



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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(Under the jurisdiction of Ministry of Corporate Affairs)



INFO CAPSULE

Series - 8

(251-300)



Motto

सत्यं वद। धर्मं चर।

“Speak the truth and abide by the law”

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Latest @ ICSI

Info Capsule Series 8

- **GST Day Celebration (June 28, 2021)**

On the occasion of four years of implementation of GST in India, the Indirect Taxes Committee of PHD Chamber is Celebrating GST Day - Open House Session with Shri S K Rahman, Joint Secretary, GST Council on Thursday, July 01, 2021 from 2:00 PM to 3:30 PM. Members of the ICSI will be awarded 1 credit hour (Unstructured) for this webinar.

For details:

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

- **Inputs for Quarterly eNewsletter “ICSI Global Connect” (June 29, 2021)**

The ICSI has requested the members to share articles, write-ups, inputs, opportunities etc. at overseas@icsi.edu on or before July 15, 2021 for the quarterly e-newsletter “ICSI Global Connect”.

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

- **GST Day Celebrations, 2021**

On the occasion of fourth anniversary of implementation of GST in India, the ICSI is celebrating GST Day, 2021 on July 01, 2021 at 5:00 PM to 7:30 PM. Members will be awarded 2 CPE Credits (Unstructured).

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

- **ICSI's Online Certificate Course(s) - Registration open (July 06, 2021)**

The ICSI has launched various online Certificate Courses which will be offered through online mode on ICSI LMS platform through Live Webinars and recorded version & PPTs (also available through Android and IOS App) with interactive webinars. Members will be awarded 15 (fifteen) Structured CPE upon successful completion of the course. The details of Certificate Courses are as under: Certificate Course on Securities Law (Batch-2) Certificate Course on GST (Goods and Services Tax) (Batch-8) Certificate Course on Foreign Exchange Management Act (FEMA) (Batch-3) Certificate Course on Certified CSR Professionals (Batch-6)

For details:

https://www.icsi.edu/media/webmodules/Certificate_Course_on_Securities_LawsB2.jpg

https://www.icsi.edu/media/webmodules/Certificate_Course_on_GST_B8.jpg

https://www.icsi.edu/media/webmodules/Certificate_Course_on_FEMAB3.jpg

https://www.icsi.edu/media/webmodules/Certificate_Course_on_Certified_CSR_Professional_B6.jpg

- **EEE 2.0 : Webinar on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The sixth session of the EEE 2.0 : Bi-weekly Webinar Series has been scheduled on Friday, July 09, 2021 from 3:00 PM to 5:00 PM on the topic: SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For details:

https://www.icsi.edu/media/webmodules/ICSI_Flyer_EEE2_schedule.pdf

- **ASSOCHAM Virtual Corporate Governance Symposium- "Effective Audit Committee"**

In view of emerging trends in the practices of audit committees as well as challenges being faced by them towards protecting the interests and rights of shareholders and strengthening the overall corporate governance frameworks in the organizations, ASSOCHAM along with ICSI as Institutional Partner is organizing the Virtual Corporate Governance Symposium on "Effective Audit Committee" on Wednesday July 14, 2021 at 3:00 PM onwards. Members of ICSI will be awarded 2 CPE Hours (Unstructured).

For details:

https://www.icsi.edu/media/webmodules/Brochure_14_July_2021_ICSI.pdf

- **Webinar on Faceless Assessment & Faceless Appeals: Laudable initiatives - Mixed Beginning**

The introduction of the Faceless Assessment & Faceless Appeals are the biggest Direct Tax reforms to facilitate Ease of Doing Business in India. It is based on the principles of Efficiency, Transparency and Accountability. The Income Tax Department has brought a paradigm shift in building the future with technology by pioneering an ecosystem of assessments and appeals founded on Data and Artificial Intelligence. With the objective of deliberating in detail about the above scheme and the issues being faced by the tax payers' in the Faceless Assessment & Faceless Appeals, their resolution and also the way forward, the Direct Taxes Committee of PHD Chamber is organizing a Webinar on Faceless Assessments & Faceless Appeals: Laudable initiatives - Mixed Beginning on Tuesday, July 20, 2021 from 3:00 pm to 5:00 pm. Members of the ICSI will be awarded 1 credit hour. (Unstructured).

For details:

https://www.icsi.edu/media/webmodules/Webinar_on_Faceless_Assessments_&_Faceless_Appeals.pdf

- **Webinar on Search, Seizure, Arrests, Recovery and Provisional attachment - Intricacies and Way Forward**

With an aim to provide handholding to the taxpayers, the Indirect Taxes Committee of PHD Chamber is organizing a Webinar on Search, Seizure, Arrests, Recovery and Provisional attachment - Intricacies and Way Forward on Friday, July 23, 2021 from 02:00 pm to 5:00 pm. Members of the ICSI will be awarded 2 credit hours. (Unstructured).

For details:

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

- **Webinar on “Envisioning the next phase of Capital Market”**

The ICSI is organising a live webinar on Monday, July 26, 2021 from 9:30 am onwards on the topic “Envisioning the next phase of Capital Market”. Members will be awarded 2 CPE Credit (Unstructured).

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

- **EEE 2.0 : Webinar on Compromises, Arrangements, Amalgamations and Application to NCLT**

The tenth session of the EEE 2.0: Bi-weekly Webinar Series is scheduled on Tuesday, July 27, 2021 from 11:00 am to 1:00 pm on the topic : Compromises, Arrangements, Amalgamations and Application to NCLT.

For details: https://www.icsi.edu/media/webmodules/ICSI_FlyerEEE2_schedule.pdf

- **Company Secretary - Professional Catalyst in Capital Market (July 27, 2021)**

On the occasion of Capital Markets Week, the ICSI has released an online publication titled, “Company Secretary : Professional Catalyst in Capital Markets”, focusing on ICSI initiatives pertaining to Capital Markets, Role and Recognitions of Company Secretary in Capital Markets etc. The same is available on the website for reference of the stakeholders.

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

- **ICSI celebrates Capital Markets Week (July 27, 2021)**

The ICSI is celebrating Capital Markets Week from July 26, 2021 to August 01, 2021, on the theme “Envisioning the next phase of Capital markets” through a series of focused webinars, discussions and deliberations across India.

For details:

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

- **ICSI signs MoU with Balmer Lawrie & Co. Ltd. (July 26, 2021)**

The ICSI has signed a Memorandum of Understanding with Balmer Lawrie & Co. Ltd. on July 26, 2021, where the company would offer its professional travel services to the Members, Students and Employees of the ICSI.

For details:

https://www.icsi.edu/media/webmodules/ICSI_signs_MoU_with_Balmer_Lawrie_&_Co_Ltd..pdf

- **ICSI’s Online Certificate Course(s) - Registration open (July 30, 2021)**

The ICSI has launched various online Certificate Courses, which will be offered through online mode on ICSI LMS platform through Live Webinars and recorded version & PPTs (also available through Android and IOS App) with interactive webinars. The details of certificate courses are as under: Certificate Course on Intellectual Property Rights -Batch 2 Certificate Course on Corporate Restructuring-Batch 2 Certificate Course on Forensic Audit - Batch 5 Certificate Course on Commercial Contract Management-Batch 3.

For details:

https://www.icsi.edu/media/webmodules/ICSI_Flye_Intellectual_Property_Rights2.jpg

https://www.icsi.edu/media/webmodules/ICSI_Flyer_Corporate_Restructuring2.jpg

https://www.icsi.edu/media/webmodules/ICSI_Flyer_Forensic_Audit2.jpg

https://www.icsi.edu/media/webmodules/ICSI_Flyer_Commercial_Contract_Management2.jpg

- **Important Decisions taken by the Council of the ICSI at its 278th Meeting held on July 26, 2021 (August 03, 2021)**

Several important decisions were taken by the Council of the ICSI at its 278th Meeting held on July 26, 2021 such as:

1. Approval of the amendments to the ICSI Unique Document Identification Number (UDIN) Guidelines, 2019 as under:
 - a) Guideline 3 (b) (xiv)- "Signing of Annual Return in Form MGT-7 through Digital Signature Certificates (DSC) under Section 92(l) of the Companies Act, 2013 and Rule 11(1) of the Companies (Management and Administration) Rules, 2014."
 - b) Addition of second proviso to Guideline 3 (b) (xiv) - "Provided further that the UDIN generated for all eforms, including Form MGT - 7 shall remain valid for further period of seven days from the effective date of UDIN and the same can be digitally signed by the PCS during those seven days."
2. The Council deliberated the draft ICSI (Formation, Functioning and Regulation of Multi-Disciplinary Firms) Guidelines, 2021 and forwarded its comments to the PCS Committee of the ICSI for further deliberations of the draft guidelines. After deliberations, in the PCS Committee, the draft guidelines be circulated to the Members of the Institute for comments.
3. Approval of the Computer Based Examination (CBE) for CS Foundation Programme through Remote Proctoring Mode, in addition to the existing mode.

For details:

https://www.icsi.edu/media/webmodules/List_Important_Decisions_278th_Council_Meeting_26_07_2021.pdf

- **EEE 2.0 : Company Incorporation and Related matters**

The thirteenth session of the EEE 2.0: Bi-weekly Webinar Series is scheduled on Friday, August 06, 2021 from 03:00 pm to 5:00 pm on the topic: Company Incorporation and Related matters : Coverage: Formation, Dissolution & Merger (Covering Section 8 Companies).

For details: https://www.icsi.edu/media/webmodules/ICSIFlyer_EEE2_schedule.pdf

- **ICSI signs MOU for Academic Collaboration with Bennett University (Times Group), Greater Noida (August 04, 2021)**

The ICSI has signed a Memorandum of Understanding (MoU) with Bennett University (Times Group), Greater Noida, under the ICSI Academic Collaborations Initiative.

For details:

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

- **EEE 2.0 : Share Based Employee Benefits**

The fourteenth session of the EEE 2.0: Bi-weekly Webinar Series is scheduled on Tuesday, August 10, 2021 from 11:00 am to 01:00 pm on the topic: Share Based Employee Benefits, Coverage: ESOP & Sweat Equity Shares.

For details: https://www.icsi.edu/media/webmodules/ICSI_Flyer_EEE2_schedule_09082021.pdf

- **EEE 2.0: Webinar on Panel Discussion on Secretarial Audit**

The fifteenth session of the EEE 2.0: Bi-weekly Webinar Series is scheduled on Friday, August 13, 2021 from 03:00 pm to 05:00 pm on the topic: Panel Discussion on Secretarial Audit, Coverage: Practice, Process & Auditing Standards.

For details: https://www.icsi.edu/media/webmodules/ICSI_Flyer_EEE2_schedule_12082021.pdf

- **Crash Course on MSME and Real Estate (Regulation & Development) Act (RERA): Registration open (August 16, 2021)**

The ICSI has launched a Crash Course on MSME and RERA 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/MSME_designs.jpg

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

- **ICSI International webinar on Institutionalising Minority Protection - towards a new paradigm in Corporate Governance**

The ICSI is conducting an International Webinar on Institutionalising Minority Protection - towards a new paradigm in Corporate Governance on August 18, 2021 at 12:00 Noon (IST). Members will be awarded 2 CPE Credit (Unstructured).

For details:

https://www.icsi.edu/media/webmodules/ICSI_CSIA_Webinar_18_Aug.pdf

- **ICSI representation to MCA for extension of timelines for holding Annual General Meeting (AGM) due to COVID19 (August 16, 2021)**

Considering the current crisis of COVID-19 pandemic, the ICSI has requested the MCA to grant an extension of time to the companies for holding AGM for the year ended March 31, 2021 till December 31, 2021 so as to provide relief to all the companies and stakeholders.

For details:

https://www.icsi.edu/media/webmodules/REQUEST_LETTER_FOR_EXTENSION_TO_MCA_FOR_HOLDING_AGM_due_to_COVID_19.pdf

- **The ICSI propels support initiatives for its Members (August 26, 2021)**

The ICSI, in its endeavour of continued concerted efforts of supporting its stakeholders in building a self-reliant India, signed MoUs with Poonawalla Fincorp Limited (PFL) and Bajaj Allianz Life Insurance Co. Ltd recently. The schemes aimed at benefitting more than 65,000 Company Secretaries across India, would provide collateral free Term Loan facility and Non- Linked, Non- Participating, Pure Life Term Insurance Plan, to members, both in employment and in practise.

The Institute also organised a webinar on the occasion, to apprise the stakeholders about the Institute's Company Secretary Benevolent Fund (CSBF) that provides reimbursement of medical expenses to Members and financial assistance to the families of deceased Members.

For details:

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

- **Webinar on recent changes in Tax implications of Restructuring of Business**

With the objective to discuss and deliberate on the tax implications involved in restructuring of businesses, the Direct Taxes Committee of PHD Chamber is organizing a Webinar on "Recent Changes in Tax Implications of Restructuring of Business" on Friday, August 27, 2021 from 03:00 pm onwards. Members of the ICSI will be awarded 1 credit hour (Unstructured).

For details:

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

- **EEE 2.0: Webinar on Annual Report, Board Report & SS-4**

The eighteenth session of the EEE 2.0: Bi-weekly Webinar Series is scheduled on Friday, August 27, 2021 from 03:00 pm to 05:00 pm on the topic: Annual Report, Board Report & SS-4.

For details: https://www.icsi.edu/media/webmodules/ICSI_Flyer_E EE2_schedule_26082021.pdf

- **Webinar on Empowering Investors : Prior Registration Mandatory**

The ICSI in association with IEPFA is organising a live webinar on Empowering Investors on Tuesday September 07, 2021 from 11:00 am to 1:00 pm. Members will be awarded 1 CPE Credit (Unstructured).

For details:

https://www.icsi.edu/media/webmodules/Webinar_on_07092021.jpg

- **Notice of the 45th Annual General Meeting (AGM) of CSBF (September 01, 2021)**

The ICSI has issued Notice for the 45th Annual General Meeting of the Members of the Company Secretaries Benevolent Fund scheduled to be held on Friday, September 17, 2021 at 4:00 pm.

For details: https://www.icsi.edu/media/webmodules/Notice_45th_AGM_CSBF.pdf

- **49th National Convention of Company Secretaries-Call for Theme and Sub-Themes (September 03, 2021)**

With regard to the 49th National Convention of Company Secretaries scheduled to be held at Bengaluru, Karnataka in the month of November/December, 2021, the ICSI has requested the Members to share their valuable suggestions on the Themes and Sub-themes for consideration by the Institute for deliberations at the National Convention. Themes and Sub-themes can be shared through e-mail at conference@icsi.edu on or before September 15, 2021.

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

- **EEE 2.0: Webinar on MCA-21 Version 3.0 (V3.0)**

The twenty first session of the EEE 2.0 : Bi-weekly Webinar Series is scheduled on Friday, September 10, 2021 from 03:00 pm to 05:00 pm on the topic MCA-21 Version 3.0 (V3.0).

For details: https://www.icsi.edu/media/webmodules/ICSI_Flyer_EEE2_schedule_08092021.pdf

- **Nominations open for ICSI National Awards for Excellence in Corporate Governance, 2021 (September 07, 2021)**

The ICSI has opened nominations for ICSI National Awards for Excellence in Corporate Governance for the year 2021. This year the Institute is adding a new category, the Best PCS Firm Award in addition to the following existing Awards:

- ♣ 21st edition of the ICSI National Awards for Excellence in Corporate Governance
- ♣ 6th ICSI CSR Excellence Awards
- ♣ 3rd ICSI Best Secretarial Audit Report Award

For details:

https://www.icsi.edu/media/webmodules/Press_Release_Nominations_Open_for_ICSI_National_Awards_for_Excellence_in_Corporate_Governance_2021.pdf

- **CS Nagendra D Rao becomes Vice-President of the Corporate Secretaries International Association (CSIA) for the year 2022 (September 08, 2021)**

CS Nagendra D Rao, President, The ICSI, has been unanimously elected as the Vice-President of the Corporate Secretaries International Association (CSIA), for the year 2022. As the Global Voice of Corporate Secretaries and Governance Professionals, CSIA was established in the year 2010 in Geneva, Switzerland and reconstituted as a company limited by guarantee in Hong Kong in 2017 and represents a network of more than 100,000 Corporate Secretaries and Governance Professionals in more than 100 countries all over the world.

For details:

https://www.icsi.edu/media/webmodules/PRESSRELEASE_CS_Nagendra_D_Raobecomes_Vice_President_of_theCorporateSecretariesInternational_Association_CSIA_for_the_year_2022.pdf

Ministry of Corporate Affairs

Info Capsule Series 8

- **Relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013- Extension of time- reg. (June 30, 2021)**

In continuation to General Circular No.07/2021 dated May 03, 2021, the MCA has decided to substitute the figures "31.05.2021" and "01.06.2021" wherever they appear in the said circular with the figures "31.07.2021" and "01.08.2021" respectively. The other requirements as mentioned in the said circular shall remain unchanged and this Circular shall be without prejudice to any belated filings that may have already been made along with additional fees/ advalorem fee.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=vqTLu4GNC8MKujYEiUpIEg%253D%253D&type=open>

- **Relaxation on levy of additional fees in filing of certain Forms under the Companies Act, 2013 and LLP Act 2008- Extension of time. (June 30, 2021)**

In continuation to General Circular No: 06/2021 dated May 03, 2021, the MCA has granted additional time upto August 31, 2021 to companies/LLPs to file forms under the Companies Act, 2013/ LLP Act, 2008 (other than a CHG-1 Form, CHG-4 Form and CHG-9 Form) which were/are due for filing during April 01, 2021 to July 31, 2021 without any additional fees. Accordingly, only normal fees shall be levied upto August 31, 2021 for forms (other than charge related forms referred above) required to be filed during April 01, 2021 to July 31, 2021.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=onI%252BU4n7x%252FntbDPEaxYULQ%253D%253D&type=open>

- **List of forms providing waiver of additional fee as per Circular no. 11/2021 and 12/2021 (July 01, 2021)**

The MCA has issued list of forms for which additional fee waiver has been made available/ extended in line with the General Circulars 11/2021 and 12/2021. Stakeholders may kindly take note and plan accordingly.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=xlk8LHJKnBG4BVxlUSaSFQ%253D%253D&type=open>

- **Extension of last date for submission of public comments to July 30, 2021 for Consultation Paper on Enhancing Engagement with Stakeholders (July 09, 2021)**

The National Financial Reporting Authority (NFRA) has extended the last date for submission of comments on its Consultation Paper titled "Enhancing Engagement with Stakeholders: Report of Technical Advisory Committee (March 2021)" from July 10, 2021 to July 30, 2021. The comments may either be submitted by email at comments-tac.paper@nfra.gov.in or sent by post to NFRA Office.

For details : <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1734241>

- **Shri Rao Inderjit Singh takes charge as Union Minister of State in Ministry of Corporate Affairs (July 12, 2021)**

Shri Rao Inderjit Singh took charge as Union Minister of State in the Ministry of Corporate Affairs (MCA), on Monday, July 12, 2021. Before taking charge as Union Minister of State for MCA, Shri Singh already holds Union Minister of State (Independent Charges) for Ministry of Statistics and Programme Implementation as also for the Ministry of Planning.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1734749>

- **36,191 new Companies incorporated from April to June 2021; an increase of 17,223 new Companies (July 19, 2021)**

The number of new companies incorporated in the Country under the provisions of the Companies Act, 2013 from April 2021 to June, 2021 is 36,191 as compared to 18,968 number of new companies in the corresponding period of last year which is an increase of 17,223 number of new Companies. This was stated by Minister of State for the Ministry of Corporate Affairs Shri Rao Inderjit Singh in a written reply to a question in the Lok Sabha on July 19, 2021.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1736934>

- **Rs. 21,231 crore spent by 21,349 companies on CSR funds in 2019-20 (July 19, 2021)**

Corporate houses spend a huge sum on Corporate Social Responsibility (CSR) for the welfare of workers and local people in the country. This was stated by Minister of State for the Ministry of Corporate Affairs Shri Rao Inderjit Singh in a written reply to a question in the Lok Sabha on July 19, 2021. All data related to CSR filed by companies in the MCA21 registry is available in public domain at www.csr.gov.in. On the basis of filings made by the companies in MCA21 registry, the CSR amount spent by various companies in the financial years 2017-18, 2018-19 and 2019-20 respectively is tabled below:

	Financial Year 2017-18	Financial Year 2018-19	Financial Year 2019-20
No. of Companies	21,455	24,965	21,349
CSR expenditure (in Rs. Crore)	13,909	18,728	21,231

(Data upto 31.03.2021)

[Source: National CSR Data Portal]

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1736935>

- **The MCA notified the commencement date for Section 4 of the Companies (Amendment) Act, 2020 (July 22, 2021)**

The MCA has appointed September 01, 2021 as the commencement date of Section 4 of the Companies (Amendment) Act, 2020 for implementation of amendments in the Rectification of Name of Company provisions under Section 16 of the Companies Act, 2013.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzEwMTc=&docCategory=Notification&type=open>

- **The Companies (Incorporation) Fifth Amendment Rules, 2021 (July 22, 2021)**

The MCA has notified the Companies (Incorporation) Fifth Amendment Rules, 2021 to insert a new rule 33A in the Companies (Incorporation) Rules, 2014 relating to the allotment of a new name to the existing company under section 16(3) of the Companies Act, 2013 which shall come into effect from September 01, 2021. As per the new rule, in case a company fails to change its name or new name, as the case may be, in accordance with the direction issued under section 16(1) of the Companies Act, 2013 within a period of three months from the date of issue of such direction, the letters “ORDNC” (which is an abbreviation of the words “Order of Regional Director Not Complied”), the year of passing of the direction, the serial number and the existing Corporate Identity Number (CIN) of the company shall become the new name of the company without any further act or deed by the company, and the Registrar shall accordingly make entry of the new name in the register of companies and issue a fresh certificate of incorporation in Form No.INC-11C. However, the above provisions shall not be applicable in case e-form INC-24 filed by the

company is pending for disposal at the expiry of three months from the date of issue of direction by Regional Director unless the said e-form is subsequently rejected. Further, a company whose name has been changed as above shall at once make necessary compliance with the provisions of section 12 of the Companies Act, 2013 and the statement, “Order of Regional Director Not Complied (under section 16 of the Companies Act, 2013)” shall be mentioned in brackets below the name of company, wherever its name is printed, affixed or engraved. Provided, no such statement is required to be mentioned in case the company subsequently changes its name in accordance with the provisions of section 13 of the Companies Act, 2013.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjgxNzA=&docCategory=Notifications&type=open>

- **Government identified 2,38,223 companies as shell companies between 2018-2021 (July 27, 2021)**

Union Minister of State for Corporate Affairs Shri Rao Inderjit Singh in a written reply to a question in Rajya Sabha on July 27, 2021 stated that there is no definition of the term “Shell Company” in the Companies Act and it normally refers to a company without active business operation or significant assets, which in some cases are used for illegal purpose such as tax evasion, money laundering, obscuring ownership, benami properties etc. It was stated that the Special Task Force set up by the Government to look into the issue of “Shell Companies” has inter-alia recommended the use of certain red flag indicators as alerts for identification of Shell Companies. Further, the Government has undertaken a Special Drive for identification and striking off Shell Companies during the last three years.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1739583>

- **320 foreign companies registered in India between 2018 and 2021 (July 27, 2021)**

Union Minister of State for Corporate Affairs Shri Rao Inderjit Singh in a written reply to a question in Rajya Sabha on July 27, 2021 has stated that a total of 320 foreign companies has been registered in the country during the last three years.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1739581>

- **Cabinet clears amendments to LLP Act, to decriminalise 12 offences to boost biz (July 28, 2021)**

The union cabinet on July 28, 2021 cleared the amendments to the Limited Liability Partnership (LLP) Act, in order to decriminalise several provisions under the Act and also foster the ease of doing business in India. The changes, which include the removal of criminal action for failing to comply with the provisions of the Act, will help about 2,30,000 firms in the country. Union Finance Minister Nirmala Sitharaman while addressing a press conference said that “a lot of changes are being made in the Companies Act, decriminalising many sections and improving ease of doing business for companies. A similar treatment had to be given for LLPs”.

