personal guarantors (to corporate debtors).

Source : <https://main.sci.gov.in/>

May 27, 2021	Vijay Sai Poultries Pvt. Ltd. (Appellant) vs. Vemulapalli Sai Prameela & Ors. (Respondents)	NCLAT
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A quasi-judicial authority must record reasons in support of its conclusions to prevent unfairness or arbitrariness in reaching the conclusion

Fact of the case :

The Appellant ‘Vijaya Sai Poultries Pvt. Ltd.’ has filed this Appeal against the order dated September 16, 2019 passed by the NCLT, Amaravati Bench, whereby the Adjudicating Authority allowed the application filed by Petitioners (Respondents herein) and directed that forensic audit be conducted of the Appellant company since March 31, 2004.

Petitioners (Respondents herein) have filed Petition under Sections 59, 241 and 242 of the Companies Act, 2013 alleging oppression and mismanagement against the Managing Director of the Company. It was alleged that he has been operating the finances of the Appellant Company in an arbitrary and whimsical manner and has siphoned off Crores of Rupees belonging to the Appellant Company without accounting for the same. The Appellant submitted that there is no prima facie finding of oppression or mismanagement as required under Section 242 (4) and 241/242 of the Companies Act, 2013.

The Impugned Order is without reasoning or finding of fact and in fact, contains a one-line order directing that forensic audit be conducted. It is settled law that there must be a recording of reasons in the order in support of conclusion arrived at. The giving of reasons in support of their conclusions by the judicial or quasi-judicial authority is essential to prevent unfairness or arbitrariness in reaching the conclusions. For this proposition, Appellant relied on the judgments rendered by the Hon’ble Supreme Court in the matters of Karanti Associates Pvt. Ltd. & Ors. Vs. Masood Ahmad Khan & Ors.

It was further submitted that the application has been filed under Rule 131 of NCLT Rules 2016 which relates to production of documents and form of summons. An order of directing that a forensic audit to be conducted could not have been passed in such an application.

Judgment :

The NCLAT based on the principles laid down by the Hon’ble Supreme Court in the Case of Kranti Associates (Supra) has observed that, in India the judicial trend has always been to record reasons, even in administrative decisions, if such decisions affect anyone prejudicially. A quasi-judicial authority must record reasons in support of its conclusions. Insistence on recording of reasons is meant to serve the wider principle of justice that justice must not only be done it must also appear to be done as well. In light of the principles laid down by the Hon’ble Supreme Court, it is held that there is nothing in the order to justify the directions given by the NCLT for conducting forensic audit of accounts of the Company that too for more than 15 years. The Adjudicating Authority must record reasons in support of conclusions. Hence, the impugned order is set aside.

For details: <https://nclat.nic.in/Useradmin/upload/57411966460af637fb0226.pdf>

June 16, 2021	Zacharia Maramkandathil Mohan and Ors. vs. Union of India	Kerela High Court
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The DINs are not liable to be deactivated solely for the reason that the petitioners stand disqualified for appointment / reappointment as Directors of Companies by operation of Section 164(2) of the Companies Act, 2013.

Fact of the case :

More than 200 petitions were filed challenging the Sections 164(2)(a) and 167(1)(a) of the Companies Act, 2013 and the disqualification thrust upon the petitioners for acting as Directors of Companies, pursuant to Sections 164 and 167. The petitioners are persons who are disqualified pursuant to Section 164(2) for failure of their respective Companies to file Financial Statements/Annual Returns. Several important questions of law were raised, including:

- Whether Sections 164(2)(a) and 167(1)(a) of the Companies Act, 2013 are ultra vires the Constitution of India, being violative of Article 14 or 19?
- Whether the principles of natural justice should be read into Section 164(2) in view of the nature and severity of consequences arising from its operation?
- Whether Section 164(2) is retrospective in its operation?
- Constitutionality and consequences of the first proviso to Section 164(2) and the proviso to Section 167(1)(a), inserted by the Companies (Amendment) Act, 2017 with effect from May 07, 2018.
- Whether the action of the respondents in deactivating the DINs of the petitioners, is justified?

Judgment :

The Kerela High Court ruled that Section 164(2) and Section 167(1) of the Companies Act, 2013 are not ultra vires Article 14 or Article 19(1)(g) of the Constitution of India. Further, Section 164(2) is not retrospective in operation and only the defaults made by Companies in filing Financial Statements / Annual Returns in the financial year 2014-15 and subsequent financial years can be taken into account for disqualifying a Director under Section 164(2) of the Companies Act, 2013.