For details:

<https://www.hindustantimes.com/business/cabinet-clears-amendments-to-llp-act-to-decriminalise-12-offences-to-boost-biz-101627479049601.html>

- **Clarification on spending of CSR funds for COVID-19 vaccination (July 30, 2021)**

In continuation to General Circular No. 10/2020 dated March 23, 2020 wherein it was clarified that spending of CSR funds for COVID-19 is an eligible CSR activity, the MCA has further clarified that spending of CSR funds for COVID-19 vaccination for persons other than the employees and their families, is an eligible CSR activity under item no. (i) of Schedule VII of the Companies Act, 2013 relating to promotion of health care including preventive health care and item no. (xii) relating to disaster management. The companies may undertake the aforesaid activity subject to fulfillment of Companies (CSR Policy) Rules, 2014 and the circulars related to CSR issued by the MCA from time to time.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=HbDqXuiLTcYlShFft8wcuA%253D%253D&type=open>

- **Rajya Sabha passed the Limited Liability Partnership (Amendment) Bill, 2021 (August 04, 2021)**

The Limited Liability Partnership (Amendment) Bill, 2021 was passed in Rajya Sabha on August 04, 2021, which seeks to encourage the start-up ecosystem and further boost ease of doing business by amending certain provisions of the Limited Liability Partnership Act, 2008. Major changes proposed by the Limited Liability Partnership (Amendment) Bill, 2021 are:

- (i) to introduce the concept of “small limited liability partnership” in line with the concept of “small company” under the Companies Act, 2013;
- (ii) to amend certain sections of the Act so as to convert offences into civil defaults and to convert the nature of punishment provided in the said sections from fines to monetary penalties;
- (iii) to insert a new section 34A so as to empower the Central Government to prescribe the “Accounting Standards” or “Auditing Standards” for a class or classes of limited liability partnerships;
- (iv) to amend section 39 of the Act relating to “compounding of offences” so as to authorise the Regional Director to compound any offence under this Act which is punishable with fine only;
- (v) to insert a new section 67A empowering the Central Government to establish or designate as many “Special Courts” as may be necessary for the purpose of providing speedy trial of offences under the Act;
- (vi) to amend section 72 of the Act so as to provide more clarity in the provisions when any person aggrieved by an order of “Tribunal” prefers an appeal to the “Appellate Tribunal”;
- (vii) to insert a new section 76A so as to provide that the Central Government may appoint as many officers as Adjudicating Officers as it thinks necessary for the purpose of adjudicating penalties under the Act.

For details:

<http://164.100.47.4/BillsTexts/RSBillTexts/Asintroduced/LLP%20as%20int-E.pdf>

- **The Companies (Specification of definitions details) Third Amendment Rules, 2021 (August 05, 2021)**

The MCA vide Notification dated August 05, 2021 has inserted the following explanation in the definition of “Electronic Mode” under clause (h) of Rule 2(1) of the Companies (Specification of definitions details) Rules, 2014, namely: “Explanation- For the purposes of this clause, electronic based offering of securities, subscription thereof or listing of securities in the International Financial Services Centres set up under section 18 of the Special Economic Zones Act, 2005 (28 of 2005) shall not be construed as ‘electronic mode’ for the purpose of clause (42) of section 2 of the Act.”

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzMzMjM=&docCategory=Notifications&type=open>

- **The Companies (Registration of Foreign Companies) Amendment Rules, 2021 (August 05, 2021)**

The MCA vide Notification dated August 05, 2021 has inserted the following explanation in the definition of “Electronic Mode” under clause (c) of Rule 2(1) of the Companies (Registration of Foreign Companies) Rules, 2014, namely: “Explanation - For the purposes of this clause, electronic based offering of securities, subscription thereof or listing of securities in the International Financial Services Centres set up under Section 18 of the Special Economic Zones Act, 2005 (28 of 2005) shall not be construed as ‘electronic mode’ for the purpose of clause (42) of section 2 of the Act.”

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzMzMjM=&docCategory=Notifications&type=open>

- **Notification under Section 393A of the Companies Act, 2013 (August 05, 2021)**

The MCA in exercise of the powers conferred by Section 393A of the Companies Act, 2013, hereby exempts, the following class of companies from the provisions of Sections 387 to 392 (both inclusive) of the Companies Act, 2013, namely:

- (a) Foreign companies;
- (b) Companies incorporated or to be incorporated outside India, whether the company has or has not established, or when formed may or may not establish, a place of business in India,

insofar as they relate to the offering for subscription in the securities, requirements related to the prospectus, and all matters incidental thereto in the International Financial Services Centres set up under Section 18 of the Special Economic Zones Act, 2005 (28 of 2005).

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=o23jWYkDh8z2%252FHp9wmxBtQ%253D%253D&type=open>

- **Parliament passes LLP Amendment Bill to boost startups, ease of business (August 09, 2021)**

Lok Sabha on August 09, 2021 passed the Limited Liability Partnership (Amendment) Bill, which seeks to encourage the startup ecosystem and further boost the ease of doing business. The bill, which seeks to decriminalise 12 offences under the law and help improve the ease of doing business by amending the Limited Liability Partnership (LLP) Act, 2008, was passed through a voice vote. Finance Minister Nirmala Sitharaman said it is a very important bill and will bring positivity in the LLP eco-system. She stressed the legislation will lead to ease of doing business.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzMzMjQ=&docCategory=Notification&type=open>

- **The Limited Liability Partnership (Amendment) Bill, 2021 receives President's assent (August 13, 2021)**

The President of India has given its assent to the Limited Liability Partnership (Amendment) Bill, 2021 which further amends the Limited Liability Partnership Act, 2008. The Limited Liability Partnership (Amendment) Bill, 2021 has been published in the Official Gazette on August 13, 2021 as Limited Liability Partnership (Amendment) Act, 2021.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzM0MjY=&docCategory=NotificationsAndCirculars&type=open>

- **The Companies (Appointment and Qualification of Directors) Amendment Rules, 2021 (August 19, 2021)**

The MCA vide notification dated August 19, 2021, has notified the Companies (Appointment and Qualification of Directors) Amendment Rules, 2021. The Amendment provides that an individual is exempted to pass the online proficiency self-assessment test to be included in independent directors' databank if he has served for a total period of not less than three years as on the date of inclusion of his name in the data bank in the pay scale of Director or equivalent or above in any Ministry or Department, of the Central Government or any State Government, and having experience in handling, –

(i) the matters relating to commerce, corporate affairs, finance, industry or public enterprises; or
(ii) the affairs related to Government companies or statutory corporations set up under an Act of Parliament or any State Act and carrying on commercial activities.”. It is further provided that the following individuals, who are or have been, for at least ten years :–

- (A) an advocate of a court; or
- (B) in practice as a chartered accountant; or
- (C) in practice as a cost accountant; or
- (D) in practice as a company secretary, shall not be required to pass the online proficiency self assessment test.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzU0MTU=&docCategory=Notification&type=open>

- **The Companies (Creation and Maintenance of databank of Independent Directors) Second Amendment Rules, 2021 (August 19, 2021)**

The MCA vide notification dated August 19, 2021 has notified the Companies (Creation and Maintenance of databank of Independent Directors) Second Amendment Rules, 2021, which seeks to insert Rule 6 pertaining to Annual report on the capacity building of independent directors in the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019. It provides that “the institute shall within sixty days from the end of every financial year send an annual report to every individual whose name is included in the data bank and also to every company in which such individual is appointed as an independent director in format provided in the Schedule to these Rules.” The amendment also prescribes the format of Annual report on Capacity Building of Independent Director.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzU0MTY=&docCategory=Notification&type=open>

- **Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR) (August 25, 2021)**

In view of several amendments in Section 135 of the Companies Act, 2013 as well in the CSR Rules, the MCA has issued an updated set of Frequently Asked Questions (FAQs) on the Corporate Social Responsibility (CSR) for better understanding and effective implementation.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=GTatbQatWaZkl7Zzifcd9Q%253D%253D&type=open>

Ministry of Finance

Info Capsule Series 8

- **Government brings Department of Public Enterprises under Finance Ministry (July 07, 2021)**

The government has brought Department of Public Enterprises (DPE) under the Finance Ministry in a bid to facilitate its ambitious disinvestment programme. Earlier, Department of Public Enterprises (DPE) was part of Ministry of Heavy Industries and Public Enterprises.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/govt-brings-dept-of-public-enterprises-under-finance-ministry/articleshow/84196995.cms>

- **Significant improvement in India's score in United Nation's Global Survey on Digital and Sustainable Trade Facilitation (July 23, 2021)**

India has scored 90.32% in United Nation's Economic and Social Commission for Asia Pacific's (UNESCAP) latest Global Survey on Digital and Sustainable Trade Facilitation. The Survey hails this as a remarkable jump from 78.49% in 2019. The Survey notes that India is the best performing country when compared to South and South West Asia region (63.12%) and Asia Pacific region (65.85%). The overall score of India has also been found to be greater than many OECD countries including France, UK, Canada, Norway, Finland etc. and the overall score is greater than the average score of EU. India has achieved a 100% score for the Transparency index and 66% in the "Women in trade" component.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1737948>

Securities Laws & Capital Markets

Info Capsule Series 8

SEBI CIRCULARS

- **Cross Margin in Commodity Index Futures and its underlying constituent futures or its variants (June 29, 2021)**

In order to improve the efficiency of the use of the margin capital by market participants, SEBI has introduced cross margin benefit between Commodity Index futures and futures of its underlying constituents or its variants. This shall reduce the cost of trading and may lead to enhanced liquidity in both the Commodity index futures and its underlying constituent futures or its variants. To be eligible for cross margin benefit, contracts belonging to Index futures and underlying constituents or its variants shall belong to same expiry month or to the nearest expiry month and should be from amongst the first three expiring contracts only.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/cross-margin-in-commodity-index-futures-and-its-underlying-constituent-futures-or-its-variants_50740.html

NSE CIRCULAR

- **Guidance Note on Analyst/Institutional Investors meet (June 29, 2021)**

NSE and BSE in consultation with SEBI has provided clarification on the amendments including enhanced disclosure requirement w.r.t. point 15 of para A of Part A of Schedule III on LODR Regulations (amended on May 05, 2021) asunder: o Disclosure of group meetings (including schedule and post meeting disclosures) shall be mandatory, whereas disclosure with respect to one-on-one meetings shall not be mandatory. o All Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, either conducted by listed entity or any other entity shall be disclosed to the recognized stock exchange. Further in order to strengthen the disclosure requirements,

Exchanges have also issued the guidance under SEBI (Prohibition of Insider Trading) Regulations, 2015 to listed entities.

For details

https://static.nseindia.com/s3fs-public/inline-files/NSE_Circular_29062021.pdf

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20210629-44>

- **Relaxation in timelines for compliance with regulatory requirements (June 30, 2021)**

In view of the prevailing situation due to Covid-19 pandemic and representation received from Stock Exchanges, SEBI has been decided to extend the timelines for compliance with the following regulatory requirements by the Trading Members / Clearing Members/ KYC Registration Agencies, as under:

S. No.	Submission/Compliance	Current timeline/ Period of exclusion	Proposed timeline/ Period of exclusion
1.	Maintaining call recordings of orders/ instructions received from clients	Till June 30, 2021	Till July 31, 2021
2.	Client Funding Reporting		
3.	To operate the trading terminals from designated alternate locations		
4.	KYC application form and supporting documents of the clients to be uploaded on system of KRA within 10 working days	Till June 30, 2021, documents may be uploaded on to the system of KRA within 15 working days. *A 30-day time period is provided to SEBI Registered Intermediary after June 30, 2021 to clear the backlog.	Till July 31, 2021, documents may be uploaded on to the system of KRA within 15 working days. *A 30-day time period is provided to SEBI Registered Intermediary after July 31, 2021 to clear the backlog.
5.	Issue of Annual Global Statement to clients	Till June 30, 2021. *Relaxation is Provided only if the client has requested for a physical statement.	Till July 31, 2021. *Relaxation is provided only if the client has requested for a physical statement.

For details:

https://www.sebi.gov.in/legal/circulars/jun2021/relaxation-in-timelines-for-compliance-withregulatory-requirements_50801.html

- **Master Circular for Commodity Derivatives Market (July 01, 2021)**

In order to ensure availability of comprehensive information mentioned in the circulars at one place, SEBI has been releasing Master Circular by compiling all the circulars issued by the department till the date of Master circular. With the said objective, Commodity Derivatives Market Regulation Department (CDMRD) of SEBI has issued a Master circular comprising of information mentioned in various circulars pertaining to commodity derivatives segment till April 30, 2021. Further, references in the circular to the Statutes/Regulations which now stand repealed have been suitably updated.

For details:

https://www.sebi.gov.in/legal/master-circulars/jul2021/master-circular-for-commodity-derivativesmarket_50869.html

- Standard Operating Procedure for listed subsidiary company desirous of getting delisted through a Scheme of Arrangement wherein the listed parent holding company and the listed subsidiary are in the same line of business (July 06, 2021) SEBI has clarified the criteria that need to be fulfilled by the listed holding company and the listed subsidiary company for the purposes of defining 'same line of business' as under:
 - i. Principal economic activities of both firms need to be under the same group as per the National Industrial Classification (NIC) Code.
 - ii. At least 50% of revenue from the operations of the listed holding and listed subsidiary company must come from the same line of business.
 - iii. In addition, at least 50% of the net tangible assets of the listed holding company and the listed subsidiary must be invested in the same line of business.
 - iv. In case of change of name of the listed entities within the last one year, at least 50 percent of the revenue, calculated on a restated and consolidated basis, for the preceding one full year has to be earned by it from the activity indicated by its new name.
 - v. The listed holding company and the listed subsidiary have to provide self-certification with respect to both the companies being in the same line of business.

For details:

<https://www.sebi.gov.in/legal/circulars/jul-2021/standard-operating-procedure-for-listedsubsidiary-company-desirous-of-getting-delisted-through-a-scheme-of-arrangementwherein-the-listed-parent-holding-company-and-the-listed-subsidiary-are-in-the-s-50926.html>

- **Review of Advance Intimation timelines for modifications in the contract specifications of commodity derivative contracts (July 08, 2021)**

SEBI has reduced the number of days of advance intimation for all the three categories i.e. Category A, Category B and Category C to 10 days for exchanges, for carrying out modifications in the contract specifications of commodity derivatives contracts in order to bring in uniformity while giving effect to the contract modifications so that they have the desired impact and the modified contract represents a healthy replica of the physical market.

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/jul-2021/1625742196892.pdf#page=1&zoom=page-width,-16,702

- **Valuation of securities with multiple put options present ab-initio (July 09, 2021)**

In respect of valuation of securities with multiple put options present ab-initio wherein put option is factored into valuation of the security by the valuation agency, SEBI has taken certain decision based on the recommendation of Mutual Fund Advisory Committee. It has been decided that if the put option is not exercised by a Mutual Fund, while exercising the put option would have been in favour of the scheme, a justification for not exercising the put option shall be provided by the Mutual Fund to the Valuation Agencies, Board of AMC and Trustees on or before the last date of the notice period. The Valuation Agencies shall not take into account the remaining put options for the purpose of valuation of the security. The circular will be applicable with effect from October 1, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/jul-2021/valuation-of-securities-withmultiple-put-options-present-ab-initio_50979.html

- **SEBI Circulars Block Mechanism in demat account of clients undertaking sale transactions (July 16, 2021)**

SEBI has provided a mechanism of block in the demat account of clients undertaking sale transactions. Under this mechanism, when the client intends to make a sale transaction, shares will be blocked in the demat account of the client in favour of Clearing Corporation. If sale transaction is not executed, shares shall continue to remain in the client's demat account and will be unblocked at the end of the T day. Thus, this mechanism will do away with the movement of shares from client's demat account for early pay-in and back to client's demat account if trade is not executed. The proposed facility of block mechanism is on optional basis and Early Pay-in mechanism shall continue. The facility of block mechanism shall be available to the clients from August 01, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/jul2021/block-mechanism-in-demat-account-of-clientsundertaking-sale-transactions_51170.html

- **Introduction of Expected Loss (EL) based Rating Scale and Standardisation of Rating Scales Used by Credit Rating Agencies (July 16, 2021)**

The SEBI has introduced the Expected Loss (EL) based Rating Scale to be used by Credit Rating Agencies (CRAs) for ratings of projects/ instruments associated with infrastructure sector. The Expected Loss (EL) based Rating Scale is divided into seven levels, spanning from lowest to highest expected loss. Further, In order to standardise the usage of rating scales, CRAs are advised to align their rating scales with the rating scales prescribed under the guidelines of respective financial sector regulator or authority. All the provisions of this circular are applicable with immediate effect except that Standardisation of Rating Scales Used by Credit Rating Agencies comes into effect from April 01, 2022. The CRAs shall ensure compliance with the requirements of this circular, latest by March 31, 2022 and also place the compliance status of this circular before their Board of Directors. Further, the CRAs are advised to confirm compliance of this circular to SEBI latest by April 15, 2022.

For details:

https://www.sebi.gov.in/legal/circulars/jul-2021/introduction-of-expected-loss-el-basedrating-scale-and-standardisation-of-rating-scales-used-by-credit-ratingagencies_51197.html

- **Relaxation in timelines for compliance with regulatory requirements by Debenture Trustees due to Covid-19 (July 20, 2021)**

SEBI extended the timelines for debenture trustees to comply with certain regulatory requirements in view of the prevailing situation due to Covid-19 pandemic and representations received from the Debenture Trustees. Under the regulatory norms, debenture trustees are required to perform periodical monitoring and disclose various reports, certificates to stock exchanges and on their websites within prescribed timelines. Debenture Trustees were required to make disclosure by July 15, 2021, but now the timeline has been extended till August 31, 2021, for certain submissions and till October 31, 2021, for other disclosures.

For details:

https://www.sebi.gov.in/legal/circulars/jul-2021/relaxationin-timelines-for-compliance-with-regulatory-requirementsby-debenture-trustees-due-to-covid-19_51268.html

- **Segregation and Monitoring of Collateral at Client Level (July 20, 2021)**

SEBI came out with a framework for segregation and monitoring of collateral at client level amid instances of misuse of client collateral by trading members. As per the Circular, it also has put in place a reporting mechanism that will entail disaggregated information segment-wise and asset type wise break-up of each client collateral. The measures will help in further strengthening the mechanism of protection of client collateral from misuse by trading member (TM) or clearing member (CM) and default of such members and other clients.

For details:

https://www.sebi.gov.in/legal/circulars/jul2021/segregation-and-monitoring-of-collateral-at-clientlevel_51265.html

- **SEBI Chairman's Speech at NISM's Second Annual Capital Markets Conference (July 22, 2021)** Shri Ajay Tyagi, Chairman, SEBI addressed at NISM's second annual capital markets conference on July 22, 2021. The key highlights of his speech inter alia covers the following:

- Retail investors' interest in the Indian securities market has been increased from FY 20-21 onwards.
- There has been a surge in the investments in ESG themed mutual fund schemes in India during FY 21.
- The markets are entering a new era with several new age tech companies preferring to list domestically. Successful IPOs of such companies are likely to attract more funds in domestic markets; thus creating a new ecosystem of entrepreneurs and investors.
- The SEBI has taken several measures to facilitate the development of capital markets and improve their robustness for attracting more investors. Online KYC, several policy measures for ease of fundraising by listed entities, and the decision to introduce the "accredited investors" concept are among the steps taken for the development of the capital markets.

For details:

https://www.sebi.gov.in/media/speeches/jul-2021/chairman-s-speech-dated-july-22-2021-at-nism-s-second-annual-capital-markets-conference-2021_51280.html

- **Continuous disclosures in compliances by REITs/InvIT's - Amendments (July 22, 2021)**

In order to further enhance investor protection and to increase transparency in grievance redressal, SEBI has come out with modified guidelines for Grievance Redressal Mechanism for Real Estate Investment Trusts ("REITs") and Infrastructure Investment Trusts ("InvITs"). As per the circulars issued by SEBI in this regard, all the complaints including SCORES complaints

received by the REIT/InvIT shall be disclosed on the website of the REIT/ InvIT in the prescribed format and also filed with the recognized stock exchange(s), where their units are listed within 21 days from the end of financial year or end of quarter, as the case may be.

For details:

https://www.sebi.gov.in/legal/circulars/jul-2021/continuous-disclosures-in-compliances-byreits-amendments_51305.html

https://www.sebi.gov.in/legal/circulars/jul-2021/continuous-disclosures-in-compliances-byinvits-amendments_51301.html

- **Holding of Annual General Meeting (AGM) by top 100 listed entities by market capitalization - Reg (July 23, 2021)**

On receipt of representations from the Institute of Company Secretaries of India (ICSI) and listed entities, the SEBI has decided to extend the timeline for conduct of AGM by top-100 listed entities by market capitalization. Accordingly, such entities shall hold their AGM within a period of six months from the date of closing of the financial year for 2020-21.

For details:

https://www.sebi.gov.in/legal/circulars/jul-2021/extensionof-time-for-holding-the-annual-general-meeting-agm-bytop-100-listed-entities-by-market-capitalization_51318.html

- **Timelines related to processing of scheme related applications filed by AMCs (July 23, 2021)**

SEBI came out with a framework to promote ease of doing business and to bring uniformity in the timelines for processing scheme related applications filed by asset management companies (AMCs). Under the framework, the application filed by AMCs for certain matters i.e. change in the fundamental attributes of a scheme, merger of schemes, rollover of close-ended schemes and conversion of close-ended schemes to the open-ended scheme, may be deemed to be taken on record in case no modifications are suggested or no queries are raised by SEBI within 21 working days. No objection will have been deemed to be communicated in case no modifications are suggested or no queries are raised by SEBI within 21 working days. The circular shall be applicable for all the applications received on or after September 01, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/jul-2021/circularon-timelines-related-to-processing-of-scheme-relatedapplications-filed-by-amcs_51326.html

- **Nomination for Eligible Trading and Demat Accounts (July 23, 2021)**

SEBI vide this circular informed that investors who are opening new trading and demat account from October 1 will have the choice of providing nomination or opting out nomination. Also, the SEBI has issued a format for nomination form and opting out of nomination through a 'declaration form' in this regard. Further, all existing eligible trading and demat account holders will have to provide choice of nomination by March 31, 2022, failing which the trading and demat accounts will be frozen.

For details:

https://www.sebi.gov.in/legal/circulars/jul-2021/nomination-for-eligible-trading-and-demataccounts_51313.html

- **RTA inter-operable Platform for enhancing investors' experience in Mutual Fund transactions/ service requests (July 26, 2021)**

In order to make it more convenient to the existing and future investors to transact and avail services while invested in Mutual Funds, Registrar and Transfer Agents of Mutual Funds (RTAs)

will implement standardized practices, system interoperability amongst themselves to jointly develop a common industry wide platform that will deliver an integrated, harmonized, elevated experience to the investors across the industry. The platform will in phases, enable a user-friendly interface for investors for execution of mutual fund transactions, initiation and tracking of service requests as well as queries and complaints, access investment related reports, transactions reports, capital gains or loss report, details of unclaimed dividend and redemption among others. Through this platform, investors will be able to access these services for all Mutual Funds in an integrated manner. Asset Management Companies (AMCs) and Depositories will facilitate the RTAs for development of the proposed platform.

For details:

https://www.sebi.gov.in/legal/circulars/jul2021/circular-on-rta-inter-operable-platform-forenhancing-investors-experience-in-mutual-fundtransactions-service-requests_51395.html

- **SEBI Chairman’s Speech at FICCI’s Annual Capital Markets Conference 2021 (July 28, 2021)**

Speaking at FICCI’s Annual Capital Market Conference 2021, Shri Ajay Tyagi, Chairman, SEBI, said One of the major channels through which finance, as the life-blood of the economy, flows is capital markets. The funds raised through IPOs during the last 5 years i.e. 2016-21 have been increased and are 6 times more than the funds raised in the Preceding five years. SEBI created frameworks for new instruments such as REITs and InvITs and improved upon them, based on experience gained. For listing of startups, a separate platform called ‘Innovators Growth Platform’ was carved out. For fund raising requirements of the social sector, SEBI is now in the process of setting up an entire ecosystem called the ‘Social Stock Exchange’. Several reforms are in focus in the near future such as revisiting the concept of promoter and its related obligations. SEBI had issued a consultation paper some time back seeking comments on whether there is a need to shift from the ‘promoter’ regime to a ‘controlling shareholder’ regime and the manner and timeframe for such a shift. Disclosures by many companies are lacking. On periodic disclosures such as Annual Reports, while all the fields are being filled in, in many cases, they appear more like a check-box exercise. This is not acceptable. Documents as important as the financial results, annual reports, corporate governance reports and others need the level of quality the investors deserve.

For details:

https://www.sebi.gov.in/media/speeches/jul2021/chairman-s-speech-dated-july-28-2021-at-ficci-sannual-capital-markets-conference-2021_51427.html

- **Relaxation in timelines for compliance with regulatory requirements (July 30, 2021)**

In view of the prevailing situation due to Covid-19 pandemic and representation received from Stock Exchanges, SEBI has extended the timelines for compliance with the various regulatory requirements such as submission of Internal Audit Report, System Audit Report, uploading of KYC application form etc. by the Trading Members / Clearing Members / KYC Registration Agencies till September 30, 2021. The SEBI has also extended timelines till December 31 to operate the trading terminals from designated alternate locations.

For details:

https://www.sebi.gov.in/legal/circulars/jul2021/relaxation-in-timelines-for-compliance-with-regulatory-requirements_51497.html

- **Deployment of unclaimed redemption and dividend amounts and Instant Access Facility in Overnight Funds (July 30, 2021)**

The Instant Access Facility (IAF) would now be permitted in overnight funds along with liquid schemes of mutual funds. The change has been brought into effect by the SEBI by partially modifying its circular related to IAF issued in May, 2017. SEBI vide this circular provided that

"MFs (All Mutual Funds)/ AMCs (Asset Management Companies) can offer IAF only in Overnight and Liquid Schemes of the MF. IAF facilitates credit of redemption proceeds in the bank account of the investor on the same day of redemption request. In addition to this, unclaimed redemption and dividend amounts, that are currently allowed to be deployed only in call money market or money market instruments, would be permitted for investment in a separate plan of only overnight scheme from December 1, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/jul-2021/deployment-of-unclaimed-redemption-anddividend-amounts-and-instant-access-facility-in-overnight-funds_51513.html

- **Intra-day Net Asset Value (NAV) for transactions in units of Exchange Traded Funds directly with Asset Management Companies (July 30, 2021)**

The SEBI had prescribed the guidelines pertaining to applicability of 'closing NAV of the day' in respect of transactions in units of mutual fund schemes. In view of the feedback of the industry and recommendations of the Mutual Fund Advisory Committee, for transactions in units of Exchange Traded Funds (ETFs) by authorised participants and large investors directly with Asset Management Companies (AMCs), SEBI has clarified that "intra-day NAV, based on executed price at which securities representing the underlying index or underlying commodity(ies) are purchased/sold, shall be applicable".

For details:

https://www.sebi.gov.in/legal/circulars/jul-2021/circular-on-intra-day-net-asset-value-nav-fortransactions-in-units-of-exchange-traded-funds-directly-with-asset-managementcompanies_51520.html

- **Permitting non-scheduled Payments Banks to register as Bankers to an Issue (August 03, 2021)**

Non-scheduled Payments Banks, which have prior approval from Reserve Bank of India, shall be eligible to act as a Bankers to an Issue (BTI) subject to fulfilment of the conditions stipulated in the BTI Regulations. Further, Payments Banks registered as a BTI shall also be permitted to act as a Self-Certified Syndicate Bank subject to the fulfilment of the criteria laid down by the SEBI. The blocking / movement of funds from the investor to issuer shall only be made through the savings account of the investor held with the payments bank.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/permitting-non-scheduled-paymentsbanks-to-register-as-bankers-to-an-issue_51595.html

- **Requirement of minimum number and holding of unit holders for unlisted Infrastructure Investment Trusts (InvITs) (August 04, 2021)**

SEBI vide its notification dated July 30, 2021, amended the provisions of SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations") to provide the requirement of minimum number of unit holders in an InvIT. SEBI vide this circular has provided that the registered unlisted InvITs which have already issued units as on the date of this circular, shall comply with the new provisions for the minimum number of unit holders in an InvIT within a period of six months from the date of this circular.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/requirement-of-minimum-numberand-holding-of-unit-holders-for-unlisted-infrastructure-investment-trusts-invits-_51631.html

- **Maintenance of Current Accounts in multiple banks by Mutual Funds (August 04, 2021)**

Based on the request of mutual fund industry, SEBI has clarified that mutual funds should maintain current accounts in an appropriate number of banks for the purpose of receiving subscription amount and for payment of redemption / dividend / brokerage / commission etc. to facilitate financial inclusion, convenience of investors and ease of doing business. At present, mutual funds maintain current accounts in multiple banks including in banks having presence beyond the top 30 cities (“B-30 cities”), for receiving subscription amount and for payment of redemption proceeds, dividend brokerage and commission.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/maintenance-of-current-accounts-in-multiple-banks-by-mutual-funds_51630.html

- **Calendar Spread margin benefit in commodity futures contracts (August 09, 2021)**

In order to increase liquidity in far month contracts, facilitate hedging by value chain participants and reduce cost of trading, the SEBI has extended the spread margin benefit beyond the first three expiries. The clause 2.5 of the SEBI Circular SEBI/HO/CDMRD/DRMP/CIR/P/2018/51 dated March 20, 2018 stands modified as given below:- "2.5) In case of calendar spreads or spreads consisting of two contract variants having the same underlying commodity (wherein currently 75% benefit in initial margin is permitted), benefit in initial margin shall be permitted when each individual contract in the spread is from amongst the first six expiring contracts." Calendar spread is a trading strategy where a derivative of an asset is bought in one month and then sold in another month. It is mostly done in the case of futures contracts in commodity markets.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/calendar-spread-margin-benefit-in-commodity-futures-contracts_51737.html

- **SEBI Circular Operational Circular for issue and listing of Nonconvertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper (August 10, 2021)**

The SEBI vide notification dated August 09, 2021 notified the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, pursuant to merger and repeal of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013.

The process of merging these regulations into the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 also entails consolidation of related existing circulars (annexed to this circular) into a single operational circular, with consequent changes. The stipulations contained in such circulars have been detailed chapter-wise in this operational circular.

This operational circular provides a chapter-wise framework for the issuance, listing and trading of Nonconvertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities or Commercial Paper

For details:

https://www.sebi.gov.in/legal/circulars/aug2021/operational-circular-for-issue-and-listing-of-nonconvertible-securities-ncs-securitised-debt-instruments-security-receipts-sr-municipal-debt-securities-and-commercial-paper-cp_51761.html

- **‘Security and Covenant Monitoring’ using Distributed Ledger Technology (August 13, 2021)**

In order to strengthen the process of security creation, monitoring of security created, monitoring of asset cover and covenants of the non-convertible securities, the SEBI has decided that a platform for ‘Security and Covenant Monitoring System’ (‘system’) hosted by Depositories shall be developed.

The system shall be used for recording and monitoring of the security created and monitoring of covenants of non-convertible securities. The system shall inter alia capture the process of creation of security (viz. due diligence, charge creation etc.), continuous monitoring of covenants by Debenture Trustees (as applicable), credit rating of the non-convertible securities by the Credit Rating Agencies (CRAs) etc. Depositories shall create, host, maintain and disseminate the system for security and covenant monitoring using distributed ledger technology.

The said system, shall enable various stakeholders to record information for security creation, asset cover and covenants, periodical monitoring of security cover, asset cover and covenants, interest and redemption payment (part and full) of non-convertible securities and credit Rating information. Accordingly, the SEBI has also prescribed the role and responsibilities of various stakeholders in the said system.

The system shall come into effect from April 01, 2022. However, testing of the system shall start from January 01, 2022 and therefore, Issuers, Debenture Trustees and Credit Rating Agencies etc. are thereby advised to carry out necessary changes, if any, in order to be ready to execute such functions as required for the proposed platform.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/-security-and-covenant-monitoringusing-distributed-ledger-technology_51855.html

- **Tendering of shares in open offers, buybacks and delisting offers by marking lien in the demat account of the shareholders (August 13, 2021)**

SEBI has decided that a lien shall be marked against the shares of the shareholders participating in tender offers made after open offers, buy back offers and delisting of securities. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the shareholders. The lien marked against unaccepted shares shall be released. As per the circular, this will reduce the systematic risk and risks associated with the movement of securities from the demat account of shareholders to Clearing Corporation account and vice-versa and make the process more investor friendly.

Under the existing mechanism, the shares tendered by shareholders are required to be directly transferred to the account maintained by the clearing corporation and different tendering processes are being adopted by Depositories.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/tendering-of-shares-in-open-offersbuybacks-and-delisting-offers-by-marking-lien-in-the-demat-account-of-theshareholders_51849.html

- **Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures - Ease of doing business (August 13, 2021)**

Para 7 of the SEBI circular dated September 09, 2020 on implementation of System Driven Disclosures (SDD) in phases states that ‘the system would continue to run parallel with the existing system i.e. entities shall continue to independently comply with the disclosure

obligations under PIT Regulations as applicable to them till March 31, 2021' It has been confirmed by stock exchanges and depositories that System Driven Disclosure ('SDD') is implemented in line with aforesaid circular and is in place since April 1, 2021.

Therefore, manual filing of disclosures under SEBI (PIT) Regulations are no longer mandatory for listed companies who have complied with requirements of the circular dated September 09, 2020.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/automation-of-continual-disclosuresunder-regulation-7-2-of-sebi-prohibition-of-insider-trading-regulations-2015-systemdriven-disclosures-ease-of-doing-business_51848.html

- **Disclosure of shareholding pattern of promoter(s) and promoter group entities (August 13, 2021)**

As per SEBI (LODR) Regulations, 2015, it is mandatory that all entities falling under promoter and promoter group be disclosed separately in the shareholding pattern on the website of stock exchanges, in accordance with the format specified by SEBI. The shareholdings of promoters and promoter group entities, which are currently collectively disclosed under table II-Statement showing shareholding pattern of the promoter and promoter group, shall now be segregated into promoter(s) and promoter group in the revised format as annexed to this circular.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/disclosure-of-shareholding-patternof-promoter-s-and-promoter-group-entities_51847.html

- **Guidelines on issuance of non-convertible debt instruments along with warrants ('NCDs with Warrants') in terms of Chapter VI - Qualified Institutions Placement of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (August 13, 2021)**

In order to streamline the procedure of issuance and applicability of Electronic Book Platform (EBP) mechanism on the NCDs portion, SEBI has issued guidelines for nonconvertible debentures with warrants products, whereby it made electronic book platform (EBP) mandatory for the 'NCDs portion' of the issue (for both stapled and segregated offer) and issuer shall be required to comply with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, and Circulars issued there under. Also, at least 40 % size of the 'total issue size' of the issue shall consist of 'Warrants portion' where in 'total issue size' means combined size of NCDs issue and the aggregate size of the warrants portion, including the conversion price of warrants. This circular shall be applicable for all issues of 'NCDs with Warrants' made under ICDR Regulations, 2018, on or after the date of this Circular.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/guidelines-on-issuance-of-nonconvertible-debt-instruments-along-with-warrants-ncds-with-warrants-in-terms-ofchapter-vi-qualified-institutions-placement-of-sebi-issue-of-capital-and-disclosure-_51827.html

- **Penalty for Repeated Delivery Default (August 17, 2021)**

SEBI had stipulated delivery default norms vide its Circular dated March 23, 2021. To further strengthen the delivery mechanism and ensure market integrity, it has been decided that in the case of repeated default by a seller or a buyer, for each instance of repeated default, an additional penalty shall be imposed, which shall be 3 % of the value of the delivery default. Further, repeated default shall be defined as an event, wherein a default on delivery obligations takes place 3 times or more during a six months period on a rolling basis. The

penalty levied shall be transferred to Settlement Guarantee Fund (SGF) of the Clearing Corporation. This circular shall be effective after one month from the date of issuance of the circular.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/penalty-forrepeated-delivery-default_51902.html

- **Modalities for implementation of the framework for Accredited Investors (August 26, 2021)**

SEBI has come out with detailed modalities for implementation of the Accredited Investors (AIs) framework, a move expected to open up a new channel of raising funds from sophisticated investors. The SEBI has issued guidelines on eligibility criteria for AIs, procedure as well as validation for accreditation, procedure to avail benefits linked to accreditation and flexibility to investors to withdraw 'consent'. The SEBI had earlier this month introduced the concept of "Accredited Investors" in the securities market.

For details:

https://www.sebi.gov.in/legal/circulars/aug2021/circular-on-modalities-for-implementation-of-theframework-for-accredited-investors_52116.html

- **Disclosure of risk-o-meter of scheme, benchmark and portfolio details to the investors (August 31, 2021)**

SEBI has clarified that Asset Management Companies (AMCs) shall disclose risk-o-meter of the scheme and benchmark of the scheme in all its promotional material. AMCs shall provide a feature wherein a link is provided to investors to their registered email to enable the investor to directly view/download only the portfolio of schemes subscribed by the said investor. Further, AMCs shall enter into arrangements with their selected Index providers to provide the risk-o-meter for their benchmarks to the AMCs latest by the fifth day subsequent to the end of the month. The provisions of this circular shall be applicable with effect from October 1, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/aug2021/disclosure-of-risk-o-meter-of-scheme-benchmarkand-portfolio-details-to-the-investors_52262.html

- **Extension of time for seeking membership of BSE Administration & Supervision Limited (August 31, 2021)**

SEBI has extended the timeline for seeking membership of BSE Administration & Supervision Limited ("BASL"), by existing Investment Advisers ("IA"), by a period of two months till October 31, 2021. SEBI granted recognition to BASL, a wholly owned subsidiary of BSE Limited, for administration and supervision of IAs, for a period of three years from June 01, 2021 where all existing IAs were advised to seek membership of BASL within three months of the recognition of BASL i.e., by August 31, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/aug2021/extension-of-time-for-seeking-membership-of-bseadministration-and-supervision-limited_52237.html

- **Revised guidelines for Liquidity Enhancement Scheme in the Equity Cash and Equity Derivatives Segments (September 1, 2021)**

The SEBI has modified that liquidity enhancement schemes which provides that the Scheme shall have prior approval of the Governing Board of the Stock Exchange which will be valid for one year. The Governing Board of the Stock Exchange may give yearly approval till the time the scheme is in operation. Further, its implementation and outcome shall be monitored by

the Governing Board at quarterly intervals. The Stock Exchange shall introduce liquidity enhancement schemes on any security. Once the scheme is discontinued, the scheme can be re-introduced on the same security. SEBI vide its circular dated April 23, 2014 permitted stock exchanges to introduce liquidity enhancement schemes in the equity cash and equity derivatives segments to enhance liquidity in illiquid securities.

For details:

https://www.sebi.gov.in/legal/circulars/sep2021/revise-guidelines-for-liquidity-enhancement-scheme-in-the-equity-cash-and-equity-derivatives-segments_52305.html

- **Alignment of interest of Asset Management Companies ('AMCs') with the Unitholders of the Mutual Fund Schemes (September 3, 2021)**

SEBI has decided that based on the risk value assigned to the schemes, asset management companies ('AMCs') shall invest minimum amount as a percentage of assets under management ('AUM') in their schemes as provided in the Annexure to this circular. The mandatory contribution already made by the AMCs in compliance with the applicable MF Regulations shall not be withdrawn. However, such contribution can be adjusted against the investment required by the AMC as per this circular.

For details:

https://www.sebi.gov.in/legal/circulars/sep2021/alignment-of-interest-of-asset-management-companies-amcs-with-the-unitholders-of-the-mutual-fund-schemes_52344.html

SEBI ADJUDICATION ORDER

- **SEBI Adjudication Order In the matter of M/s Geodesic Limited (July 27, 2021)**

SEBI imposed a monetary penalty of Rs 11 lakh each on three individuals (Noticees), for violating the various provisions of SEBI Act, SCR Act, 1956, PIT Regulations 1992/2015 and PFUTP Regulations. The Noticees played a clear fraud on the shareholders by making two important specious announcements and fulfilling none of them. SEBI noted that being Promoter-Directors of the Company, the Noticees were supposed to adhere to the highest standards of governance so as to protect the interest of shareholders who had invested in the scrip of the Company.

For details:

https://www.sebi.gov.in/enforcement/orders/jul-2021/adjudication-order-in-respect-of-shri-pankaj-kumar-shri-prashant-mulekar-and-shri-kiran-kulkarni-in-the-matter-of-m-s-geodesic-limited-_51410.html

- **In the matter of Viaan Industries Limited (July 28, 2021)**

SEBI imposed a monetary penalty of Rs. 3 lakh on the Noticees viz. Mr. Ripu Sudan Kundra (Raj Kundra), Ms Shilpa Shetty Kundra and Viaan Industries Ltd (VIL), to be paid jointly and severally, for delay in making the necessary disclosures under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The order follows an investigation into the trading/dealings in the scrip of VIL during the period September 2013 to December 2015. It was held that, in October 2015, Viaan Industries made a preferential allotment of 5 lakh equity shares to four persons and 1,28,800 shares each, amounting to Rs 2.57 crore each, were allotted to Raj Kundra and Shilpa Shetty Kundra in the allotment.

For details:

https://www.sebi.gov.in/enforcement/orders/jul-2021/adjudication-order-in-respect-of-mrripu-sudan-kundra-ms-shilpa-shetty-kundra-and-viaan-industries-limited-in-the-matter-ofviaan-industries-limited_51446.html

SEBI ADJUDICATION ORDERS (July 29, 2021)

S. No.	Name of Entity on which penalty is imposed	Alleged Violations	Penalty (in Rs.)
1)	M/s Kaynet Finance Limited (Stock Broker / Noticee)	Noticee has violated various provisions of SEBI Circulars and Regulations and has grossly failed in performing its duties as a registered stock broker and also failed to adhere to high standards of service to its clients.	50 lakh
2)	ABT Investments (India) Private Limited (Noticee)	Noticee did not make requisite disclosures under the provisions of Regulations 7(3), 51, 52(1), 52(4) of SEBI (LODR) Regulations, 2015.	2 lakh
3)	Excel Stock Broking Private Limited (Noticee)	Noticee had connected to the secondary server of NSE on several occasions which was in contravention of Colocation Guidelines. The Noticee has not complied with the statutory requirements of the NSE and has thus, violated the provisions of Point 2(a) of Chapter V of NSE bye-laws read with A(2) and Clause A(5) of the Code of Conduct specified under Schedule II read with regulation 9(f) of the Broker Regulations.	3 lakh
4)	Mr. Mohsin (Noticee) In the matter of Supreme Tex Mart Limited	Noticee failed to furnish required information to the Investigating Authority which reflects his disregard for the investigation process of SEBI and due to his non-co-operation the investigation was hampered.	3 lakh

For details:

<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListingAll=yes>

SEBI NOTIFICATIONS

- **SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2021 & SEBI (Infrastructure Investment Trusts) (Amendment) Regulations, 2021 (July 30, 2021)**

SEBI vide its notification dated July 30, 2021, amends the provisions of SEBI (Real Estate Investment Trusts) Regulations, 2014 and SEBI (Infrastructure Investment Trusts) Regulations, 2014, which shall come into force on the date of their publication in the Official Gazette. Vide this amendment, the SEBI has reduced the minimum subscription amount, from any investor in

initial and follow-on offer which shall fall within the range of Rs. 10,000-15,000 for both REITs and InvITs, compared to the earlier requirement of Rs. 50,000 for REITs and Rs. 1 lakh for InvITs. Also, the amendment has revised the trading lot for the purpose of trading of units which will be of one unit for REITs and InvITs, compared to the earlier requirement of 100 units.

For details:

<https://egazette.nic.in/WriteReadData/2021/228624.pdf> &

<https://egazette.nic.in/WriteReadData/2021/228625.pdf>

- **SEBI (Bankers to an Issue) (Amendment) Regulations, 2021 (July 30, 2021)**

SEBI vide its notification dated July 30, 2021, amends the provisions of SEBI (Bankers to an Issue) Regulations, 1994, which shall come into force on the date of their publication in the Official Gazette. The amendment substitutes the term “banker to an issue” under the Regulation 2(aa) which means a scheduled bank or such other banking company as may be specified by the SEBI from time to time, carrying on any of the activities, including acceptance of application and application monies; acceptance of allotment or call monies; refund of application monies; payment of dividend or interest warrants. Further, Regulation 22 has been substituted and specifies that the SEBI shall, after consideration of inspection or investigation report, take such action as it may deem fit and appropriate including action under Chapter V of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008. Chapter V of SEBI intermediaries’ regulations deals with Action in case of default and manner of suspension or cancellation of the certificate.

For details:

<https://egazette.nic.in/WriteReadData/2021/228623.pdf>

- **SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 (August 03, 2021)**

SEBI vide its notification dated August 03, 2021, amends 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, inter alia, include the following:

- Appointment / Re-appointment and Removal of Independent Directors (IDs) shall be through a special resolution of shareholders for all listed entities.
- Shareholder approval for appointment of a person on the Board of Directors shall be taken at the next general meeting, or within three months of the appointment on the Board, whichever is earlier. o The composition of Nomination and remuneration committee has been modified to include 2/3rd IDs instead of existing requirement of majority of IDs.
- At least 2/3rd of the members of the audit committee shall be independent directors and all related party transactions shall be approved by only independent directors on the Audit Committee.
- The requirement of undertaking Directors and Officers insurance has been extended to the top 1000 companies (by market capitalization) with effect from January 01, 2022.

For details: <https://egazette.nic.in/WriteReadData/2021/228705.pdf>

- **SEBI (Credit Rating Agencies) (Amendment) Regulations, 2021**

SEBI vide its notification dated August 03, 2021, amends the provisions of SEBI (Credit Rating Agencies) Regulations, 1999, which shall come into force on the date of their publication in the Official Gazette. The amendment define a Credit Rating Agency (CRA) in terms of rating of

securities that are listed or proposed to be listed on a recognized stock exchange, and to provide for an explanation in clause (f) of Regulation 9 specifying that ratings undertaken by a CRA under the respective guidelines of a financial sector regulator or authority shall be under the purview of the respective financial sector regulator or authority.

For details: <https://egazette.nic.in/WriteReadData/2021/228699.pdf>

- **SEBI (Portfolio Managers) (Third Amendment) Regulations, 2021 (August 03, 2021)**

SEBI vide its notification dated August 03, 2021, amends the provisions of SEBI (Portfolio Managers) Regulations, 2020, which shall come into force on the date of their publication in the Official Gazette. The amendment introduced a framework for, “accreditation agency”, “accredited investor” and “large value accredited investor”. It inter-alia provided that the requirement of minimum investment amount per client shall not apply to an accredited investor, subject to appropriate disclosures in the disclosure document and the terms agreed between the client and the portfolio manager.

For details: <https://egazette.nic.in/WriteReadData/2021/228701.pdf>

- **SEBI (Alternative Investment Funds) (Third Amendment) Regulations, 2021 (August 03, 2021)**

SEBI vide its notification dated August 03, 2021, amends the provisions of SEBI (Alternative Investment Funds) Regulations, 2012, which shall come into force on the date of their publication in the Official Gazette. The amendment introduced a framework for, “accreditation agency”, “accredited investor” and “large value fund for accredited investors”. As per the notification, the minimum level of investment value i.e., `1 crore is not applicable to accredited investors. Further, a proviso to Regulation 15(1)(c) has been inserted which provides large value funds for accredited investors of Category I and II may invest up to fifty percent of the investable funds in an investee company directly or through investment in the units of other Alternative Investment Funds.

For details: <https://egazette.nic.in/WriteReadData/2021/228700.pdf>

- **SEBI (Investment Advisers) (Third Amendment) Regulations, 2021 (August 03, 2021)**

SEBI vide its notification dated August 03, 2021, amends the provisions of SEBI (Investment Advisers) Regulations, 2013 which shall come into force on the date of their publication in the Official Gazette. The amendment introduced a framework for, “accreditation agency” & “accredited investor”. Further, Regulation 15A has been amended which provides that Investment Adviser shall be entitled to charge fees for providing investment advice from a client including an accredited investor in the manner as specified by the Board.