Furthermore, it was held that The Director Identification Numbers (DINs) of the petitioners allotted under Rule 10 of the Companies (Appointments and Qualifications of Directors) Rules, 2014, are not liable to be deactivated or cancelled solely for the reason that the petitioners stand disqualified for appointment / reappointment as Directors of Companies by operation of Section 164(2).

Consequently, there will be a direction to the respondents to re-activate the Director Identification Numbers (DINs) of the petitioners forthwith. However, it is made clear that the respondents will be at liberty to cancel or deactivate the DINs of the petitioners for any reasons laid down in Rule 11 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

For details:

https://images.assettype.com/barandbench/2021-06/4f5af2d3-47c0-436b-8e8a-eed27c4a50b7/Judgment_WPC_21628_of_2020.pdf

Terminologies

Info Capsule Series 7

- **Account-based Everything (ABE)**

Account-based Everything (ABE) or Account-based Revenue (ABR) is a framework that entails full coordination of customized care and management of targeted customer accounts across all relevant units of an organization (such as marketing, sales, finance, and product development) as well as the entire customer life cycle from lead generation to after-sales support.

- **Agile Development**

Method A type of business development which gets things moving quickly and adapts during the development, as distinct from conventional planning and project management implementation.

- **Asset Tokenization**

Security token that represent direct ownership in an asset or though a derivative. Examples include stocks, futures, options, art, IP and real property.

- **Barbell Strategy**

The barbell strategy involves investors purchasing short-term and long-term bonds, but not intermediate-term bonds. The particular distribution on the two extreme ends of the maturity timeline creates a barbell shape. The strategy offers investors exposure to high yielding bonds with limited risk.

- **Business Process Simulation**

Business process simulation is a way of testing a process before it “goes live.” It attempts to simulate what will happen once people start using a process, and is useful for finding bottlenecks and other problems and fixing them beforehand. In some ways, business process simulation is like a dress rehearsal for actual business process use.

- **Call risk**

The risk that declining interest rates may accelerate the redemption of a callable security, causing an investor’s principal to be returned sooner than expected. As a consequence, investors may have to reinvest their principal at a lower rate of interest.

- **Chairman Emeritus**

The title of chairman emeritus usually goes to the company’s founders or an individual who has been in the company for a longish period and contributed significantly to its growth.

- **Contango**

A term often used in commodities or futures markets to refer to markets where shorter-dated contracts trade at a lower price than longer-dated contracts. Plotting the prices of contracts against time, with time on the x-axis, shows the commodity price curve as sloping upwards as time increases.

- **Corporate Defense Management (CDM)**

The multi-dimensional framework employed by an organization to manage the critical components which constitute an organization’s corporate defense program. This includes the integrated management of its governance, risk, compliance, intelligence, security, resilience, controls, and assurance activities.

- **Dead Cat Bounce**

A term used by traders to describe a pattern wherein a spectacular decline in share prices is immediately followed by a moderate and temporary rise before resuming its downward movement.

- **Dead Cat Bounce**

‘Dead Cat Bounce’ is a market jargon for a situation where a security (read stock) or an index experiences a short-lived burst of upward movement in a largely downward trend. It is a temporary rally in the price of a security or an index after a major correction or downward trend.

- **Debtor Nation**

A country whose foreign debts are larger than money owed to it by other countries.

- **Double loop learning**

In double-loop learning, feedback from management consequences is fed back to the action strategy development process and back into the governing variables that were used to develop the strategies in the first place.

- **Equity Tokenization**

Security tokens that represent outstanding debt, where value is based on interest rate and creditworthiness. Examples include bonds, mortgages, loans and debentures.

- **Failure Mode Effects Analysis**

A technique that systematically analyzes the types of failures which will be expected as a product is used, and what the effects of each "failure mode" will be.

- **Financial Engineering**

An investment strategy executed by private equity groups. Implementation of the strategy usually involves purchasing a company using a significant amount of leverage. Over time, the private equity manager seeks to reduce the leverage, causing profits and equity value to accelerate rapidly as debt is eliminated and interest payments are eliminated.

- **Forward Integration**

A business strategy whereby a company takes control of its distributors, therefore guaranteeing the distribution of the controlling company's products.

- **FOMC**

FOMC stands for the Federal Open Market Committee, which is the branch of the Federal Reserve responsible for reviewing and overseeing open market operations in the US. Through intervening in open market operations - buying or selling government securities - the FOMC can indirectly change the federal funds rate.

- **Freemium**

"Freemium" content is used to introduce customers to the paid version of a product by offering a simplified version for free. This buzzword is a combination of the words "free" and "premium" and refers to using free content to attract new customers.

- **Implied Volatility**

Option pricing models rely upon an assumption of future volatility as well as the spot price, interest rates, the expiry date, the delivery date, the strike, etc. If we are given simultaneously all of the parameters necessary for determining the option price except for volatility and the option price in the marketplace, we can back out mathematically the volatility corresponding to that price and those parameters. This is the implied vol.

- **Lagging Indicator**

Backward-looking performance indicators that represent the results of previous actions. Characterizing historical performance, lagging indicators frequently focus on results at the end of a time period; e.g., third-quarter sales. A balanced scorecard should contain a mix of lagging and leading indicators.

- **Performance-Based Budgeting**

A performance budget is an integrated annual performance plan and budget that shows the relationship between program funding levels and expected results. It indicates that a goal or a set of goals should be achieved at a given level of spending.

- **Pyramiding**

Pyramiding is a method of leveraging the hiked up margin to increase the position size with the appraisal in the margin obtained by utilising the unrealised profits from the increment in the value of current holdings of the same security. The investor who uses pyramiding uses the increased unrealised value of the current holdings to buy more of the same security. This is usually a slow method of increasing one's position size as opposed to purchasing securities on cash as the margin increments allow for smaller purchases.

- **Shewhart Cycle**

The Shewhart Cycle is most often a circle with no beginning or end, meaning that the continuous improvement processes of business never stop. The cycle has four stages: planning (when one identifies an opportunity and create a plan), doing (to test the plan on a small scale), checking (to evaluate the benefit of the plan), and acting (implementing the plan on a larger scale and then monitoring results).

- **Strategic operating plan**

The blueprint for strategy execution linking strategic objectives with deployable implementation plan. It is a set of marching orders detailing exactly what will be done to achieve measurable results during the upcoming operating cycles. It includes the objectives, responsibilities, measures and initiatives to be implemented.

- **Tobin's Q**

The Q ratio, also known as Tobin's Q, equals the market value of a company divided by its assets' replacement cost. Thus, equilibrium is when market value equals replacement cost. At its most basic level, the Q Ratio expresses the relationship between market valuation and intrinsic value. In other words, it is a means of estimating whether a given business or market is overvalued or undervalued.

- **Watered Shares**

Share that have been issued for a consideration less than the par or stated value of the shares.

- **Waterfall Model**

Waterfall model is a traditional project management approach to the project lifecycle. The model works in a similar pattern like a 'waterfall'. The project development takes place systematically, from one phase to another in a downward fashion. Each phase has to be completed before moving on to the next phase and there is no overlapping of the phases, making it difficult to make any amendments.

Market Watch

Info Capsule Series 7

Stock Market Indices

S & P BSE Sensex

(April 15, 2021 - June 28, 2021)



Stock Market Indices

Nifty 50

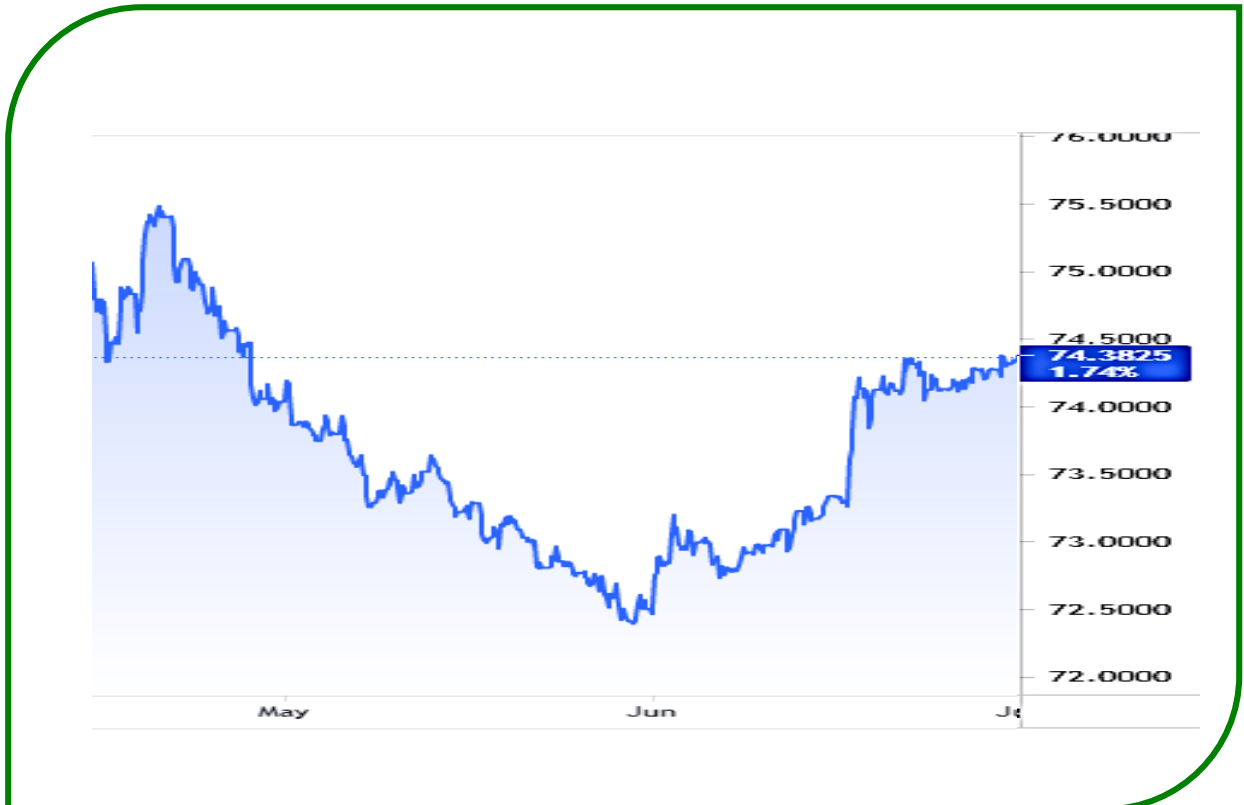
(April 15, 2021 - June 28, 2021)