For details: <https://egazette.nic.in/WriteReadData/2021/228696.pdf>

- **SEBI (Prohibition of Insider Trading) (Second Amendment) Regulations, 2021 (August 05, 2021)**

SEBI vide its notification dated August 05, 2021, amends the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, which shall come into force on the date of their publication in the Official Gazette. The amendments has been carried out in regulation 7D which provides that the Board may at its sole discretion, declare an Informant eligible for Reward provided that the amount of Reward shall be ten percent of the monetary sanctions and shall not exceed Rupees 10 crores or such higher amount as the Board may specify from time to time. Further, a new sub-regulation 7D (1A) has been inserted which provides that if the total

reward payable is less than or equal to Rupees One Crore, the Board may grant the said reward upon the issuance of the final order by the Board.

For details: <https://egazette.nic.in/WriteReadData/2021/228769.pdf>

- **SEBI (Mutual Funds) (Second Amendment) Regulations, 2021(August 05, 2021)**

SEBI vide its notification dated August 05, 2021, amends the provisions of SEBI (Mutual Funds) Regulations, 1996 which shall come into force on the 270th day from the date of their publication in the Official Gazette. The amendment, inter alia, has inserted a new sub-regulation 25(16A) which provides that the asset management company shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the Board from time to time.

For details: <https://egazette.nic.in/WriteReadData/2021/228766.pdf>

- **Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021**

The SEBI vide e-Gazette notification dated August 09, 2021, has notified the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. These regulations shall come into force on the seventh day from the date of its publication in the Official Gazette. Unless otherwise provided, these regulations shall apply to the:

- a) issuance and listing of debt securities and nonconvertible redeemable preference shares by an issuer by way of public issuance;
- b) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and
- c) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the Reserve Bank of India.

The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 shall stand repealed from the date on which these regulations come to force. The objective to bring out these regulations is to simplify and to align the Regulations in line with the various circulars/guidance and various provisions of the regulations, issued by SEBI and improve the structure of the regulations in order to enhance readability. Also, to identify policy changes in line with the present market practices and the prevailing regulatory environment and to ease doing business.

For details: <https://www.egazette.nic.in/WriteReadData/2021/228840.pdf>

- **SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2021 (August 13, 2021)**

- SEBI vide its notification dated August 13, 2021, amends 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 following amendments have been made:
 - o The lock-in of promoters' shareholding to the extent of minimum promoters contribution shall be for a period of 18 months from the date of allotment in initial public offering (IPO)/further public offering (FPO) instead of existing three years. However, in case the majority of the issue proceeds excluding the portion of offer for sale is proposed to be utilized for capital expenditure, then the lock-in period shall be 3 years from the date of allotment in the initial public offer.

- o The lock-in of pre-issue capital held by persons other than the promoters shall be locked-in for a period of 6 months from the date of allotment in the IPO instead of existing 1 year.

For details: <https://egazette.nic.in/WriteReadData/2021/228972.pdf>

- **SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2021 (August 13, 2021)**

SEBI vide its notification dated August 13, 2021, amends the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to issuers who have listed Non-Convertible Debt Securities, Non-Convertible Redeemable Preference Shares, Perpetual Debt Instruments and/ or Perpetual Non-Cumulative Preference Shares. These amendments aim to improve transparency, rationalization and removing of redundant provisions so as to provide further robustness to the corporate bond market.

For details: <https://egazette.nic.in/WriteReadData/2021/228975.pdf>

- **SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (August 13, 2021)**

The SEBI has merged the SEBI (Issue of Sweat Equity) Regulations, 2002 (“Sweat Equity Regulations”) and SEBI (Share Based Employee Benefits) Regulations, 2014 (“SBEBS Regulations”) into a single regulation the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, with a view to facilitate smooth operation of schemes by companies for the benefit of their employees while preventing any possible manipulation and matters connected therewith or incidental thereto. The companies will be allowed to provide share based employee benefits to employees, who are exclusively working for such company or any of its group companies including its subsidiary or its associate.

For details: <https://egazette.nic.in/WriteReadData/2021/228983.pdf>

- **SEBI (Alternative Investment Funds) (Fourth Amendment) Regulations, 2021 (August 13, 2021)**

With a view to simplify and rationalise compliance requirements for Alternative Investment Funds (AIFs), provide investment flexibility and streamline regulatory processes, the SEBI approved certain amendments to SEBI (Alternative Investment Funds) Regulations, 2012, which inter-alia include:

- (i) Category I AIF - Venture Capital Funds (VCFs) to invest at least 75% of investable funds in unlisted equity shares and equity linked instruments of venture capital undertaking or in companies listed or proposed to be listed on a SME exchange or SME segment of an exchange. The existing investment restrictions on the residual portion of investable funds of VCFs have been done away with.
- (ii) The minimum amount of grant of Rs. 25 Lakhs stipulated for Category I AIFs - Social Venture Funds shall not apply to grants received from Accredited Investors.
- (iii) AIFs can also issue partly paid up units to investors to represent the portion of committed capital invested.
- (iv) AIFs to file private placement memorandum with SEBI through a Merchant Bankers.

For details: <https://egazette.nic.in/WriteReadData/2021/228971.pdf>

- **Securities Contracts (Regulation) (Second Amendment) Rules, 2021 (July 30, 2021)**

Ministry of Finance (MoF) has notified the Securities Contracts (Regulation) (Second Amendment) Rules, 2021 which shall come into force on the date of their publication in the

Official Gazette. Sub-rule (6) has been inserted in Rule 19A which provides that 'Notwithstanding anything contained in sub-rules (1) to (5), the Central Government may, in the public interest, exempt any listed public sector company from any or all of the provisions of this rule'. Vide this amendment, the Central Government, has been empowered to exempt any listed public sector company from any or all of the provisions of Rule 19A sub-rules (1) to (5) of Securities Contracts (Regulation) Rules, 1957 which prescribed that a listed entity shall maintain public shareholding of at least 25%.

For details: <https://egazette.nic.in/WriteReadData/2021/228626.pdf>

- **SEBI Notification SEBI (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2021 (August 13, 2021)**

SEBI vide its notification dated August 13, 2021, amends the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, which shall come into force from April 1, 2022. Vide this notification the Continual disclosures obligations under regulation 30 have been omitted. Further, with respect to the disclosure of encumbered shares, it is provided that the disclosure requirement shall not be applicable where such encumbrance is undertaken in a depository. These relaxations have been done on account of implementation of the System Driven Disclosures ("SDD").

For details: <https://egazette.nic.in/WriteReadData/2021/228973.pdf>

SEBI PRESS

- **Release SEBI issues Directions to NCDEX regarding trading in Chana (August 16, 2021)**

SEBI has directed to National Commodity & Derivatives Exchange Limited (NCDEX), in respect of trading in Chana contracts that with immediate effect no new Chana contract shall be launched till further orders and in respect of running contracts, no new position will be allowed to be taken. Only squaring up of position will be allowed.

For details:

https://www.sebi.gov.in/media/press-releases/aug2021/sebi-issues-directions-to-ncdex-regarding-tradingin-chana_51857.html

SEBI CONSULTATION

- **Paper Extension of timeline for submission of public comments on the consultation paper for introduction of Swing pricing (August 20, 2021)**

SEBI had placed a consultation paper for introduction of Swing pricing on its website on July 19, 2021 seeking comments by August 20, 2021. Now, it has been decided to extend the timeline for submission of comments to August 25, 2021.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/aug-2021/extension-of-timelinefor-submission-of-public-comments-on-the-consultation-paper-for-introduction-of-swingpricing_51991.html

- **SEBI Press Release SEBI issues Circular on “Security and Covenant Monitoring using Distributed Ledger Technology” (August 25, 2021)**

SEBI vide this Press Release informed that a platform for ‘Security and Covenant Monitoring System’ (‘system’) hosted by Depositories is being developed with an aim to strengthen the process of security creation and monitoring of security created, asset cover and covenants of the non-convertible securities. The system using Distributed Ledger Technology (DLT) shall be used for recording of the process of creation and monitoring of security (viz. due diligence, charge creation etc.), continuous monitoring of covenants by Debenture Trustees (as applicable), credit rating of the non-convertible securities by the Credit Rating Agencies, etc.

For details:

https://www.sebi.gov.in/media/press-releases/aug-2021/sebi-issues-circular-on-securityand-covenant-monitoring-using-distributed-ledger-technology-_52086.html

- **SEBI/ Stock Exchange News NSE bans members from selling digital gold after SEBI flags concerns (August 26, 2021)**

National Stock Exchange (NSE) has directed its members, including stockbrokers, to discontinue the sale of digital gold on their platforms by September 10, 2021. The direction came after SEBI said that certain members are providing a platform to their clients for buying and selling digital gold. SEBI through a letter dated August 3, 2021 informed the exchange that the said activity is in contravention of Securities Contracts (Regulation) Rules (SCRR), 1957, and the members should refrain from undertaking any such activities. The SCRR rules restrict all members from engaging, either as principal or employee, in any business, other than that of securities or commodity derivatives, except as a broker or agent, not involving any personal financial liability.

For details:

https://www.business-standard.com/article/markets/nse-bans-members-from-sellingdigital-gold-after-sebi-flags-concerns-121082501011_1.html

- **Release Linking of PAN with Aadhaar (September 03, 2021)**

As per Central Board of Direct Taxes (CBDT) notification G.S.R 112(E) dated February 13, 2020, the Permanent Account Number (PAN) of a person allotted as on July 01, 2017 shall become inoperative if it is not linked with Aadhaar by September 30, 2021 or any other date specified by CBDT. Since, PAN is sole identification number for all transactions in the Securities Market, in view of the said CBDT notification, all SEBI registered entities including Market Infrastructure Institutions (MIs) should ensure compliance of said notification and accept only operative PAN (i.e., linked with Aadhaar number) by the client while opening new accounts post September 30, 2021 or any other date specified by CBDT. Also, all the existing investors are advised to ensure linking of their PAN with Aadhaar number prior to Sept 30, 2021 or any other date specified by CBDT for continual and smooth transactions in securities market and to avoid any consequences of noncompliance of said notification on their transactions in securities market.

Please refer :

https://www.sebi.gov.in/media/press-releases/sep2021/linking-of-pan-with-aadhaar_52368.html

- **Introduction of T+1 rolling settlement on an optional basis (September 07, 2021)**

SEBI has introduced T+1 rolling settlement on an optional basis. With effect from January 01, 2022, a Stock Exchange may choose to offer T+1 settlement cycle on any of the scrips, after giving an advance notice of at least one month, regarding change in the settlement cycle, to

all stakeholders, including the public at large, and also disseminating the same on its website. After opting for T+1 settlement cycle for a scrip, the Stock Exchange shall have to mandatorily continue with the same for a minimum period of 6 months. Thereafter, in case, the Stock Exchange intends to switch back to T+2 settlement cycle, it shall do so by giving 1-month advance notice to the market. T+1 means that settlements will have to be cleared within one day of the actual transactions taking place.

For details:

https://www.sebi.gov.in/legal/circulars/sep2021/introduction-of-t-1-rolling-settlement-on-anoptional-basis_52462.html

- **Position Limits for Currency Derivatives Contracts (September 07, 2021)**

SEBI has revised the client level position limits for Currency Derivatives Contracts, per stock exchange. The revised position limits shall also apply to Non Resident Indians (NRIs) and Category II FPIs that are individuals, family offices, and corporates. The position limits for Category I FPIs and Category II FPIs (other than individuals, family offices, and corporates) shall continue to remain the same as specified by SEBI. Stock Exchanges/ Clearing Corporations are advised to specify additional safeguards/ conditions, as deemed fit, to manage risk and to ensure orderly trading.

For details:

https://www.sebi.gov.in/legal/circulars/sep2021/position-limits-for-currency-derivativescontracts_52450.html

- **SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 (September 7, 2021)**

SEBI vide gazette notification dated September 07, 2021 amends 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, inter-alia, provides the 'non-convertible debt securities', 'non-convertible redeemable preference shares', 'non-convertible securities', 'perpetual debt instrument' and 'perpetual non-cumulative preference share' shall have the same meaning as defined under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Further, the regulation 15, and regulation 16 to regulation 27 w.r.t. the corporate governance provisions shall apply to a listed entity which has listed its non-convertible debt securities and has an outstanding value of listed nonconvertible debt securities of Rs. 500 crore and above. However, in case an entity that has listed its nonconvertible debt securities triggers the specified threshold of Rs. 500 crore during the course of the year, it shall ensure compliance with these provisions within six months from the date of such trigger.

For details: <https://egazette.nic.in/WriteReadData/2021/229485.pdf>

SEBI BOARD MEETING

- **SEBI Board Meeting (June 29, 2021)**

The SEBI Board met on June 29, 2021 where it, *inter-alia*, approved the following:

1. The proposal relating to the review and merger of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 into a single Regulation to be called- SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2021.

2. The proposal to introduce a framework for 'Accredited Investors' in the Indian securities market, a class of investors who may be considered to be well informed or well advised about investment products.
3. The amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to regulatory provisions related to Independent Directors (IDs). The amendments, inter alia, include the following:
 - Appointment/Re-appointment and Removal of IDs shall be through a special resolution of shareholders for all listed entities.
 - A cooling off period of three years has been introduced for Key Managerial Personnel (and their relatives) or employees of the promoter group companies, for appointment as an ID.
 - The entire resignation letter of an ID shall be disclosed along with a list of her/his present directorships and membership in board committees.
 - At least 2/3rd of the members of the audit committee shall be independent directors and all related party transactions shall be approved by only Independent Directors on the Audit Committee.
 - The requirement of undertaking Directors and Officers insurance has been extended to the top 1000 companies (by market capitalization).

These amendments shall be made applicable with effect from Jan 01, 2022.

4. The amendments to SEBI (Infrastructure Investment Trusts) Regulations, 2014, for introduction of minimum unit holders requirement for unlisted InvITs. The minimum number of unit holders, other than sponsor, its related parties and its associates shall be five together holding not less than 25% of the total unit capital of the InvIT.
5. The amendments to SEBI (Real Estate Investment Trusts) Regulations, 2014 and SEBI (Infrastructure Investment Trusts) Regulations, 2014, for revision in minimum subscription and trading lot for publicly issued REITs and InvITs. The revised minimum application value shall be within the range of INR 10,000-15,000 and the revised trading lot shall be of one unit.
6. The proposal to amend the SEBI (Foreign Portfolio Investors) Regulations, 2019 to permit eligible Resident Indian Fund Managers (other than individuals) to be constituents of Foreign Portfolio Investors (FPIs).
7. The amendments to SEBI (Mutual Funds) Regulations, 1996, to provide for investment of a minimum amount as skin in the game in the Mutual Fund (MF) schemes by Asset Management Companies (AMCs) based on the risk associated with the scheme, instead of the current requirement of one percent of the amount raised in New Fund Offer or an amount of INR fifty lacs, whichever is less.
8. To provide easy access to investors to participate in Public/Rights issues by using various payment avenues, the SEBI approved the proposal of amending the SEBI (Bankers to an Issue) Regulations, 1994 by way of permitting such other banks, other than scheduled banks, as may be specified by SEBI from time to time, to register as a Banker to an Issue.
9. With a view to streamlining the process of reward payment and to enhance the quantum of reward under the informant mechanism, the SEBI considered and approved certain amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. The

maximum amount of reward has been increased from Rupees One Crore, at present, to Rupees Ten Crore.

For details:

https://www.sebi.gov.in/media/press-releases/jun-2021/sebi-board-meeting_50771.html

- **SEBI Board Meeting (August 06, 2021)**

The SEBI Board met on August 06, 2021 where it, inter-alia, approved the following:

- The merger of SEBI (Issue of Sweat Equity) Regulations, 2002 and SEBI (Share Based Employee Benefits) Regulations, 2014 into a single regulation called the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- The lock-in of promoters shareholding to the extent of minimum promoters contribution (i.e. 20% of post issue capital) shall be for a period of 18 months from the date of allotment in initial public offering (IPO)/further public offering (FPO) instead of existing 3 years, if the object of the issue involves only offer for sale, fund raising other than for capital expenditure, for a project.
- The proposal for shifting from the concept of promoter to ‘person in control’ or ‘controlling shareholders’ in a smooth, progressive and holistic manner. It was noted that investor landscape is now changing, with private equity and institutional investors holding significant shareholding in listed companies.
- The definition of promoter group shall be rationalized, in case where the promoter of the issuer company is corporate body, to exclude companies having common financial investors, in order to reduce the disclosure requirements at the time of IPO.
- The proposals relating to review of SEBI (LODR) Regulations, 2015 pertaining to issuers who have listed Non-Convertible Debt Securities, Non- Convertible Redeemable Preference Shares, Perpetual Debt Instruments and/ or Perpetual NonCumulative Preference Shares in order to improve transparency, rationalization and removing of redundant provisions so as to provide further robustness to the corporate bond market.
- The Board has decided to do away with certain disclosure obligations for the acquirers/promoters, etc. pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosures and creation/invocation/release of encumbrance registered in depository systems under Takeover Regulations w.e.f. April 01, 2022. These relaxations have been done on account of implementation of the System Driven Disclosures (“SDD”).
- The amendments to SEBI (Alternative Investment Funds) Regulations, 2012, with a view to simplify and rationalise compliance requirements for Alternative Investment Funds (AIFs), provide investment flexibility and streamline regulatory processes. For details: https://www.sebi.gov.in/media/press-releases/aug-2021/sebi-board-meeting_51707.html

SEBI Corrigendum (August 06, 2021)

The SEBI has issued corrigendum to the amendments made vide its notification no. SEBI/LAD-NRO/GN/2021/35 dated 3rd August, 2021 clarifying that the amendments shall come into force on January 01, 2022. For details: <https://egazette.nic.in/WriteReadData/2021/228797.pdf>

SEBI REPORT

- **Consultation Paper on Review of certain provisions related to Superior Voting Rights Shares Framework (July 01, 2021)**

SEBI has uploaded a Consultation Paper on Review of certain provisions related to Superior Voting Rights Shares Framework on its website for public comments. The objective is to review the following provisions related to Superior Voting Rights Shares (SR shares) framework pertaining to: o net-worth requirements of SR shareholder o issuance of SR shares to trusts/entities on behalf of founders/ promoters, o timing of issuance of SR shares The Comments may be submitted to SEBI latest by July 30, 2021.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/jul2021/consultation-paper-on-review-of-certain-provisionsrelated-to-superior-voting-rights-sharesframework_50843.html

- **Consultation Paper for introduction of Swing Pricing (June 19, 2021)**

The SEBI has placed a consultation paper for public comments on the proposal to introduce swing pricing mechanism to ensure fairness of treatment of entering, exiting and existing investors in Mutual Fund schemes, particularly during market dislocation. The comments are to be submitted to SEBI latest by August 20, 2021 in the prescribed format. As per the IOSCO report, Swing pricing refers to a process for adjusting a fund's net asset value (NAV) to effectively pass on transaction costs stemming from net capital activity (i.e., flows into or out of the fund) to the investors associated with that activity during the life of a fund, excluding ramp-up period or termination. In a liquidity-challenged environment, quoted bid/ask spreads and overall trading cost can widen and may not be representative of the executed prices that can be achieved in the market. SEBI proposed a hybrid model i.e. partial swing during normal times and a mandatory full swing during times of market dislocation.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/jul-2021/consultation-paper-forintroduction-of-swing-pricing_51234.html

SEBI NEWS

- **SAT gives interim relief to Franklin Templeton; stays SEBI order (June 28, 2021)**

The Securities Appellate Tribunal (SAT) on Monday gave an interim relief to Franklin Templeton (FT) by staying the SEBI order barring it from launching any new debt schemes for two years. SAT has asked FT to deposit Rs 250 crore within two weeks into an interest bearing escrow account, details of such account to be submitted to SEBI. Thereupon, the penalty of Rs 5 crore would be stayed, SAT said orally. The order would be uploaded soon on the website. SEBI has to file its reply in four weeks and then a rejoinder by FT in three weeks.

For details:

https://economictimes.indiatimes.com/mf/mfnews/sat-gives-interim-relief-to-franklin-templetonstays-sebiorder/articleshow/83915458.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Go Air, Aditya Birla MF IPOs put on hold (June 28, 2021)**

The Securities and Exchange Board of India (SEBI) on Monday said it has put in abeyance the IPO approval process of no-frills carrier Go Airline (India) Ltd and Aditya Birla Sun Life AMC. The notification on the regulator's website did not specify any reason for putting these approvals on temporary hold; however, it said that it has issued some observations to the merchant bankers of these two issues, without specifying the particular observations.

For details:

<https://www.livemint.com/companies/news/sebi-putsipo-approvals-of-go-airlines-and-aditya-birla-mf-inabeyance-11624901683123.html>

- **NSE Circular FAQ's - LODR amendments dated May 05, 2021 (June 28, 2021)**

The Securities and Exchange Board of India vide notification dated May 05, 2021 have amended LODR Regulations, 2015. To address the queries received from listed companies, NSE has issued FAQs on the above-mentioned LODR amendment only for the assistance to all Company Secretaries of Listed Companies.

For details:

<https://taxconcept.net/markets-news/nse-faqs-lodr-amendments-dated-may-05-2021/>

- **Promoters of over 500 listed firms lose monopoly over independent directors (July 01, 2021)**

Promoters of more than 500 companies will no longer be the sole judge on independent director appointments. The Securities and Exchange Board of India has said that appointments will need a special resolution. This means that the voting threshold in favour of the appointment will now be 75 per cent.

For details:

https://www.business-standard.com/article/companies/promoters-of-over-500-listed-firmslose-monopoly-over-independent-directors-121063001755_1.html

- **SEBI bans Biocon senior executive from securities market (July 01, 2021)**

SEBI has banned a senior executive of Biocon from accessing the securities market for three months for alleged insider trading. The regulator on Thursday restrained Shreehas P Tambe, senior Vice President of Biocon, from associating himself with any listed company and any public company which intends to raise money from the public or any SEBI registered intermediary other than Biocon for three months. It also imposed a fine of Rs. 2 lakh on Tambe.

For details:

<https://economictimes.indiatimes.com/markets/companies/sebi-bans-biocon-seniorexecutive-from-securities-market/articleshow/84046141.cms>

- **SEBI slaps over ₹32 crore penalties on IISL, AFSL, 3 individuals (July 04, 2021)**

SEBI has imposed penalties totalling more than ₹32 crore on IL&FS Securities Services Ltd (ISSL), Allied Financial Services Pvt Ltd (AFSPL) and three individuals for lapses in connection with alleged fraudulent transfer of mutual fund units of three companies. SEBI noted that ISSL being a clearing member has admitted to committing serious lapses in risk management by submitting that it followed a practice under which collateral can be returned to all its empanelled trading members, upon receipt of a request from the client. The regulator has passed two separate orders, dated July 2, against ISSL, and AFSPL and its three directors after

it carried out a detailed investigation into the matter for the period from February 20, 2017 till February 8, 2019.

For details:

<https://www.livemint.com/mutual-fund/mf-news/sebislaps-over-rs-32-crore-penalties-on-iisl-afsl-3-individuals11625417444775.html>

- **Zomato gets SEBI approval for Rs 7,500 crore IPO (July 03, 2021)**

Online food aggregator Zomato has received an approval from the Securities and Exchange Board of India (SEBI) to launch its Rs 7,500 crore initial public offering. The IPO is one of the most-awaited one of the year as it will see the listing of one of India's biggest startup unicorns funded by marquee private equity firms like Tiger Global Management, Fidelity and publicly listed Info Edge India.

For details:

<https://economictimes.indiatimes.com/markets/ipos/fpos/zomato-gets-sebi-approval-for-rs-7500-crore-ipoetnow/articleshow/84092901.cms>

- **Paytm IPO size to be about Rs 16,600 crore (July 05, 2021)**

Paytm's initial public offering (IPO) will be worth around Rs 16,600 crore (about \$2.23 billion) and the Noida-based fintech firm is likely to file a Draft Red Herring Prospectus (DRHP) with the SEBI soon after its extraordinary general meeting (EGM) on July 12. The DRHP is currently being finalised by compliance teams at Paytm before it is filed with SEBI later this month.