Foreign Exchange Rates

USD

(April 15, 2021 - June 28, 2021)



Foreign Exchange Rates

EURO

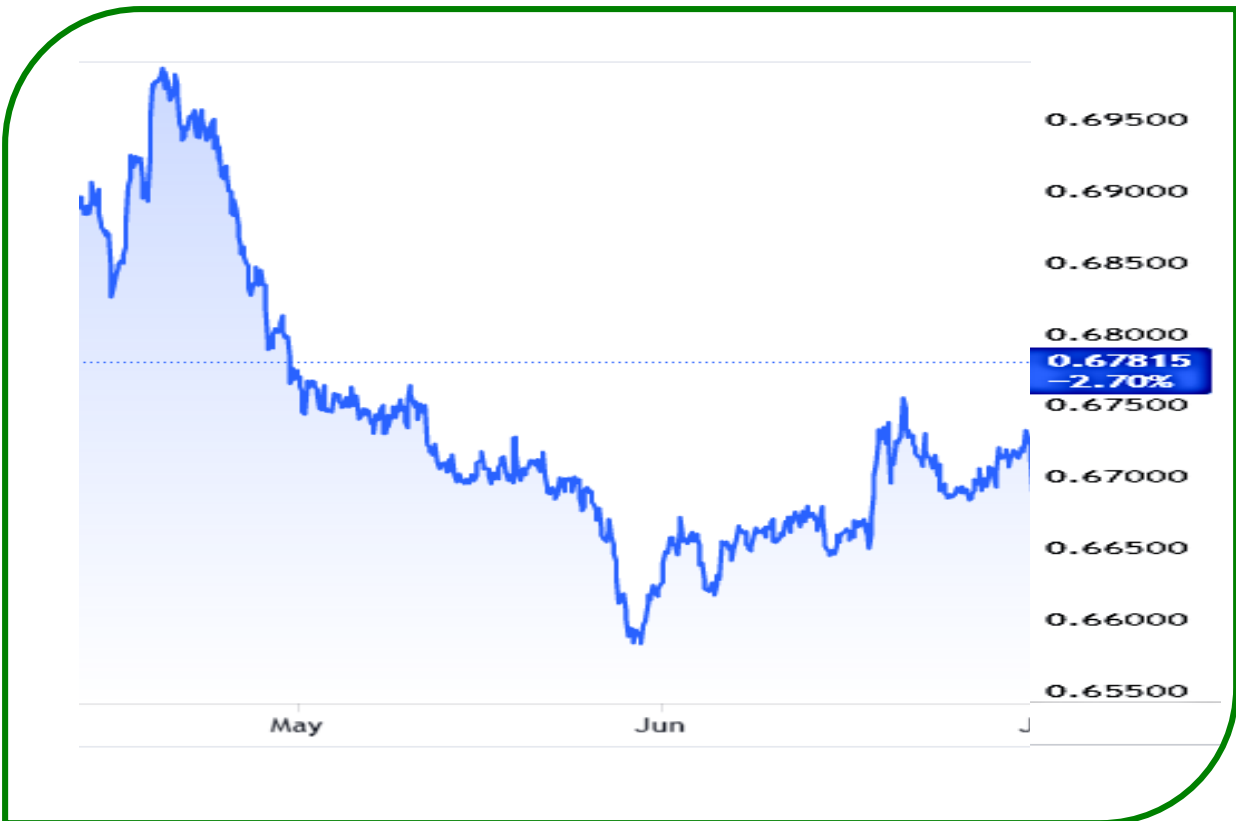
(April 15, 2021 - June 28, 2021)