For details:

https://economictimes.indiatimes.com/tech/startups/paytm-said-to-file-draft-prospectus-next-week-for-2-3-billion-ipo/articleshow/84140492.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **SEBI Circulars Standard Operating Procedure for handling of technical glitches by Market Infrastructure Institutions (MIIs) and payment of "Financial Disincentives" thereof (July 05, 2021)** With increasing dependence on technology, as the operations and functioning of MIIs are fully automated right from order entry to order matching to trade confirmation leading up to clearing and settlement of trades, SEBI observed that the instances of technical glitches at MIIs, leading to business disruption/unavailability of services provided by MIIs, have been occurring, despite various mechanisms such as Business Continuity Planning, Disaster Recovery policies, System Audit etc.

Considering the criticality of smooth functioning of systems of MIIs specifying a pre-defined threshold for downtime of systems of MIIs becomes desirable. For any downtime or unavailability of services, beyond such pre-defined time, there is a need to ensure that "Financial Disincentive" is paid by the MIIs as well as Managing Director and Chief Technology Officer of the MII to encourage MIIs to constantly monitor the performance and efficiency of their systems and upgrade/ enhance their systems etc.

Further, MIIs are advised to follow the Standard Operating Procedure (SOP) for handling technical glitches and comply with the "Financial Disincentive" structure as annexed to this circular.

For details:

https://www.sebi.gov.in/legal/circulars/jul2021/standard-operating-procedure-for-handling-of-technical-glitches-by-market-infrastructure-institutions-miis-and-payment-of-financial-disincentives-thereof_50903.html

- **Issue of No Objection Certificate for release of 1% of Issue Amount (July 05, 2021)**

SEBI decided to reduce the time period to two months, from four months at present, for companies to submit an application with the SEBI for obtaining a 'No Objection Certificate' for release of 1 per cent of issue amount. In addition to the requirements laid down for processing of NOC applications in the circular issued on November 25, 2009, the merchant banker shall submit a certificate confirming that all the SCSBs involved in ASBA process have unblocked ASBA accounts. SEBI shall consider application as incomplete if the application is not accompanied by a confirmation by merchant banker that all the accounts in ASBA have been 'unblocked'.

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/jul2021/1625479657397.pdf#page=1&zoom=page-width,-15,850

- **Master Circular for Stock Exchanges and Clearing Corporations (July 05, 2021)**

In order to enable the users to have an access to all the applicable circulars/directions at one place, SEBI has uploaded the Master Circular for Stock Exchanges and Clearing Corporations on its website. This Master Circular is a compilation of the relevant circulars/communications issued by SEBI up to March 31, 2021 and shall come into force from the date of its issue. References in the circular to the Statutes/Regulations which now stand repealed, have been suitably updated.

For details:

https://www.sebi.gov.in/legal/master-circulars/jul-2021/master-circular-for-stock-exchangesand-clearing-corporations_50914.html

- **Investment advisors cannot take power of attorney from clients: SEBI (July 06, 2021)**

In a letter issued to Waterfield Advisors, a SEBI Registered Investment Advisory firm catering to high networth individuals, SEBI provided guidance rejecting the ability of investment advisors to take a Power of Attorney (PoA) from clients. Under SEBI rules, investment advisors can provide implementation services but cannot charge for them. Waterfield had asked whether a PoA can be part of such implementation services.

For details:

<https://www.livemint.com/money/personal-finance/investment-advisors-cannot-takepower-of-attorney-from-clients-sebi-11625586885544.html>

- **SEBI committee proposes higher sweat equity for new economy firms (July 08, 2021)**

A seven member committee appointed by the SEBI has batted for relaxations with respect to the quantum of sweat equity that can be issued by new economy firms listed on the Innovators Growth Platform, a public market platform for such firms that employ technology, data analytics, bio-technology or nano-technology to provide products and services extensively. The expert group has suggested combining two separate regulations - SEBI (Share Based Employee Benefits) Regulations, 2014, or SBEB, and SEBI (Issue of Sweat Equity) Regulations, 2002 that deal with employee compensation.

The group recommended that the objectives for which issuance of sweat equity shares are permitted and the ceiling on the quantum issued by a company should be included in the sweat equity regulations. It also recommended that the lock-in period for sweat equity shares and its pricing formula should be consistent with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

For details:

https://www.business-standard.com/article/markets/sebi-committee-proposes-highersweat-equity-for-new-economy-firms-121070801172_1.html

- **Exchanges announce host of safeguards for investors in cos under IBC (July 10, 2021)**

SEBI and stock exchanges have announced further safeguards to protect small investors and curb price manipulation in shares of companies under insolvency resolution process. The National Stock Exchange (NSE) and BSE said they have initiated several steps to curtail information asymmetry and confusion in the market when it comes to listed companies undergoing Corporate Insolvency Resolution Process (CIRP) as per the Insolvency and Bankruptcy Code (IBC).

For details:

https://www.business-standard.com/article/markets/exchanges-announce-host-ofsafeguards-for-investors-in-cos-under-ibc-121070901045_1.html

- **Stock brokers body urges SEBI to reduce peak margin to 50% from 75% (July 12, 2021)**

Stock brokers' association Anmi said it has requested SEBI to reduce peak margin for intraday trades to a maximum of 50 per cent, from the current 75 per cent level. Reduction in the peak margin will be in the interest of individual investor, trading members and help in the growth of the capital market, Anmi said in a statement. The peak margin concept was introduced from December 2020 onwards, wherein members were required to collect 25 per cent of the applicable margin from the clients which was increased to 50 per cent and at present 75 per cent of the applicable margin is being collected towards peak margin. This will further increase to 100 per cent from September onwards.

For details:

https://www.businessstandard.com/article/markets/stock-brokers-bodyurges-sebi-to-reduce-peak-margin-to-50-from-75-121071200802_1.html

- **Paytm Money allows applications before IPO opens, begins with Zomato (July 12, 2021)**

During the initial public offering (IPO) season, Paytm's wealth management division Paytm Money has announced the launch of a feature which will allow users to apply for IPOs before the actual IPO opening in the markets which is expected to significantly increase the participation of retail users in the process.

The conventional application process for IPOs was designed around timings, and till date, users are able to apply for an IPO only during select market hours over a window of three days. A large proportion of the investing community does not trade actively, and is likely to be busy during market hours, missing out on some of these IPOs.

For details:

<https://www.moneycontrol.com/news/business/startup/paytm-launches-pre-ipo-featurebegins-with-zomato-7157701.html>

- **Paytm gets shareholders' nod to raise Rs. 12,000 crore, founder Vijay Shekhar Sharma to be declassified as promoter (July 12, 2021)**

One97 Communications, the parent company of fintech major Paytm on July 12 received approval from its shareholders at an extraordinary general meeting to raise Rs. 12,000 crore through a fresh issue of shares, paving way for one of India's largest initial public offerings (IPO) in recent times. The issue will also have a secondary, where existing shareholders will sell their shares. This will bring the total amount to Rs. 16,600 crore.

For details:

<https://www.moneycontrol.com/news/business/ipo/paytm-gets-shareholder-nod-to-raisers-12000-crore-founder-vijay-shekhar-sharma-to-be-declassified-as-promoter7157001.html>

- **Delhi High Court seeks Centre, SEBI replies on plea for guidelines on crypto-asset advertisements, proper disclaimers (July 14, 2021)**

The Delhi High Court asked the Centre and SEBI to respond to a plea seeking to direct the markets regulator to issue guidelines and take steps against crypto-asset exchanges advertising on television without standardised disclaimers. A bench of Chief Justice D N Patel and Justice Jyoti Singh issued notice to the Ministry of Information and Broadcasting, Security Exchange Board of India (SEBI) and three cryptoexchanges operating in India and giving advertisements to draw retail investors to trade in crypto currencies. The court granted time to the authorities to file replies and listed the matter for further hearing on August 31.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/hc-seeks-centre-sebi-replies-on-plea-for-guidelineson-crypto-asset-ads-properdisclaimers/articleshow/84409108.cms>

- **Rakesh Jhunjhunwala, wife settle Apteck insider trading case with SEBI (July 14, 2021)**

Billionaire investor Rakesh Jhunjhunwala, wife Rekha Jhunjhunwala and eight others have settled a case pertaining to alleged insider trading in shares of Apteck by agreeing to pay more than Rs.37 crore. This is the combined amount paid by ten individuals and includes settlement charges, disgorgement of illgotten gains and interest charges. The case was settled under the so-called consent route, where an alleged wrongdoer can close a pending matter with market regulator Securities and Exchange Board of India (SEBI) without admitting or denying the charges leveled against them.

The matter pertains to dealing in shares of Apteck—where Jhunjhunwala and family members are promoters—while in possession of unpublished price sensitive information (UPSI)

For details:

https://www.business-standard.com/article/markets/rakesh-jhunjhunwala-wife-settleapteck-insider-trading-case-with-sebi-121071401314_1.html

- **SEBI moves SC against SAT order on Franklin Templeton (July 16, 2021)**

SEBI has moved the Supreme Court against the June 28 order of Securities Appellate Tribunal (SAT) which stayed its decision to bar Franklin Templeton Asset Management (India) from launching new debt schemes for two years and had asked the fund house to refund a little over Rs. 512 crore. The SEBI has moved the top court against the relief granted to Franklin Templeton by SAT. In a related appeal filed by Franklin Templeton on its winding up six mutual fund schemes, the apex court had delivered a key verdict holding that the trustees are required to seek consent of majority unit-holders for closing MF schemes after publishing

notice disclosing reasons for their decision to wind up debt schemes. In the fresh appeal, SEBI has assailed the SAT's decision which had termed its order on refund amount as "excessive".

For details:

<https://economictimes.indiatimes.com/mf/mf-news/sebimoves-sc-against-sat-order-on-franklintempleton/articleshow/84451823.cms>

- **Board of Angel Broking consents to apply to SEBI for acting as sponsor to MF (July 15, 2021)**

The Board of Angel Broking at its meeting held on July 15, 2021 has consented to submit an application to Securities and Exchange Board of India ("SEBI") to obtain approval for acting as a Sponsor to Mutual Fund and to constitute a Committee named the "AMC Committee" to oversee the activities in relation to the proposal of setting up of a mutual fund business by the Company, to act as a Sponsor under the SEBI (Mutual Funds) Regulations, 1996.

For details:

https://www.business-standard.com/article/news-cm/boardof-angel-broking-consents-to-apply-to-sebi-for-acting-assponsor-to-mf-121071501081_1.html

- **SEBI justifies intervention in PNB Housing-Carlyle deal, citing need for independent valuation (July 16, 2021)**

India's market regulator defended its decision to intervene in the PNB Housing case before the company's extraordinary general meeting, saying it was necessary for shareholders to get the correct valuation at which investors led by the Carlyle Group would acquire shares and management control. Concluding its arguments before the Securities Appellate Tribunal (SAT) on Friday, the SEBI said PNB Housing should have got an independent valuation report prepared and acted on that, as prescribed by the company's articles of association. The SAT will next hear the matter on July 19, 2021.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-justifies-intervention-in-pnbhousing-carlyle-deal-citing-need-for-independent-valuation-7184301.html>

- **SEBI, DRI probing some Adani Group firms for non-compliance of rules: Government (July 19, 2021)**

The market regulator and customs authorities are investigating Adani Group for noncompliance of rules, the government informed Parliament on Monday. While the Securities and Exchange Board of India (SEBI) is investigating some of the companies "with regard to compliance with Sebi regulations", the Directorate of Revenue Intelligence (DRI) is probing "certain entities belonging to the Adani Group of Companies under laws administered by it", Minister of State for Finance Pankaj Chaudhary said in a written reply to a question.

For details:

https://www.business-standard.com/article/markets/sebi-dri-probing-some-adani-groupfirms-for-non-compliance-of-rules-govt-121071901404_1.html

- **IndiaTech proposes key changes in SR shareholding rules to SEBI (August 02, 2021)**

IndiaTech, an industry association that represents startup founders and investors, has suggested to the SEBI that the net-worth requirement for shareholders with superior voting rights should be determined individually and not as part of the promoter group.

For details:

<https://economictimes.indiatimes.com/tech/startups/indiatech-proposes-key-changes-in-srshareholding-rules-to-sebi/articleshow/84959083.cms>

- **NSE seeks SEBI's go-ahead for IPO amid mounting pressure from shareholders (August 02, 2021)**

The National Stock Exchange (NSE) has once again set the ball rolling on its initial public offering (IPO). The country's largest bourse has written to markets regulator Securities and Exchange Board of India (SEBI), asking whether it can once again file the draft red herring prospectus (DRHP) to go public. The move comes amid mounting pressure from shareholders, many of whom are waiting to liquidate their holding for over a decade.

For details:

https://www.business-standard.com/article/markets/nse-seeks-sebi-s-go-ahead-for-ipo-amidmounting-pressure-from-shareholders-121080100950_1.html

- **SEBI panel to study IPO books, Byju's sets US targets (August 04, 2021)**

An expert group set up by India's market regulator will look at initial public offering pricing process and suggest changes. Online tutor Byju's, which recently acquired three new firms, aims to generate 25% of its revenues from the US. The SEBI has set up an expert group to suggest tweaks to the initial public offering (IPO) pricing process after the market regulator observed several shortcomings in the existing procedure.

For details:

https://www.business-standard.com/article/current-affairs/top-headlines-sebi-panel-toexamine-ipo-book-building-ibc-losing-favour-121080400153_1.html

- **SEBI/Stock Exchange News**

NSE IFSC to introduce trading in US Stocks (August 09, 2021)

NSE International Exchange (NSE IFSC), a wholly owned subsidiary of the National Stock Exchange of India Ltd (NSE), has announced that trading in select US Stocks will soon be facilitated through the NSE IFSC platform. The offering will be in the form of unsponsored depository receipts. IFSCA has facilitated the same under the Regulatory Sandbox. The entire trading, clearing, settlement and holding of US Stocks will be under the regulatory structure of IFSC Authority. This initiative is a first of its kind at IFSC where Indian retail investors will be able to transact on the NSE IFSC platform under the Liberalized Remittance Scheme (LRS) limits prescribed by the Reserve Bank of India (RBI).

For details: https://static.nseindia.com/s3fs-public/2021-08/PR_cc_09082021_0.pdf

- **SAT split verdict stalls PNBHF's deal with Carlyle (August 10, 2021)**

The Securities Appellate Tribunal (SAT) has delivered split verdict in the appeal filed by PNB Housing Finance (PNBHF) against an order by Sebi that stayed a allotment to private equity investors led by Carlyle for not appointing an external valuer. "After today's split SAT order, SEBI's order dated June 18, 2021 remains intact and so the SAT's interim order – prohibiting PNBHF from disclosing the results of the EGM vote – stands.

For details:

<https://timesofindia.indiatimes.com/business/india-business/sat-split-verdict-stallspnbhfs-deal-with-carlyle/articleshow/85192120.cms>

- **SEBI levies Rs. 12 lakh fine on individual for insider trading in Infosys scrip (August 09, 2021)**

SEBI imposed a total fine of Rs 12 lakh on an individual for indulging in insider trading in the shares of Infosys Ltd. The individual, Prateek Sarawgi, was the associate manager (business finance) with Infosys during the investigation period. SEBI had conducted an investigation in

the scrip of the firm to ascertain if market norms, including the Prohibition of Insider Trading (PIT) Regulations, were violated. It was observed that Infosys had announced financial results for the quarter ended December 31, 2016, on January 13, 2017. Prateek was in possession of unpublished price sensitive information (UPSI) related to results of Infosys and traded in the scrip during the UPSI period, in violation of market norms.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-levies-rs-12-lakh-fineon-individual-for-insider-trading-in-infosys-scrip/articleshow/85192097.cms>

- **SEBI/Stock Exchanges News**

- **SEBI eases operational procedure to make fee payments (August 11, 2021)**

The SEBI has advised Merchant Bankers, Companies and other market intermediaries to make the payment of fees in connection with the filings made with SEBI, in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and SEBI (Buyback of Securities) Regulations, 2018, only through the payment gateway made available at SEBI Intermediary Portal. The intermediaries can also generate an e-challan, which can be shared with the companies/ entities for making the required payment. Once, the payment is made, the same shall be updated on the SI Portal. Merchant Bankers, Companies and other market intermediaries are advised to refrain from transferring the SEBI fees directly to the bank account of SEBI or through offline modes, since such payments bypass the existing SAP system and create reconciliation issues.

For details:

https://www.sebi.gov.in/filings/takeovers/aug2021/easing-of-operational-procedure_51779.html

- **BSE clarifies on new surveillance steps (August 11, 2021)**

BSE Ltd. on Wednesday said its new surveillance rules will be restricted to only certain stocks as it sought to soothe investor nerves rattled by its previous circular that triggered a sell-off in small and mid-cap stocks.

BSE said the new framework is applicable to BSE-exclusive securities in groups such as X, XT, Z, ZP, ZY, Y. The new rules will apply to securities priced at `10 and above as on review date, while the market capitalization should be less than `1,000 crore. “Accordingly, the shortlisted securities shall have 6 monthly, 1 yearly, 2 yearly and 3 yearly price band in place of weekly, monthly, quarterly price band,” BSE said in its circular.

For details:

<https://www.hindustantimes.com/business/bse-clarifies-on-new-surveillance-steps101628730192671.html>

- **SEBI bans 15 entities in ZEE Ltd insider trading case; impounds Rs 24 crore (August 13, 2021)**

SEBI on Thursday barred 15 entities, including individuals, from the capital markets for indulging in insider trading in the scrip of Zee Entertainment Enterprises Ltd (ZEEL). Also, the capital markets regulator impounded ill-gotten gains to the tune of Rs 23.84 crore from certain entities, according to an interim order. The SEBI found that a group of connected or related entities have taken long position in the scrip of ZEEL in the cash and derivatives segments. Following the announcement of first quarter results of FY 2020, the entities have squared off the long positions and generated huge profits. SEBI also restrained all the 15 entities from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders.

For details:

<https://www.timesnownews.com/businesseconomy/companies/article/sebi-bans-15-entities-inzee-ltd-insider-trading-case-impounds-rs-24-crore/798485>

- **SEBI sets up panel to bring in T+1 settlement, address concerns (August 13, 2021)**

The Securities and Trade Board of India (SEBI) has revived its contentious plan to roll out a sooner commerce settlement system for home listed shares. The capital markets regulator final week arrange a panel comprising officers from exchanges, clearing companies and depositories to iron out issues that might impede a clean shift within the nation's commerce settlement mechanism to T+1 - an abbreviation for Commerce plus sooner or later -from the existing T+2 days. The Panel will look into the operational issues that had forced the regulator to put the proposal on the back-burner. While domestic brokers are concerned over the continued hitches in the Pay-in process- a system where brokers deliver sold shares to the clearing corporation on their clients' behalf, foreign investors have opposed the shorter settlement cycle because it would mean blocking funds in their Indian Bank Accounts in advance. The SEBI Panel will look at how to implement T+1 settlement system by taking all these concerns in account.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-sets-up-panel-to-bring-int1-settlement-address-concerns/articleshow/85289706.cms>

- **Baba Ramdev's Ruchi Soya receives SEBI approval to launch FPO (August 16, 2021)**

The SEBI has approved Ruchi Soya's application for a Follow-on Public Offer (FPO). The market regulator has approved the draft document of the company, owned by the Baba Ramdev-led Patanjali Ayurveda, for an FPO of up to Rs 4,300 crore. Ruchi Soya may launch the FPO by next week.

For details:

<https://www.moneycontrol.com/news/business/markets/baba-ramdevs-ruchi-soyareceives-sebi-approval-to-launch-fpo-7340021.html>

- **Franklin Templeton's shut schemes have Rs 1,981 cr cash for distribution (August 17, 2021)**

The six shut debt schemes of Franklin Templeton Mutual Fund have Rs 1,981.02 crore of cash available for distribution to the unit holders of the schemes. So far, the fund house has distributed Rs 21,080.34 crore to the investors. Out of the Rs 1,981.02 crore available for distribution as of August 13, Franklin India Ultra Short Bond Fund has Rs 366.81 crore, Franklin India Short Term Income Plan has Rs 597.70 crore and Franklin India Income Opportunities Fund has Rs 440.92 crore, among others, said the company spokesperson. The Trustee of Franklin Templeton decided to wind up six of our debt schemes in April 2020. The decision was taken because the markets had become illiquid due to the severe impact of Covid19.

For details:

https://www.business-standard.com/article/markets/franklintempleton-s-shut-schemes-have-rs-1-981-cr-cash-for-distribution121081700554_1.html

- **SEBI keeps Adani Wilmar's Rs 4,500-crore issue in abeyance (August 21, 2021)**

Capital markets regulator SEBI has kept the proposed Rs 4,500-crore initial share-sale of edible oil major Adani Wilmar Ltd. (AWL) in "abeyance". However, the Securities and Exchange Board of India (SEBI) did not clarify further. The company had filed preliminary papers with Sebi on August 3, to raise funds through an initial public offering (IPO).

For details:

https://www.business-standard.com/article/markets/sebi-keeps-adani-wilmar-s-rs-4-500-crore-issue-in-abeyance-121082001377_1.html

- **SEBI penalises six individuals for violating insider trading rules in Titan case (August 24, 2021)**

SEBI penalised six individuals for violating insider trading norms in the matter of Titan Company Ltd. The regulator has levied a fine of Rs 1 lakh each. In six separate orders, SEBI said these individuals were employees or designated persons of Titan at the time of the violation. While in employment of Titan, they had transacted in securities of the company on two occasions. The total traded value of the securities by each of them was in excess Rs 10 lakh. Under the norms, they were required to make disclosures to Titan for each of the transactions within two working days. However, they did not make the disclosures.

For details:

<https://www.moneycontrol.com/news/business/sebipenalises-six-individuals-for-violating-insider-trading-rules-in-titan-case-7382761.html>

- **Bajaj Finserv gets SEBI approval for starting mutual fund business (August 25, 2021)**

Bajaj Finserv will be the latest entrant to the Rs 35-trillion mutual fund (MF) industry after the company received in-principle approval from the SEBI. “Accordingly, the company would be setting up an asset management company (AMC) and the trustee company, directly or indirectly i.e., itself or through its subsidiary in accordance with applicable SEBI regulations and other applicable laws,” said the notification. Bajaj Finserv had applied to the regulator in September 2020. The company’s shares rose 7.91 per cent or Rs. 1,207.05 on Tuesday and ended the session at Rs. 16,475.25 apiece. The stock had touched a 55-week high intraday.

For details:

https://www.business-standard.com/article/markets/bajaj-finserv-gets-sebi-approval-for-starting-mutual-fund-business-121082500063_1.html

- **SEBI bars Kotak AMC from FMP launch for six months, fines Rs. 50 lakh (August 27, 2021)**

Kotak Mahindra Asset Management Company (AMC) has been barred from launching any new fixed maturity plan (FMP) scheme for the next six months, as per an order issued by the Securities and Exchange Board of India (SEBI) on August 27. The market regulator, which examined the case of delayed payments made in these six FMP schemes to their unit holders in 2019, has also decided to impose a fine of Rs 50 lakh on the company.

For details:

<https://www.moneycontrol.com/news/business/personal-finance/no-new-fmp-scheme-by-kotak-amc-for-six-months-rs-50-lakh-fine-sebi-order-7398391.html>

- **SAT Quashes SEBI Ban on Yashovardhan Birla, Others from Securities Market (August 30, 2021)**

The Securities Appellate Tribunal (SAT) has quashed a SEBI order that had barred Yashovardhan Birla and others from the securities market for two years for alleged mis-utilisation of the IPO proceeds. The SEBI, in October 2020, restrained Birla Pacific Medspa Ltd, Yashovardhan Birla and eight others from the securities market for two years for mis-utilisation of the IPO proceeds.

For details:

<https://www.latestly.com/agency-news/latest-newssat-quashes-sebi-ban-on-yashovardhan-birla-others-from-securities-mkt-2797425.html>

- **NSE Co-location Case: SEBI slaps Rs 6 Lakh Fine on Parwati Capital Market (August 30, 2021)**

SEBI on Monday imposed a penalty of Rs. 6 lakh on Parwati Capital Market Pvt. Ltd (Noticee) in the NSE co-location case. SEBI had received multiple complaints pertaining to alleged malpractices with respect to the co-location facility being provided by the National Stock Exchange of India Ltd (NSE). The Noticee connected frequently to the secondary server in violation of the NSE colocation guidelines, thereby also failing to exercise due skill care and diligence in conducting its trading operations," Sebi said in an order.

For details:

<https://www.latestly.com/agency-news/latest-news-nse-co-location-case-sebi-slaps-rs-6-lakh-fine-on-parwati-capital-market-2797452.html>

- **Amazon asks India regulator to order withdrawal of Future-Reliance deal approval - letter (August 30, 2021)**

Amazon.com Inc. has asked India's market regulator to order withdrawal of conditional approval given to its warring partner Future Group's \$3.4 billion retail assets sale, citing a court ruling in the U.S. company's favour, a letter seen by Reuters showed. Amazon has for months been locked in a dispute with Future, accusing India's second largest retailer of violating some pre-existing contracts by selling its retail assets to market leader Reliance Industries last year. Future denies any wrongdoing.

For details:

<https://www.reuters.com/business/retail-consumer/amazon-asks-india-regulator-order-withdrawal-future-reliance-deal-approval-2021-08-30/v>

- **SEBI may dilute certain clauses in controversial MF compensation circular (September 02, 2021)**

The SEBI could dilute certain clauses in the controversial compensation circular introduced for the mutual fund (MF) industry that required fund houses to invest a fifth of fund managers' and other senior officials' salaries in their own schemes. Sources said SEBI and industry representatives have got into a huddle to ensure smooth implementation of the new norms ahead of the October 1 deadline. The industry has requested SEBI to make some changes, citing implementation challenges, and expect the regulator to issue a revised circular in coming weeks.

For details:

https://www.businessstandard.com/article/markets/sebi-may-dilute-certain-clauses-in-controversial-mf-compensation-circular121090200053_1.html

- **SEBI moves Supreme Court against SAT order on PNB Housing Fin's ₹4,000 cr preference issue (September 3, 2021)**

PNB Housing Finance said capital markets regulator SEBI has approached the Supreme Court against the Securities Appellate Tribunal's order in the matter related to the company's ₹4,000 crore equity capital raise plan. Pronouncing its order on August 9, the two-member bench of the Securities Appellate Tribunal (SAT) gave a split verdict, saying there was difference of opinion between the members of the bench. SAT directed that its interim order of June 21, 2021 will continue till further orders, restraining PNB Housing Finance from disclosing the voting results by the shareholders on the fund raise plan.

For details:

<https://www.livemint.com/news/india/sebi-moves-supremecourt-against-sat-order-on-pnb-housing-fin-s-rs-4-000-cr-preference-issue-11630603364272.html>

- **Fraudulent trading: SEBI confirms directions against ex-CNBC anchor, family (September 04, 2021)**

SEBI has confirmed earlier directions passed against former CNBC Awaaz anchor Hemant Ghai, his wife and mother that barred them from the capital markets for indulging in fraudulent trading practices. In an order passed late on Thursday, SEBI said the findings in the order are "prima facie" and that a detailed investigation in the matter is in progress. In its interim order passed in January, SEBI had noted that Hemant Ghai had advance information about the recommendations to be made on the "Stock 20-20" show, co-hosted by him, and he directly or indirectly used it to his advantage.

For details:

https://www.business-standard.com/article/markets/fraudulent-trading-sebi-confirmsdirections-against-ex-cnbc-anchor-family-121090300270_1.html

- **SEBI News SEBI bans 85 entities from capital markets for fraudulent trading (September 06, 2021)**

SEBI barred total 85 entities, including Sunrise Asian Ltd, from the capital markets for up to one year for manipulating the company's share price. In its order, the regulator restrained Sunrise Asian and its then five directors from the capital markets for one year and the 79 connected entities for six months. The SEBI had conducted an investigation in the scrip of Sunrise Asian for the period from October 16, 2012 to September 30, 2015, based on a reference received from the Principal Director of Income Tax (Investigation), Kolkata. In its probe, SEBI found that pursuant to allotment of shares under the scheme of amalgamation, Sunrise Asian and its then directors had devised an arrangement whereby 83 connected entities had manipulated the price of the scrip in four patches of trading during the investigation period, thereby violating Prohibition of Fraudulent and Unfair Trade Practices norms.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-bans-85-entities-from-capital-markets-for-fraudulenttrading-7436981.html>

- **IL&FS moves SC against show-cause notice by SEBI (September 07, 2021)**

IL&FS Financial Services has moved the Supreme Court against a show-cause notice issued by market regulator Securities and Exchange Board of India. At the heart of the controversy is whether SEBI has the powers to initiate regulatory action against entities placed under moratorium as per Insolvency Bankruptcy Code (IBC). The case has been admitted by the apex court and a two-member bench comprising Justices Vineet Saran and Dinesh Maheshwari will be hearing it.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/ilfs-moves-sc-against-show-cause-notice-bysebi/articleshow/85995063.cms>

- **SEBI News SC holds SEBI plea for two weeks in PNB Housing case (September 10, 2021)**

The Supreme Court put off by two weeks an appeal by the SEBI against the Securities Appellate Tribunal (SAT) order in the PNB Housing Finance case on the lender's ₹4,000 crore equity capital raise plan. A bench headed by Justice L. Nageswara Rao clarified that the interim order restraining PNB Housing Finance from disclosing the voting results by shareholders on its fund raise plan will continue in the meantime.

For details:

<https://www.livemint.com/companies/news/sc-holdssebi-plea-for-two-weeks-in-pnb-housing-case11631214037572.html>

- **Future-RIL deal: SC stays proceedings in Delhi HC, asks NCLT, CCI, SEBI not to pass final orders for 4 weeks (September 09, 2021)**

In a major relief to Future Group, the Supreme Court on September 09, 2021 stayed all proceedings before the Delhi High Court in matter related to the implementation of an award by Singapore's Emergency Arbitrator (EA) restraining Future Retail Ltd. (FRL) from going ahead with its ₹24,731 crore merger deal with Reliance Retail. A Bench, headed by Chief Justice of India NV Ramana, in a consent order, has directed NCLT, SEBI and CCI not to pass any final order relating to the case for four weeks.

For details:

<https://www.livemint.com/news/india/big-relief-forfuture-group-sc-asks-nclt-cci-sebi-to-not-pass-anyfinal-order-for-4-weeks-11631173614131.html>

- **Recognition given to Company Secretary under the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021**

The International Financial Services Centres Authority (IFSCA) has recognised the Company Secretary as 'Compliance Officer' to be appointed under Regulation 130 of IFSCA (Issuance and Listing of Securities) Regulations, 2021 issued vide gazette notification dated July 16, 2021. The reference to selected regulation under the IFSCA (Issuance and Listing of Securities) Regulations, 2021 providing for recognition mentioned above is as under: 130. Compliance Officer and his Obligations (1) A listed entity shall appoint a qualified company secretary as the compliance officer. (2) The compliance officer of the listed entity shall be responsible for- (a) ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit; (b) co-ordination with and reporting to IFSCA, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in the manner as specified from time to time; and (c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.

For details: <https://www.egazette.nic.in/WriteReadData/2021/228383.pdf>

NCLT / NCLAT

Info Capsule Series 8

- **NCLT Bangalore allows plea to extend tenure for redeeming Cumulative Preference Shares by 2 years in light of COVID-19, ensuing economic slowdown (July 04, 2021)**

The National Company Law Tribunal (NCLT), Bangalore has allowed a petition to extend the tenure of 5% Redeemable Cumulative Preference Shares by two years given the company's inability to mobilise funds to redeem the same on account of the COVID-19 pandemic and the resulting economic slowdown (*M/s. Indiana Hospital and Heart Institute Limited v. Ministry of Corporate Affairs*). The NCLT granted approval for the move, observing that this would also be in line with the stance of taking a liberal view of matters during the pandemic period and in sync with the promotion of government initiatives for ease of doing business.

For details:

<https://www.barandbench.com/news/litigation/nclt-bangalore-redeemable-cumulative-preference-shares-covid-19>

https://images.assettype.com/barandbench/2021-06/dbac9ace-a4c4-4046-ac9b-268ed081d4a4/NCLT_ORDER.pdf

Insolvency, Bankruptcy & Corporate Restructuring

Info Capsule Series 8

- **Insolvency and Bankruptcy Board of India amends the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (July 21, 2021)**

The Insolvency and Bankruptcy Board of India (IBBI) notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2016 on 14th July, 2021. The amendment regulations enhance the discipline, transparency, and accountability in corporate insolvency proceedings:

- (a) A corporate debtor (CD) may have changed its name or registered office address prior to commencement of insolvency. The stakeholders may find it difficult to relate to the new name or registered office address and consequently fail to participate in the CIRP. The amendment requires an insolvency professional (IP) conducting CIRP to disclose all former names and registered office address(es) so changed in the two years preceding the commencement of insolvency along with the current name and registered office address of the CD, in all its communications and records.
- (b) The interim resolution professional (IRP) or resolution professional (RP) may appoint any professional, including registered valuers, to assist him in discharge of his duties in conduct of the CIRP. The amendment provides that the IRP/RP may appoint a professional, other than registered valuers, if he is of the opinion that the services of such professional are required and such services are not available with the CD. Such appointments shall be made on an arm's length basis following an objective and transparent process. The invoice for fee shall be raised in the name of the professional and be paid into his bank account.

For details:

<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1737438>

- **Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Third Amendment) Regulations, 2021 (July 22, 2021)**

In exercise of the powers conferred by sections 196, 203 and 205 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations further to amend the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016. According to the Third Amendment, in the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, in the Schedule, in clause 24, for sub-clause (5) read as under: "(5) The Agency shall promptly realise the monetary penalty imposed by the Disciplinary Committee and credit the same to the Fund constituted under section 222 of the Code.

For details:

<https://www.ibbi.gov.in/uploads/legalframework/b5bcbb2358f95c2b232cadab23031e9c.pdf>

- **Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2021(July 22, 2021)**

The Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2021 inter-alia provides that in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 (hereinafter referred to as the "principal regulations"), in regulation 5, in clause (c),- for sub-clause (iii), the following sub-clause shall be substituted, namely: - "(iii) experience of - (a) ten years in the field of law, after receiving a Bachelor's degree in law; (b) ten years in management, after receiving a Master's degree in Management or two year full time Post Graduate Diploma in Management; or (c) fifteen years in management, after receiving a Bachelor's degree, from a university established or recognised by law or an Institute approved by All India Council of Technical Education; or"

For details:

<https://www.ibbi.gov.in/uploads/legalframework/5c2976ceb203ec0ba390380f747563f6.pdf>

- **Guidelines for Technical Standards for the Performance of Core Services and Other Services (Amendment), 2021 (July 26, 2021)**

In exercise of the powers conferred by section 196 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following amendments to the Guidelines for Technical Standards for the Performance of core services and other services under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, namely :- These amendments shall be called the Guidelines for Technical Standards for the Performance of Core Services and Other Services (Amendment), 2021 under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.

Guidelines for Technical Standards for the Performance of Core Services and Other Services (Amendment), 2021 inter-alia provides that: In clause 1.2, after the abbreviation "OTP", and before the abbreviation "ROC" the abbreviation "OVD - Officially Valid Documents" shall be inserted. In the principal guidelines, for clause 1.3, the following clause shall be substituted, namely:-

- "1.3 Definitions.

- (i) 'Identity Details' means C-KYC number in the C-KYC database maintained by CERSAI or identification number of any OVD of a person who is resident of India.
- (ii) 'OVD' includes Permanent Account Number (PAN) Card, Passport, Driving License, Voter's Identity Card issued by Election Commission of India and Aadhaar letter/card or the e-Aadhaar (an electronically generated letter from the website of UIDAI), as the case may be."

- For sub-clause 5, following sub-clause shall be substituted, namely, -

"5. (i) Registration process shall be completed with PAN (legal entity) and PAN or CKYC number (individual), in the absence of PAN or C-KYC number any other ID shall be used. (ii) A Unique Identification Number (UIN) by the IU shall be assigned to all the registered users in accordance with these Guidelines. (iii) An ID once used in the registration process, will be taken on record and the same shall be used for all future access to IU services."

For details:

<https://www.ibbi.gov.in/uploads/legalframework/1fec45081b1313f07945e1b217de6a9e.pdf>

- **Monetary Penalties to be imposed by an Insolvency Professional Agency (July 28, 2021)**

The Disciplinary Committee of an Insolvency Professional Agency (IPA) may impose monetary penalty on its professional members under Clause 24(2) (d) of the Schedule to the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016. In the interest of objectivity and uniformity, it has been decided that an IPA shall amend its Bye-laws to provide for the maximum and minimum monetary penalty, where the Disciplinary Committee decides to impose such penalty on its professional members, under Clause 24(2)(d) of the Schedule to the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016.

For details:

<https://www.ibbi.gov.in/uploads/legalframework/c3d5d1bd7b451572b4dea0cfd7bcba3d.pdf>

- **Rajya Sabha Passes IBC (Amendment) Bill, 2021 to provide quick and cost- effective insolvency resolution process for MSMEs (August 03, 2021)**

Amid Massive uproar by opposition members, the Rajya Sabha on passed the Insolvency and Bankruptcy Code (Amendment) Bill, 2021 which provides a quicker and cost effective insolvency and resolution process for micro, small and medium enterprises (MSMEs). The Lok Sabha has already passed the Bill thus paving the way for the Bill to become law.

For details:

<http://www.uniindia.com/~rajya-sabha-passes-ibc-amendment-bill-2021-to-providequick-and-cost-effective-insolvency-resolution-process-formsmes/Parliament/news/2466873.html>

- **Parliamentary committee calls for overhaul of bankruptcy code (August 05, 2021)**

A parliamentary standing committee appointed to examine the workings of the Insolvency and Bankruptcy Code (IBC) has recommended an overhaul of the present system including a threshold rate of haircut for creditors below. It has also recommended a new supervisory body to oversee resolution professionals and suggested that only high court judges be appointed to the National Company Law Tribunal (NCLT) to ensure quicker disposal of cases. It has also recommended a new supervisory body to oversee resolution professionals and suggested that only high court judges be appointed to the National Company Law Tribunal (NCLT) to ensure quicker disposal of cases.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/parliamentary-committeecalls-for-overhaul-of-bankruptcy-code/articleshow/85040433.cms> Report of Standing Committee on Finance on Implementation of Insolvency and Bankruptcy Code - Pitfalls and Solutions available at the link: <https://www.ibbi.gov.in/uploads/whatsnew/fc8fd95f0816acc5b6ab9e64c0a892ac.pdf>

- **4,540 companies admitted into CIRP; 394 companies stand resolved with 36% realisation of claims by financial creditors under IBC (August 10, 2021)**

Union Minister of State for Corporate Affairs Shri Rao Inderjit Singh in a written reply to a question in Rajya Sabha on August 10, 2021 stated that as on June 30, 2021, 4540 companies were admitted into Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC). Giving further details on the resolution status, it was stated that 394 companies were resolved till June 30, 2021 wherein financial creditors (FCs) including financial institutions, had total claims amounting to Rs. 6.80 lakh crore, out of which Rs. 2.45 lakh crore have been realised, which is 36% of their claims.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1744535>

- **Insolvency and Bankruptcy Code (Amendment) Act, 2021 received President assent (August 12, 2021)**

Insolvency and Bankruptcy Code (Amendment) Act, 2021 received the assent of the President on the 11th August, 2021. The amendments aims to provide an efficient alternative insolvency resolution framework for corporate persons classified as Micro, Small and Medium Enterprises (MSMEs) under the Code, for ensuring quicker, cost effective and value maximising outcomes for all the stakeholders, in a manner which is least disruptive to the continuity of MSMEs businesses.

For details:

<https://www.ibbi.gov.in/uploads/legalframwork/0150ec26cf05f06e66bd82b2ec4f6296.pdf>

- **NCLT orders attachment of Venugopal Dhoot's properties with immediate effect (September 02, 2021)**

The Mumbai bench of the National Company Law Tribunal (NCLT) today issued directions for attachment of assets belonging to Videocon Industries promoter Venugopal Dhoot in response to the Ministry of Corporate Affairs' petition against the company under the Companies Act, 2013. The tribunal has ordered the concerned authorities to freeze movable and immovable properties, bank accounts, and Demat accounts, among others belonging to Dhoot. The tribunal has also issued directions to the Central Board of Direct Taxes (CBDT) and the Indian Banking Association to identify such assets and properties belonging to the beleaguered promoter of the Videocon Industries, which has been under corporate insolvency resolution process for more than three years now.

For details:

<https://www.businesstoday.in/top-story/story/nclt-orders-attachment-of-venugopaldhoots-properties-with-immediate-effect-305604-2021-08-31>

- **Why controlling CoC conduct could be a challenging task for IBBI**

Experts say such a code could lead to litigation, which may affect the decision-making ability of the committee. While the Insolvency and Bankruptcy Board of India (IBBI) has proposed a code of conduct for the committee of creditors (CoC), industry experts feel the move is not required since most entities under CoC are well regulated already. Such a code could lead to litigation which may affect the decision-making ability of the committee, experts have cautioned.

For details:

https://www.business-standard.com/article/economy-policy/why-controlling-coc-conductcould-be-a-challenging-task-for-ibbi-121090101104_1.html

- **Amendment to the IBBI (Online Delivery of Educational Course and Continuing Professional Education by Insolvency Professional Agencies and Registered Valuers Organisations) Guidelines, 2020 (September 03, 2021)**

In exercise of powers under section 196(1)(aa) of the Code read with regulation 5(b) and clause (ba) of subregulation (2) of regulation 7 of the IBBI (Insolvency Professionals) Regulations, 2016 and clauses (a) and (e) of sub-rule (2) of rule 12 of the Companies (Registered Valuers and Valuation) Rules, 2017, the Insolvency and Bankruptcy Board of India hereby extends the validity of the Insolvency and Bankruptcy Board of India (Online Delivery of Educational Course and Continuing Professional Education by Insolvency Professional Agencies and Registered Valuers Organisations) Guidelines, 2020 till 31 st December, 2021.

For details:

<https://www.ibbi.gov.in/uploads/legalframework/2021-09-03-164223-yfas8-af68aec6a9ff864bb2ea1a13ec1ac66f.pdf>

Direct Tax

Info Capsule Series 8

- **Guidelines under section 194Q of the Income-tax Act, 1961 [Circular No. 13 Dated June 30, 2021]**

The Finance Act, 2021 inserted a new section 194Q in the Income-tax Act 1961 'the Act' which takes effect from 1st July, 2021. It applies to any buyer who is responsible for paying any sum to any resident seller for the purchase of any goods of the value or aggregate of value exceeding fifty lakh rupees in any previous year. The buyer, at the time of credit of such sum to the account of the seller or at the time of payment, whichever is earlier, is required to deduct an amount equal to 0.1% of such sum exceeding fifty lakh rupees as income tax. It has been represented that there are practical difficulties in implementing the provisions of Tax Deduction at Source (TDS) contained in section 194-Q of the Act. Accordingly, the CBDT issued guidelines which, at some places have also tried to remove difficulties in implementing the provisions of section 194-O and sub-section (IH) of section 206C of the Act using power contained in sub-section (4) of section 194-O of the Act and sub-section (1- I) of section 206C of the Act.

For details: https://www.incometaxindia.gov.in/communications/circular/circular_13_2021.pdf

- **Income tax (18th Amendment), Rules, 2021 [Notification No. 76 Dated July 02, 2021]**

The Central Board of Direct taxes through notification dated July 2, 2021 has issued the Income tax (18th Amendment), Rules, 2021. The amendment provides that in case of the amount which is chargeable to income-tax as income of specified entity under the head Capital gains, the specified entity shall furnish the details of amount attributed to capital asset remaining with the specified entity in new Form No. 5C. Form No. 5C shall be furnished electronically either under digital signature or through electronic verification code and shall be verified by the person who is authorized to verify the return of income of the specified entity under section 140.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_76_2021.pdf

- **Guidelines under section 9B and sub-section (4) of section 45 of the Income-tax Act, 1961 [Circular No. 14 Dated July 02,2021]**

The Government has inserted a new section 9B of the Income Tax Act, 1961 and substituted sub-section (4) of section 45 of the Income Tax Act, 1961 by the Finance Act, 2021. The CBDT has come out with Notification No. 76 dated July 2, 2021 to insert subrule (5) to Rule 8AA and a new Rule-8AB so as to prescribe the manner of calculating the income chargeable to tax under section 45(4) of the Act as "capital gains" and also the manner in which such income shall be attributed to remaining assets with the specified entity under clause (iii) of section 48 of the Act. Further, the CBDT issued Circular No. 14 dated July 02, 2021 to provide guidelines for application of section 9B and section 45(4) read with the aforesaid rules.

For details: https://www.incometaxindia.gov.in/communications/circular/circular_14_2021.pdf

- **Income Tax (19th Amendment), Rules 2021 [Notification No. 77 Dated July 7, 2021]**

The Central Board of Direct taxes hereby makes Income tax (19th Amendment), Rules, 2021 further to amend the Income-tax Rules, 1962. As per notification, after rule 8AB, rule 8AC [i.e. Computation of short term capital gains and written down value under section 50 where depreciation on goodwill has been obtained] has been inserted.

For details: <https://egazette.nic.in/WriteReadData/2021/228152.pdf>

- **Notification No. 78 (July 09, 2021)**

The Central Government notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, 'Haryana Building and Other Construction Workers Welfare Board' (PAN AAATH6995H), a Board constituted by the State Government of Haryana, in respect of the certain specified income arising to that Board subject to certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_78_2021.pdf

- **Notification No. 79 (July 12, 2021)**

The Central Government approves M/s Patanjali Research Foundation Trust, Haridwar (PAN:- AABTP8183E) under the category "Research Association" for Scientific Research for the purposes of clauses (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5D of the Income-tax Rules, 1962.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_79_2021.pdf

- **Notification No. 80 (July 14, 2021)**

The Central Government hereby notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, 'Haryana Labour Welfare Board' (PAN AAATH2451C), a Board constituted by the State Government of Haryana, in respect of the certain specified income arising to that Board subject to certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_80_2021.pdf

- **Notification No. 81 (July 14, 2021)**

The Central Government hereby notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, 'Himachal Pradesh Computerization of Police Society', (PAN AABAH0360G), a body established by the State Government of Himachal Pradesh, in respect of the certain specified income arising to that body subject to certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_81_2021.pdf

- **Income-tax (20th Amendment) Rules, 2021 [Notification No. 82 Dated July 27, 2021]**

The Central Board of Direct Taxes (CBDT) vide notification dated 27th July, 2021 has issued the Income-tax (20th Amendment) Rules, 2021 further amending the Income-tax Rules, 1962. Through this amendment, in Rule 12 which relates to 'Return of Income & Return of Fringe Benefits' the assessment year for the assessment procedure shall be substituted from '2019' to '2020'.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_82_2021.pdf

- **Income-tax (21st Amendment) Rules, 2021 [Notification No. 83 Dated July 29, 2021]**

The Central Board of Direct Taxes (CBDT) on July 29, 2021 has issued the Income-tax (21st Amendment) Rules, 2021 to further amend the Income-tax Act, 1961 as follows: Rule 131 provides for omission of certain Rules and saving clause under the Act. Rule 132 provides for electronic furnishing of any forms, returns, statements, reports, orders etc. in two ways:

- Under digital signature in cases where, the return of income is required to be furnished under digital signature; or
- Through electronic verification code in other cases.