Foreign Exchange Rates

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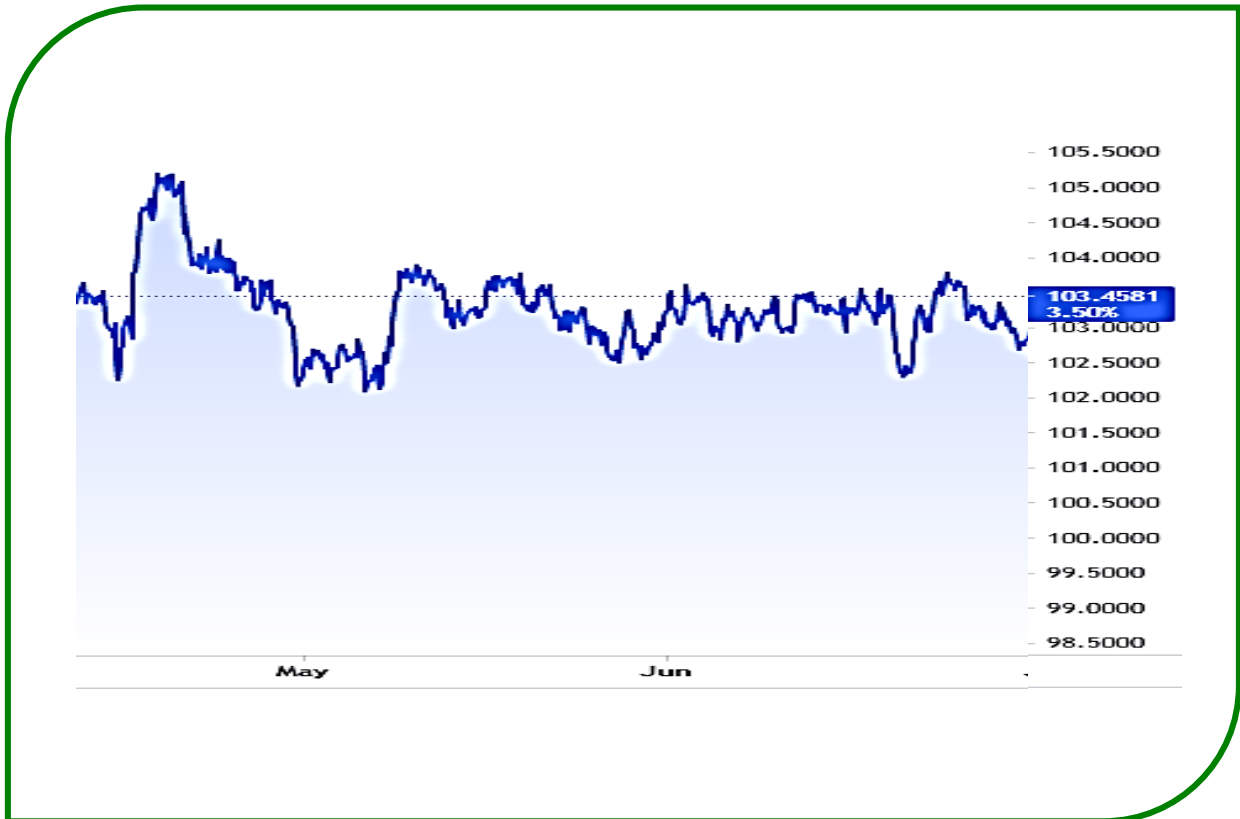
(April 15, 2021 - June 28, 2021)



Foreign Exchange Rates

GBP

(April 15, 2021 - June 28, 2021)



Motto

सत्यं वद। धर्मं चर।
इष्टार्थे तेन त्वात्ते. शोभते तु तेन ह्य।

Vision

"To be a global leader in promoting
good corporate governance"

Mission

"To develop high calibre professionals
facilitating good corporate governance"



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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