Further, The Principal Director General of Income-tax (Systems) or the Director General of Income tax (Systems) with the approval of Board shall be responsible for the following:

1. Specify the forms, returns, statements, reports, orders, which are to be furnished electronically;

2. Lay down the data structure, standards and procedure of furnishing and verification of such forms, returns, statements, reports, orders, including modification in format, if required, to make it compatible for furnishing electronically; and
3. Formulation and implementation of appropriate security, archival and retrieval policies in relation to the said Forms, returns, statements, reports, orders.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_83_2021.pdf

- **Extension of time lines for electronic filing of various Forms under the Income-tax Act, 1961 (Circular No. 15 dated August 03, 2021)**

On consideration of difficulties reported by the taxpayers and other stakeholders in electronic filing of certain Forms under the provisions of the Income-tax Act, 1961 (Act) read with Income-tax Rules, 1962 (Rules), the Central Board of Direct Taxes (CBDT), in exercise of its powers under Section 119 of the Act, extends the due dates for electronic filing of such Forms as under:

Sr. No.	Details	Form	Extended Date	Due Date
1.	Quarterly remittances Statement (Quarter ending June 30, 2021)	Form 15CC	August 31, 2021	
2.	Annual Equalization Levy Statement FY 2020-21	Form 1	August 31, 2021	
3.	Statement of Income Paid to Unitholders by Investment Fund PY 2020-21	Form 64D	September 15, 2021	
4.	Statement of Income Paid to Unitholders by Investment Fund PY 2020-21	Form 64C	September 30, 2021	
5.	Quarterly Intimation of Investments made in India by a Pension Fund (Quarter ending June 30, 2021)	Form 10BBB	September 30, 2021	
6.	Quarterly Intimation of Investments made in India by a Sovereign Wealth Fund (Quarter ending June 30, 2021)	Form II SWF	September 30, 2021	

For details:

https://www.incometaxindia.gov.in/communications/circular/circular_no_15_2021.pdf

- **Notification No. 84 (August 03, 2021)**

The Central Government hereby specifies the pension fund, namely, the 2726247 Ontario Inc., 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 31st day of March, 2024 subject to the fulfillment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_84_2021.pdf

- **Notification No. 86 (Dated August 04, 2021)**

The Central Government notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, 'Real Estate Regulatory Authority' as specified in the schedule to this notification, constituted by Government in exercise of powers conferred under subsection (1) of section 20 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016) as a 'class of Authority' in respect of the certain specified income arising to that Authority subject to certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_86_2021.pdf

- **Notification No. 85 (Dated August 04, 2021)**

The Central Government hereby notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, 'National Council of Science Museums', Kolkata (PAN AAAAN2541C), an autonomous body established under the Ministry of Culture, Government of India, in respect of the certain specified income arising to the Council subject to certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_85_2021.pdf

- **Income Tax (22nd Amendment) Rules 2021 [Dated August 9, 2021]**

CBDT has notified Income tax (22nd Amendment) Rules, 2021 to insert the following two rules as follow:

Rule 21AI	<p>Computation of exempt income of specified fund for the purposes of clause (4D) of section 10</p> <p>The Rule provides formula for computation of income attributable to units held by non-resident (not being the permanent establishment of a non-resident in India) in a specified fund for the purpose of clause (4D) of section 10 of the Income tax Act, 1961.</p>
Rule 21AJ	<p>Determination of income of a specified fund attributable to units held by non-residents under sub-section (1A) of section 115AD</p> <p>The Rule provides formula of calculation, for purposes of sub-section (1A) of section 115AD, the income of a specified fund by way of short-term or long-term capital gains, referred to in clause (b) of sub-section (1) of section 115AD, attributable to the units held by non-resident (not being the permanent establishment of a non-resident in India)</p>

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_90_2021.pdf

- **Income tax (23rd Amendment) Rules, 2021 [Notification No. 92 Dated August 10, 2021]**

CBDT notifies the Income tax (23rd Amendment), Rules, 2021, to prescribe the procedure / methodology for re-computation of book profit u/s 115JB of the Income tax Act, 1961, to provide relief in MAT payable in certain cases. Accordingly, new IT Rule 10RB on 'Relief in tax payable u/s 115JB(1) due to operation of section 115JB(2D)' along with new FORM No. 3CEEA for 'annual furnishing of particulars of re-computation for any adjustment on account of income of past year(s) included in books of account of previous year by a Company on account of secondary adjustment u/s 92CE or on account of an Advance Pricing Agreement entered u/s 92CC' have been introduced/ inserted in the Income Tax Rules, 1962.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_92_2021.pdf

- **The Taxation Laws (Amendment) Act, 2021 [August 13, 2021]**

The Taxation Laws (Amendment) Act, 2021 received the assent of the President on August 13, with respect to scrapping the retrospective taxation clause in income tax law. The bill which has now become a law amends the Finance Act, 2012, and the Income Tax Act, 1961, nullifying demands raised on transactions prior to May 28, 2012. Tax the indirect transfer of Indian assets will be applied prospectively from this date.

For detail:

<https://economictimes.indiatimes.com/news/economy/policy/retro-tax-law-scrappedtaxation-law-amendments-act-2021-gets-presidential-assent/articleshow/85321944.cms>

- Extension of timelines for electronic filing of various Forms under the Income-tax Act, 1961 [Dated August 29, 2021]

<i>Sr. No.</i>	<i>Details</i>	<i>Sections / Rules</i>	<i>Form No.</i>	<i>Extended Due Dates</i>
1.	Application for registration or intimation or approval	10(23C), 12A, 35(1(ii) / (iia)(ii) or 80G	Form 10A	March 31, 2022
2.	Application for registration or approval	10(23C), 12A, or 80G	Form 10AB	March 31, 2022
3.	Equalization Levy Statement	FY 2020-21	Form 1	December 31, 2021
4.	Quarterly statement to be furnished by authorized dealer in respect of remittances made	Rule 37BB Quarter ending June 30, 2021	Form 15CC	November 30, 2021
5.	Quarterly statement to be furnished by authorized dealer in respect of remittances made	Rule 37BB Quarter ending September 30, 2021	Form 15CC	December 31, 2021
6.	Uploading of the declarations received from recipients	Quarter ending June 30, 2021	Form 15G/15H	November 30, 2021
7.	Uploading of the declarations received from recipients	Quarter ending September 30, 2021	Form 15G/15H	December 31, 2021
8.	Intimation to be made by Sovereign Wealth Fund in respect of investments made by it in India	Quarter ending June 30, 2021	Form II SWF	November 30, 2021
9.	Intimation to be made by Sovereign Wealth Fund in respect of investments made by it in India	Quarter ending September 30, 2021	Form II SWF	December 31, 2021
10.	Intimation to be made by a Pension Fund in respect of each investment made by it in India	Rule 2DB Quarter ending June 30, 2021	Form 10BBB	November 30, 2021

11.	Intimation to be made by a Pension Fund in respect of each investment made by it in India	Rule 2DB Quarter ending September 30, 2021	Form 10BBB	December 31, 2021
12.	Intimation by a constituent entity, resident in India, of an international group, the parent entity of which is not resident in India	Rule 10DB sub section (1) of section 286	Form No.3 CEAC	December 31, 2021
13.	Report by a parent entity or an alternate reporting entity or any other constituent entity, resident in India	Rule 10DB sub-section (2) or subsection (4) of section 286	Form No. 3CEAD	December 31, 2021
14.	Intimation on behalf of an international group	Rule 10DB sub-section (4) of section 286	Form No. 3CEAE	December 31, 2021

For details:

<https://www.incometaxindia.gov.in/communications/circular/circular-no-16-of-2021.pdf>

- **Vodafone, Cairn Flag Terms For Settling Retro Tax Cases (September 07, 2021)**

Vodafone Group and Cairn Energy have raised concerns over proposed terms for settling retrospective tax cases that require them to provide declarations from stakeholders that they will not press any claims after the disputes are resolved.

For details:

<https://telecom.economictimes.indiatimes.com/news/vodafone-cairn-flag-terms-for-settlingretro-tax-cases/85996447>

- Extension of timelines for filing of Income-tax returns and various reports of audit for the Assessment Year 2021-22 [Circular No. 17 Dated September 09, 2021]

<i>Sr. No.</i>	<i>Particulars</i>	<i>Original Due Date</i>	<i>Extended Due Date</i>	<i>Further Extended Due Date</i>
1.	Furnishing Return of Income for AY 2021-22			
(a)	Regular Assesseees	31.07.2021	30.09.2021	31.12.2021
(b)	Tax Audit Assesseees	31.10.2021	30.11.2021	15.02.2022
(c)	Assesseees with Transfer Pricing Report	30.11.2021	31.12.2021	28.02.2022
(d)	Belated / Revised Return	31.12.2021	31.01.2022	31.03.2022
2.	Furnishing Tax Audit Report	30.09.2021	31.10.2021	15.01.2022
3.	Transfer Pricing Report	31.10.2021	30.11.2021	31.01.2022

For details:

<https://incometaxindia.gov.in/communications/circular/circular-no-17-of-2021.pdf>

Indirect Taxes

Info Capsule Series 8

- **Tax Functionality to register complaint on misuse of PAN in GST Registration (June 29, 2021)**

To address the complaint related to misuse of PAN for obtaining GST registration, a functionality to register such complaints on GST Portal has been introduced. It will check the misuses, control the frauds and help officers in enquiry and cancellation of such registration. Once complaint is registered, it will be sent to the concerned jurisdictional authority where the registration is claimed to be fraudulently taken, for necessary enquiry and suitable action.

For details: <https://tutorial.gst.gov.in/downloads/news/misuseofPANdocument.pdf>

- **On the eve of completion of 4 years of the GST, CBIC to honour the tax payers contributing to the GST success story (June 30, 2021)**

GST is a historic tax reform introduced on the 1st of July 2017. Over the years there has been a reduction in the tax rates, simplification of procedures and a growing economy has also led to an exponential increase in the tax base. GST revenues have steadily grown and have been above the 1 lakh crore mark for eight consecutive months in a row. On the eve of completion of 4 years of the GST, it has been decided to honour the tax payers who have been a part of the GST success story.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1731542>

- **Implementation of the Sea Cargo Manifest and Transshipment Regulations - Circular No. 12/2021- Customs (June 30, 2021)**

The Sea Cargo Manifest and Transshipment Regulations (SCMTR), 2018 seek to bring about transparency, predictability of movement, advance collection of information for expeditious clearance and supersedes the earlier regulations viz. Import Manifest (Vessels) Regulations, 1971 and Export Manifest (Vessels) Regulation, 1976. The Regulations stipulate for advance notice by authorized carriers for goods arriving in or being exported out of India through gateway seaports and further movement between Customs stations. They stipulate the obligations, roles and responsibilities for the various stakeholders involved in movement of imported/export goods.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-12-2021.pdf>

- **Finance Minister Smt. Nirmala Sitharaman appreciates CBIC efforts in fighting COVID-19 pandemic; says enhanced revenue collection in recent months should now be the “New Normal” (July 01, 2021)**

In a message on GST Day 2021, Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman said that it is a matter of great satisfaction that we have overcome most challenges, including two waves of unprecedented COVID-19 pandemic, in providing stability to this new tax regime. The Finance Minister was happy to note the buoyant tax collections which crossed Rs. 1 lakh crore for eight months in a row with record GST collection of Rs. 1.41 lakh crore in April, 2021. The enhanced revenue collection in recent months should now be the “new normal”, She added.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1732005>

- **Notification to waive penalty payable for non-compliance of provisions of Notification No. 14/2020 dated March 21, 2020- Notification No. 28/2021-Central Tax dated (June 30, 2021)**

CBIC notified the waiver of the amount of penalty for non-compliance to Goods and Service Tax (GST) Invoice QR code provisions between the period from December 01, 2020 to the September 30, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-28-central-tax-english-2021.pdf>

- **CGST officials bust network of 23 firms for claiming Input Tax Credit (ITC) of Rs. 91 crores (July 11, 2021)**

Based upon specific intelligence, the officers of the Anti-Evasion branch of Central Goods and Service Tax (CGST) Commissionerate, Delhi (West) have unearthed a case of availment/utilization and passing on of inadmissible ITC through goods less invoices of Rs. 91 crore (approx). The modus operandi involved floating of multiple firms with the intent to avail/utilize and passing on of inadmissible credit.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1734548>

- **CGST Zones and Directorate General of GST Intelligence booked about 8000 cases involving fake ITC of over Rs. 35000 crore in FY 2020-21 (July 13, 2021)**

Misuse of the beneficial provision of Input Tax Credit (ITC) under GST regime is the most common modus of evasion under the GST Law. The field formations of the Central Board of Indirect taxes and Customs (CBIC) have been regularly detecting such cases from very beginning of the GST regime. During the financial year 2020- 21 the CGST zones and the Directorate General of GST Intelligence (DGGI) have booked about 8000 cases involving fake ITC of over Rs. 35000 crore. During the financial year 426 persons including 14 professionals such as CAs, Lawyers and masterminds, beneficiaries, directors etc. were arrested.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1735095>

- **Government approves continuation of Rebate of State and Central taxes and Levies (RoSCTL) on Export of Apparel/ Garments and Made-ups (July 14, 2021)**

Government has given its approval for continuation of Rebate of State and Central taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles, on exports of Apparel/Garments (Chapters-61 & 62) and Made-ups (Chapter-63) in exclusion from Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for these chapters. The scheme will continue till March 31, 2024. It will ensure a stable and predictable policy regime and provide a level playing field to Indian textiles exporters. Further, it will promote startups and entrepreneurs to export and ensure creation of lakhs of jobs.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1735370>

- **Rs. 75,000 crore released to States and UTs with Legislature as GST Compensation shortfall (July 15, 2021)**

Ministry of Finance has released Rs.75,000 crores to the States and UTs with Legislature under the back-to-back loan facility in lieu of GST Compensation. This release is in addition to normal GST compensation being released every 2 months out of actual cess collection. Subsequent to the 43rd GST Council Meeting held on May 28,2021, it was decided that the Central Government would borrow Rs.1.59 lakh crore and release it to States and UTs with Legislature on a back-to-back basis to meet the resource gap due to the short release of Compensation on account of inadequate amount in the Compensation Fund.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1735935>

- **CBIC proactively put in place a COVID Response Plan (CRP) for speedy clearances of COVID-19 vaccines at all major airports (July 15, 2021)**

Recognizing that efficient and expeditious release of temperature-sensitive vaccines would be a critical requirement in the collective fight against the COVID-19 pandemic, CBIC has proactively put in place a COVID Response Plan (CRP) for speedy clearances of COVID-19 vaccines at all major airports.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1735927>

- **Implementation of RMS for processing of Duty Drawback claims - Circular No. 15/2021- Customs (July 15, 2021)**

Risk Management System (RMS) in export was introduced with effect from July 15, 2013. RMS processed the data and provided output to ICES up to goods examination stage. RMS will process the shipping bill data after the Export General Manifest (EGM) is filed electronically and will provide required output to ICES for selection of shipping bills for risk-based processing of duty drawback claims. The risk-based processing of shipping bills with claim of duty drawback is being initiated with effect from July 26, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-15-2021.pdf>

- **GST Compensation dues paid to States (July 19, 2021)**

The Government has paid all the GST Compensation dues to the States the financial years 2020-21 and 2021-22. This was stated by Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in the Lok Sabha on July 19, 2021. The Minister stated that the GST compensation cess levied under Section 8 of the GST (Compensation to States) Act, 2017 is transferred into a non-lapsable Fund known as GST Compensation Fund which forms part of the Public Account of India as provided in Section 10(1) of the act. The States are being compensated for any loss of revenue arising on account of implementation of GST for five years out of the Compensation Fund as per Section 10(2) of the said Act.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1736891>

- **Clarification regarding applicability of IGST on repair cost, insurance and freight, on goods re-imported after being exported for repairs, on the recommendations of the GST Council made in its 43rd meeting - Circular No. 16/2021- Customs (July 19, 2021)**

Notification Nos. 45/2017-Customs and 46/2017-Customs, both dated June 30, 2017, issued at the time of implementation of GST, prescribe certain concession from duty/taxes on reimport of goods exported for repair outside India. The GST Council deliberated on the issue and recommended that a suitable clarification, including any clarificatory amendment, if required, may be issued for removal of any doubt, to clarify the decision of the GST Council that re-import of goods sent abroad for repair attracts IGST and cess (as applicable) on a value equal to the repair value, insurance and freight.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-16-2021.pdf>

- **Clarification regarding extension of limitation under GST Law in terms of Hon'ble Supreme Court's Order dated April 27, 2021 - Circular No. 157/13/2021- GST (July 20, 2021)**

The extension of timelines granted by Hon'ble Supreme Court vide its Order dated April 27, 2021 is applicable in respect of any appeal which is required to be filed before Joint/ Additional Commissioner (Appeals), Commissioner (Appeals), Appellate Authority for Advance Ruling, Tribunal and various courts against any quasi-judicial order or where proceeding for revision or rectification of any order is required to be undertaken, and is not applicable to any other proceedings under GST Laws.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/157-13-2021%20GST%20Circular.pdf>

- **Filing of Annual returns by composition taxpayers - Negative Liability in GSTR-4 (July 22, 2021)**

Since FY 2019-20, composition taxpayers has to pay the liability through Form GST CMP-08 on quarterly basis while GSTR-4 Return is required to be filed on annual basis after end of a financial year. The liability of the complete year is required to be declared in GSTR-4 under applicable tax rates. Taxpayers should fill up table 6 of GSTR-4 mandatorily. In case, there is no liability, the said table may be filled up with '0' value. If no liability is declared in table 6, it is presumed that no liability is required to be paid, even though, taxpayer may have paid the liability through Form GST CMP-08. In such cases, liability paid through GST CMP-08 becomes excess tax paid and moves to Negative Liability Statement for utilization of same for subsequent tax period's liability.

For details: <https://www.gst.gov.in/newsandupdates/read/491>

- **Functionality to check and update bank account details at GST Portal (July 29, 2021)**

A functionality to check status of bank account details update for the taxpayers who have taken new registration at GST Portal but have not yet furnished the same, has been introduced, in view of Rule 10A of the CGST Rules 2017. Such taxpayers are required to update their Bank Account Details within 45 days of the first login henceforth.

For details: <https://www.gst.gov.in/newsandupdates/read/493>

- **Provisions of Section 110 and 111 of the Finance Act, 2021 made applicable - Notification No. 29/2021- Central Tax (July 30, 2021)**

This notification seeks to notify section 110 and 111 of the Finance Act, 2021 w.e.f. 01.08.2021. Section 110 omits section 35(5) of CGST Act, 2017 which means GST Audit (GSTR-9C) by CA / CMA is no longer required and Section 111 substitutes section 44 (Annual Return) of CGST Act, 2017.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-29-central-tax-english-2021.pdf>

- **Central Goods and Services Tax (Sixth Amendment) Rules, 2021 - Notification No. 30/2021-Central Tax (July 30, 2021)**

This notification seeks to amend Rule 80 of the CGST Rules, 2017 and notify Form GSTR9 and GSTR - 9C for FY 2020-21. Rule 80 provides for exemption from GSTR - 9C to taxpayers having Annual Aggregate Turnover (AATO) upto Rs. 5 crores.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-30-central-tax-english-2021.pdf>

- **Exemption to taxpayers having Annual Aggregate Turnover (AATO) upto Rs. 2 crores from the requirement of furnishing annual return - Notification No. 31/2021-Central Tax (July 30, 2021)**

This notification seeks to exempt the registered person whose aggregate turnover in the financial year 2020-21 is up to two crore rupees, from filing annual return for the said financial year. This notification came into force from August 01, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-31-central-tax-english-2021.pdf>

- **Goods and Services Tax GST authorities recover more than Rs. 1,900 crore in tax evasion in FY 2021-22 (upto June 2021) (August 03, 2021)**

Giving details of total tax evasion detected in GST in last three years, the Minister of State for Finance Shri Pankaj Chaudhary stated:

<i>Period</i>	<i>No. of Cases</i>	<i>Detection (In Rs. Cr.)</i>	<i>Recovery (In Rs. Cr.)</i>
2019-20	10657	40853.27	18464.07
2020-21	12596	49383.96	12235
2021-22 (upto June 21)	1580	7421.27	1920.20

The Minister stated that evasion may be committed intentionally and at times nonpayment of tax may happen due to human error. However, no evasion of tax has been reported due to failure in the CBIC back-end system.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1741964>

- **CGST authorities bust input tax credit fraud of more than Rs. 31,000 crore involving more than 7,200 cases in FY 2020-21 (August 03, 2021)**

The Goods and Services Tax authorities have unearthed over Rs. 31,000 crore of tax fraud committed by misuse of Input Tax Credit (ITC) provision under the Goods and Services Tax (GST) regime during the financial year 2020-21 and booked more than 7,200 cases involving fake ITC. This was stated by Union Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in Rajya Sabha on August 03, 2021.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1741939>

- **Advisory for Taxpayers regarding Blocking of E-Way Bill (EWB) generation facility resume after 15th August, 2021 (August 04, 2021)**

The facility of blocking E-way bill generation had been temporarily suspended due to pandemic, in terms of Rule 138 E (a) and (b) of the CGST Rules, 2017, the E-Way Bill generation facility of a person is liable to be restricted, in case the person fails to file their return in Form GSTR-3B / statement in CMP-08, for a consecutive period of two months / Quarters or more. The government has now decided to resume the blocking of EWB generation facility on the EWB portal, for all the taxpayers in terms of Rule 138 E (a) and (b) of the CGST Rules, 2017, from August 15, onwards.

For details: <https://www.gst.gov.in/newsandupdates/read/495>

- **CBIC launches Compliance Information Portal (August 04, 2021)**

The Central Board for Indirect Taxes & Customs (CBIC) launched the Indian Customs Compliance Information Portal (CIP) at www.cip.icegate.gov.in/CIP for providing free access to information on all Customs procedures and regulatory compliance for nearly 12,000 Customs Tariff Items.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1742296>

- **Customs Principal Commissioners/Commissioners of Customs to decide the amount of security required in certain cases of provisional assessments - Circular No. 19/2021-Customs (August 16, 2021)**

Amendment in Circular No.38/2016-Customs with the insertion of a new entry 5(d) to enable Principal Commissioners/Commissioners of Customs to decide the amount of security required in certain cases of provisional assessments. The new entry 5(d) is applicable to all fresh import consignments and those pending finalisation of assessment under Section 18 of the Customs Act.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-19-2021.pdf>

- **De-notification of Inland Container Depots/Container Freight Stations/Air Freight Stations - Circular No. 20/2021- Customs (August 16, 2021)**

A facility will become ripe for de-notification if the following conditions are met, namely,

- i. The application for de-notification is complete in all respects,
- ii. There are no dues, including the duties on the uncleared goods that are eventually sold, pending to be recovered from the custodian,
- iii. All the uncleared goods lying at the facility have been cleared from the facility by disposal and / or shifting to any other facility in the jurisdiction of the Commissionerate,
- iv. All the detained / seized / confiscated goods lying at the facility are disposed and / or shifted out of the facility to another location for safe custody, and
- v. All the other items belonging to Customs such as office records, furniture etc. are removed from the facility.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-20-2021.pdf>

- **Centre Notifies RoDTEP Scheme Guidelines and Rates (August 17, 2021)**

Centre has notified RoDTEP Scheme Guidelines and Rates (Remission of Duties and Taxes on Exported Products). The scheme for zero rating of exports will boost our exports & competitiveness in the global markets. The rates of RoDTEP will cover 8555 tariff lines. RoDTEP is one such reform, based on the globally accepted principle that taxes and duties should not be exported, and taxes and levies borne on the exported products should be either exempted or remitted to exporters. RoDTEP support will be available to eligible exporters at a notified rate as a percentage of Freight On Board (FOB) value. Rebate on certain export products will also be subject to value cap per unit of the exported product. Scheme is to be implemented by Customs through a simplified IT System. Rebate will be issued in the form of a transferable duty credit/ electronic scrip (e-scrip) which will be maintained in an electronic ledger by the Central Board of Indirect Taxes & Customs (CBIC).

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1746688>

- **CBIC Notifies seventh amendment (2021) to CGST Rules, 2017 - Notification No. 32/2021-Central Tax (August 29, 2021)**

The filing of Form GSTR 3B & GSTR 1/IFF by companies using Electronic Verification Code (EVC), instead of Digital Signature Certificate (DSC) has already been enabled for the period from April 27, 2021 to August 31, 2021. The said period has been further extended to October 31, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-32-central-tax-english-2021.pdf>

- **CBIC extends last date of FORM GSTR-3B late fee Amnesty Scheme - Notification No. 33/2021- Central Tax (August 29, 2021)**

Government extends the last date to avail benefit of the late fee amnesty scheme from August 31, 2021 to November 30, 2021 i.e. relief for taxpayers by way of reduction/ waiver of late fee for non-filing of FORM GSTR 3B during July, 2017 to April, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-33-central-tax-english-2021.pdf>

- **CBIC extends timelines for filing of application for revocation of cancellation of registration - Notification No. 34/2021- Central Tax (August 29, 2021)**

Government extends timelines for filing of application for revocation of cancellation of registration to September 30, 2021, where due date for filing such application falls between March 01, 2020 to August 31, 2021, in cases where registration has been cancelled under clause (b) or clause (c) of section 29(2) of the Central Goods and Services Tax Act, 2017.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-34-central-tax-english-2021.pdf>

- **Clarification regarding extension of time limit to apply for revocation of cancellation of registration - Circular No. 158/14/2021- GST (September 06, 2021)**

Government had issued notification No. 34/2021-Central Tax dated August 29, 2021 to extend timelines for filing of application for revocation of cancellation of registration. In order to ensure uniformity in the implementation of the said notification across field formations, the date for filing application for revocation of cancellation of registration in all cases, where registration has been cancelled under clause (b) or clause (c) of subsection (2) of section 29 of CGST Act, 2017 and where the due date of filing of application for revocation of cancellation of registration falls between March 01, 2020 to August 31, 2021, is extended to September 30, 2021, irrespective of the status of such applications.

For details:

https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular%20No.%20158_14_2021_GST.pdf

Banking & Insurance

Info Capsule Series 8

- **Guidelines for Managing Risk in Outsourcing of Financial Services by Co-operative Banks (June 28, 2021)**

It is observed that the co-operative banks are increasingly using outsourcing as a means for reducing costs as well as for availing specialist expertise, where these are not available internally. To enable the co-operative banks to put in place necessary safeguards for addressing the risks inherent in outsourcing of activities, guidelines on managing risks in outsourcing. Reserve Bank of India has advised the Co-operative banks to conduct a self-assessment of their existing outsourcing arrangements and bring the same in line with captioned guidelines within a period of six months from the date of issue of related circular.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12123&Mode=0>

- **MFIs welcome Rs. 7,500-crore credit guarantee scheme (June 29, 2021)**

As finance minister Nirmala Sitharaman on June 28, 2021 announced a Rs. 7,500-crore credit guarantee scheme for Microfinance Institutions (MFIs) as economic relief from the pandemic, microfinance players and industry bodies said the scheme would play a catalytic role in facilitating credit to MFIs and their customers as banks would have comfort to lend to the micro-lenders at reasonable rates during the present challenging times.

For details:

<https://www.financialexpress.com/industry/banking-finance/mfis-welcome-rs-7500-crore-credit-guarantee-scheme/2280206/>

- **Axis Bank inks multi-year deal with AWS for powering digital banking services (June 29, 2021)**
Amazon Web Services (AWS) on June 29, 2021 said it has inked a multi-year deal with Axis Bank to power the digital transformation programme of the country's third largest private sector bank. As part of the agreement, Axis Bank will draw on the breadth and depth of AWS services to build a portfolio of new digital financial services to bring advanced banking experiences to customers, including online accounts that can be opened in under six minutes and instant digital payments.

For details:

<https://www.financialexpress.com/industry/banking-finance/axis-bank-inks-multi-yeardeal-with-aws-for-powering-digital-banking-services/2280809/>

- **Half of India's working population credit active: CIBIL report (June 29, 2021)**

Half of the country's working population of 400 million people is credit active, having at least one loan or credit card, a report by a Credit Information Company (CIC).

For details:

<https://indianexpress.com/article/business/banking-and-finance/half-of-indias-working-population-credit-active-cibil-report-7380995/>

- **Cabinet may soon clear proposal for Government guarantee to bad bank (June 29, 2021)**

The Union Cabinet may soon clear a proposal to provide government guarantee to security receipts issued by the National Asset Reconstruction Company (NARCL) as part of resolution of bad loans. Indian Banks' Association (IBA), entrusted with the task of setting up a bad bank, has pegged the government guarantee to be around Rs. 31,000 crore.

For details:

https://www.business-standard.com/article/finance/cabinet-may-soon-clear-proposalfor-govt-guarantee-to-bad-bank-121062901416_1.html

- **SBI to levy charges for cash withdrawal beyond four free transactions per month (June 29, 2021)**

The country's largest lender SBI will levy charges for cash withdrawal beyond four free transactions in a month from customers holding the Basic Savings Bank Deposit (BSBD) accounts. These customers will also be levied charges for cheque book beyond 10 leaves in a year. As per the revision in service charges for BSBD accounts, State Bank of India (SBI) will levy charges ranging from Rs. 15 to Rs. 75 for the "additional value added services" with effect from July 1, 2021.

For details:

<https://indianexpress.com/article/business/banking-and-finance/sbi-to-levy-charges-for-cash-withdrawal-beyond-4-free-transactions-per-month-7381027/>

- **HDFC Bank hit by RBI ban on new credit cards sale; says, will come back ‘with a bang’ once embargo lifted (June 30, 2021)**

The RBI’s ban on selling new credit cards has impacted market share on an incremental basis, HDFC Bank said on June 30, 2021, promising to get back to the market “with a bang” once the “temporal” embargo is lifted and recoup the losses.

For details:

<https://www.financialexpress.com/industry/banking-finance/hdfc-bank-hit-by-rbi-ban-on-newcredit-cards-sale-says-will-come-back-with-a-bang-once-embargo-lifted/2281253/>

- **Microfinance loan portfolio grows 11.9% to Rs. 2,59,377 crore as on March-end: MFIN (June 30, 2021)**

The overall microfinance industry’s Gross Loan Portfolio (GLP) surged by 11.9 per cent to Rs. 2,59,377 crore as on March 31, 2021 from Rs. 2,31,787 crore as on March 31, 2020, says a report. The growth was driven by an addition of 4 lakh borrowers during the pandemic-struck 12-month period ending March 2021, according to a report Micrometer, released by Microfinance Institutions Network (MFIN).

For details:

<https://www.financialexpress.com/industry/banking-finance/microfinance-loan-portfolio-grows-11-9-to-rs-259377-cr-as-on-march-end-mfin/2281173/>

- **Wilful defaults fall marginally in pandemic-hit FY21: TransUnion CIBIL data (June 30, 2021)**

The pandemic year saw a marginal fall in the number of cases marked as wilful defaulters by banks, with a 1.90 per cent reduction in the amount outstanding from such borrowers at Rs. 2.11 lakh crore at the end of 2020-21, according to data released by TransUnion CIBIL.

For details:

https://www.business-standard.com/article/finance/wilful-defaults-fall-marginally-in-pandemic-hit-fy21-transunion-cibil-data-121063001762_1.html

- **S&P: ‘Indian banks face systemic risk’ (July 1, 2021)**

Indian banks face a systemic risk as the second Covid-19 pandemic wave will impair the performance of financial institutions in the April-September period of fiscal 2021-22, S&P Global Ratings said.

For details:

<https://indianexpress.com/article/business/banking-and-finance/sp-indian-banks-face-systemic-risk-7383479/>

- **Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit - Extension (July 1, 2021)**

Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit, with the same scope and coverage, for a further period of three months, i.e., up to September 30, 2021. The extension takes effect from July 01, 2021 and ends on September 30, 2021 covering a period of three months.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12124&Mode=0>

- **RBI releases the Financial Stability Report, July 2021 (July 1, 2021)**

The Reserve Bank released the 23rd issue of the Financial Stability Report (FSR), which reflects the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC) on risks to financial stability and the resilience of the financial system in the context of contemporaneous issues relating to development and regulation of the financial sector.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51832

- **RBI warns against allowing Big Tech firms into financial services (July 1, 2021)**

Entry of the so-called Big Tech companies in financial services in emerging markets such as India could present challenges to regulators towards maintaining adequate stability and governance of the ecosystem, the Reserve Bank of India said on July 01, 2021.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-warnsagainst-allowing-big-tech-firms-into-financial-services/articleshow/84054900.cms>

- **Review of Instructions on Interest on Overdue Domestic Deposits (July 02, 2021)**

The Reserve Bank of India has decided that if a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12125&Mode=0>

- **Supreme Court seeks response of Centre, RBI on plea of PNB against disclosure of info under RTI (July 03, 2021)**

The Supreme Court has refused to grant interim stay on the RBI's notice asking Punjab National Bank to disclose information such as defaulters list and its inspection reports under the RTI Act, and sought responses from the Centre, federal bank and its central public information officer. The apex court tagged the plea of the Punjab National Bank (PNB), which is a public sector unit bank, with a similar pending case filed by HDFC Bank against the RBI's direction.

For details:

<https://www.financialexpress.com/industry/banking-finance/supreme-court-seeksresponse-of-centre-rbi-on-plea-of-pnb-against-disclosure-of-info-under-rti/2283428/>

- **HDFC Bank loans rise over 14 pc to Rs 11.47 lakh cr in June (July 05, 2021)**

Retail deposits grew by around 16.5 per cent year-on-year and around 3.5 per cent over March, and wholesale deposits remained stable as compared to June last year, but were lower by around 10 per cent from March this year, the bank said.

For details:

<https://www.financialexpress.com/industry/banking-finance/hdfc-bank-loans-rise-over-14-pc-to-rs-11-47-lakh-cr-in-june/2284278/>

- **Despite massive jump in M&As, IPOs, i-banking fees dip 10% to \$438 mn in H1 (July 05, 2021)**

Notwithstanding a massive spike in equity capital markets deals and a 37.4 per cent jump in M&As in H1 of 2021 at USD 55.1 billion, investment banking fees fell 10 per cent to USD 438 million, making it the lowest first half since 2016, industry data showed.

For details:

https://www.business-standard.com/article/international/despite-a-massive-jump-in-mas-ipos-i-banking-fees-dip-10-to-usd-438-mn-in-h1-121070501371_1.html

- **Razorpay, Mastercard launch solution for recurring payments; aims to integrate with over 50 banks (July 06, 2021)**

Payments solution provider Razorpay on July 05, 2021 said it has partnered with Mastercard to launch 'MandateHQ' - a payment interface that will help card-issuing banks to enable recurring payments for its customers. The Reserve Bank of India (RBI) had issued a framework for processing e-mandates on recurring online transactions. It has made Additional Factor of Authentication (AFA) mandatory for all recurring transactions below Rs. 5,000 on debit cards, credit cards, UPI, and other Prepaid Payment Instruments (PPIs), and all stakeholders are required to ensure full compliance with the framework by September 30, 2021.

For details:

<https://www.financialexpress.com/industry/banking-finance/razorpay-mastercardlaunch-soln-for-recurring-payments-aims-to-integrate-with-over-50-banks/2285155/>

- **New Definition of Micro, Small and Medium Enterprises - Addition of Retail and Wholesale Trade (July 07, 2021)**

Ministry of Micro, Small and Medium Enterprises has decided to include Retail and Wholesale trade as MSMEs for the limited purpose of Priority Sector Lending and they would be allowed to be registered on Udyam Registration Portal for the following NIC Codes and activities mentioned against them: 45 - Wholesale and retail trade and repair of motor vehicles and motorcycles 46 - Wholesale trade except of motor vehicles and motorcycles 47 - Retail trade except of motor vehicles and motorcycles The Enterprises having Udyog Aadhaar Memorandum (UAM) under above three NIC Codes are now allowed to migrate to Udyam Registration Portal or file Udyam Registration afresh.

For details: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12126&Mode=0>

- **RBI penalises 14 banks for non-adherence to rules on lending to NBFCs (July 07, 2021)**

The Reserve Bank of India on July 07, 2021 penalised fourteen banks including State Bank of India, Bank of Baroda, IndusInd Bank and Bandhan Bank. Lenders were fined for non-compliance with certain provisions of directions issued by the regulator on lending to non-bank lenders, restrictions and provisions on loans and advances and reporting to the central database on large exposures.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-penalises14-banks-for-non-adherence-to-rules-on-lending-to-nbfcs/articleshow/84208927.cms>

- **GNPAs of banks to improve in FY22 on higher recoveries: Report (July 07, 2021)**

The banking system's Gross Non-Performing Assets (GNPAs) are set to decline to at least 7.1 per cent by March 2022, as against 7.6 per cent at FY21-end, a domestic rating agency said on July 07, 2021. The Reserve Bank's financial stability report had said the GNPAs at March 2021 had come at 7.6 per cent and estimated it to rise to 9.8 per cent in FY22-end under its base-case assumptions.

For details:

<https://www.financialexpress.com/industry/banking-finance/gnpas-of-banks-to-improve-in-fy22-on-higher-recoveries-report/2285684/>

- **LIC to have Chief Executive Officer, Managing Director; Government does away with Chairman post (July 08, 2021)**

The Life Insurance Corporation of India (LIC) will now have the post of Chief Executive Officer and Managing Director instead of the Chairman position with the government making changes to relevant rules ahead of the insurer's initial public offering this fiscal.

For details:

<https://timesofindia.indiatimes.com/business/india-business/lic-to-have-chief-executive-officer-managing-director-government-does-away-with-chairman-post/articleshow/84243559.cms>

- **Cessation of LIBOR: Transition Arrangements (July 08, 2021)**

The Reserve Bank of India (RBI) issued an advisory to banks and other RBI-regulated entities emphasizing the need for preparedness for the transition away from London Interbank Offered Rate (LIBOR). Banks and Financial Institutions are encouraged to cease entering into new financial contracts that reference LIBOR as a benchmark and instead use any widely accepted Alternative Reference Rate (ARR), as soon as practicable and in any case by December 31, 2021.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51870

- **Mandatory Leave for Employees Posted in Sensitive Positions or Areas of Operation (July 09, 2021)**

As a prudent operational risk management measure, the banks shall put in place a 'mandatory leave' policy wherein the employees posted in sensitive positions or areas of operation shall be compulsorily sent on leave for a few days (not less than 10 working days) in a single spell every year, without giving any prior intimation to these employees, thereby maintaining an element of surprise.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12129&Mode=0>

- **Insurance Regulatory and Development Authority of India (Indian Insurance Companies) (Amendment) Regulations, 2021 (July 09, 2021)**

Insurance Regulatory and Development Authority of India (IRDAI) has issued the IRDAI (Indian Insurance Companies) (Amendment) Regulations, 2021 to harmonise the provisions of various regulations applicable to insurance companies with Insurance (Amendment) Act, 2021 read with Indian Insurance Companies (Foreign Investment) Rules, 2015 by amending the corresponding regulations.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4524&flag=1

- **Retail Direct Scheme: Allowing Retail Investors to Open Gilt Accounts with RBI (July 12, 2021)**

As part of continuing efforts to increase retail participation in government securities, 'the RBI Retail Direct' facility was announced in the Statement of Developmental and Regulatory Policies dated February 05, 2021 for improving ease of access by retail investors through online access to the government securities market - both primary and secondary - along with the facility to open their gilt securities account ('Retail Direct') with the RBI. In pursuance of this announcement, the 'RBI Retail Direct' scheme, which is a one-stop solution to facilitate investment in Government Securities by individual investors is being issued on July 12, 2021.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51883

- **Kamath Committee approves recasts of 9 companies with over Rs. 58,800 cr loans; to submit findings to RBI soon (July 12, 2021)**

Banks referred only nine large corporate loan restructuring proposals to the KV Kamath led Expert Committee under RBI's resolution framework of August 2020. All of these nine corporate loan recast proposals were subsequently cleared by the committee ahead of its dissolution on June 30, 2021.

For details:

<https://www.cnbctv18.com/finance/kamath-committee-approves-recasts-of-9-companies-with-over-rs-58800-cr-loans-to-submit-findings-to-rbi-soon-9960001.htm>

- **SC verdict: Banks explore option of invoking personal guarantee of promoters (July 12, 2021)**

Armed with Supreme Court order, banks may invoke personal guarantees of tycoons ranging from Venugopal Dhoot to Kapil Wadhawan to recover unpaid loans from their delinquent firms. According to an estimate, top 10 personal guarantors have guaranteed debt of over Rs. 1.6 lakh crore. Among the big names, former promoters of Bhushan Steel and Power Sanjay Singhal and his wife Aarti Singhal had furnished personal guarantees worth up to Rs. 24,550 crore to take loans from a consortium of bank led by State Bank of India (SBI).

For details:

<https://www.financialexpress.com/industry/banking-finance/sc-verdict-banks-exploreoption-of-invoking-personal-guarantee-of-promoters/2288865/>

- **Cabinet clears Life Insurance Corporation IPO, issue by March 2022 (July 13, 2021)**

The Cabinet Committee on Economic Affairs (CCEA) has given its in-principle approval for the listing of Life Insurance Corporation of India (LIC)'s shares on stock exchanges. The Initial Public Offering (IPO) of the state-owned life insurer is part of the government's efforts to raise Rs. 1.75 lakh crore through disinvestment in the current financial year. Sources said all efforts are being made to ensure the LIC IPO is done within the current financial year, which ends in March 2022.

For details:

<https://www.newindianexpress.com/nation/2021/jul/13/cabinet-clears-lic-ipo-issue-bymarch-2022-2329346.html>

- **FinSecy: Govt will privatise most PSBs 'eventually' (July 14, 2021)**

The government will "eventually" privatise most of the public sector banks and keep its presence to a bare minimum, as is the stated policy now, Finance Secretary T.V. Somanathan said on July 13, 2021. Speaking at the India Policy Forum 2021 organised by economic think tank NCAER (National Council of Applied Economic Research), he stressed on the need to push subsidy reforms and improve the quality of public expenditure. Somanathan clarified that his remarks were in his personal capacity and did not reflect the views of the government of India.

For details:

<https://indianexpress.com/article/business/banking-and-finance/finsecy-govt-will-privatise-most-psbs-eventually/#:~:text=The%20government%20will%20%E2%80%9Ceventually%E2%80%9D%20privatise,T%20Somanathan%20said%20on%20Tuesday.>

- **'Write-offs of Rs. 1.85 lakh crore aid banks to bring down bad loans' (July 14, 2021)**

Loan write-offs have again aided banks to report lower Non-Performing Assets (NPAs) during the year-ended March 31, 2021. However, total write-offs during the fiscal amounted to Rs. 1,85,000 crore, which is lower than Rs. 237,876 crore in the previous year ended March 31, 2020.

For details:

<https://indianexpress.com/article/business/banking-and-finance/write-offs-of-rs-1-85-lakh-crore-aid-banks-to-bring-down-bad-loans-7403408/>

- **Reserve Bank of India takes supervisory action on Mastercard Asia / Pacific Pte. Ltd. (July 14, 2021)**

The Reserve Bank of India (RBI) on July 14, 2021 has imposed restrictions on Mastercard Asia / Pacific Pte. Ltd. (Mastercard) from on-boarding new domestic customers (debit, credit or prepaid) onto its card network from July 22, 2021. Notwithstanding lapse of considerable time and adequate opportunities being given, the entity has been found to be non-compliant with the directions on Storage of Payment System Data. This order will not impact existing customers of Mastercard. Mastercard shall advise all card issuing banks and non-banks to conform to these directions.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51895

- **Issue and Regulation of share capital and securities - Primary (Urban) Cooperative Banks - Draft circular for comments (July 14, 2021)**

The Reserve Bank of India has released the Draft Circular on 'Issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks' on July 14, 2021. Comments on the Draft Circular are invited from UCBs, sector participants and other interested parties by August 31, 2021. Feedback on the Draft Circular may be forwarded by email at cbcap@rbi.org.in with the subject line "Feedback on Draft circular on issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks".

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51893

- **PNB moves court seeking restoration of assets of Nirav Modi's firms confiscated by ED (July 14, 2021)**

The Punjab National Bank (PNB) on July 14, 2021 moved multiple applications before a special PMLA court here, seeking restoration of the assets of two firms owned by fugitive diamond merchant Nirav Modi, who is accused of duping the bank. The bank submitted the applications before special judge V C Barde under the relevant provisions of the Prevention of Money Laundering Act (PMLA).

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/pnb-moves-court-seeking-restoration-of-assets-of-nirav-modis-firms-confiscated-by-ed/articleshow/84413164.cms>

- **Creating new money has downsides: RBI governor Shaktikanta Das (July 15, 2021)**

Direct financing of the government's fiscal deficit by the central bank or creation of new money is fraught with several downsides, Reserve Bank of India (RBI) governor Shaktikanta Das said on July 14, 2021. The RBI's role as the general government's debt manager has only helped quicken the transmission of monetary policy during the pandemic period as lower funding rates co-existed with plenty of liquidity.

For details:

<https://www.financialexpress.com/industry/banking-finance/creating-new-money-has-downsides-rbi-governor-shaktikanta-das/2290409/>

- **Financial inclusion will continue to be a policy priority after pandemic: Shaktikanta Das (July 15, 2021)**

RBI Governor Shaktikanta Das on July 15, 2021 said financial inclusion will continue to be a “policy priority” for the central bank to make the post-pandemic recovery more equitable and sustainable. The Reserve Bank of India will very soon be coming out with the first financial inclusion index, which will assess progress in terms of access, usage and quality, Das said, while speaking at the Economic Times Financial Inclusion Summit.

For details:

<https://indianexpress.com/article/business/banking-and-finance/financial-inclusion-will-continue-to-be-a-policy-priority-after-pandemic-shaktikanta-das-7406402/>

- **It is not like any other year, when inflation goes up, you start tightening the monetary policy: RBI Governor Shaktikanta Das (July 16, 2021)**

The CPI inflation number for June is on expected lines. The year-on-year growth in ‘core’ inflation eased marginally to 6.17% in June compared with 6.34% in May. The momentum of the CPI inflation has come down significantly in the both headline and core inflation in June.

For details:

<https://www.financialexpress.com/industry/banking-finance/it-is-not-like-any-other-year-when-inflation-goes-up-you-start-tightening-the-monetary-policy-rbi-governor-shaktikanta-das/2291294/>

- **To privatise a general insurer, Centre set to amend 1972 law (July 16, 2021)**

The government is moving to amend one of India’s main insurance laws to facilitate the privatisation of a state-owned general insurance company, as proposed in the Union Budget this February. The Finance Ministry is expected to introduce a Bill to amend The General Insurance Business (Nationalisation) Act, 1972, in the Monsoon Session of Parliament.

For details:

<https://indianexpress.com/article/business/banking-and-finance/to-privatise-a-general-insurer-centre-set-to-amend-1972-law-7406909/>

- **IBA to soon move application to RBI for setting up Rs. 6,000-cr bad bank (July 18, 2021)**

Having secured licence from the Registrar of Companies, the Indian Banks’ Association (IBA) will soon move an application to the Reserve Bank of India (RBI) to set up a Rs. 6,000-crore National Asset Reconstruction Company Ltd. (NARCL) or bad bank, according to sources. With registration of the company, the process for putting an initial capital of Rs. 100 crore is on as per the guidelines, the sources said adding that the next step will be audit and then move application to the RBI seeking licence for the asset reconstruction company.

For details:

<https://www.financialexpress.com/industry/banking-finance/iba-to-soon-moveapplication-to-rbi-for-setting-up-rs-6000-cr-bad-bank/2292686/>

- **Cooperation Ministry: Cooperatives' financial heft seen behind Centre's bid for greater control (July 19, 2021)**

From a tiny wing of the agriculture ministry with less than a dozen employees in a nondescript corner of Krishi Bhawan, the department of cooperation's morphing into a full-fledged ministry last week, with Amit Shah at its helm, is seen as having not just political but economic ramifications. There are about 8.5 lakh co-operatives in the country with roughly 38 crore members. Of these, 1,539 are urban cooperative banks (UCBs) and 97,006 rural ones with a combined asset size of as much as Rs. 17-18 lakh crore.

For details:

<https://www.financialexpress.com/industry/banking-finance/cooperation-ministry-cooperatives-financial-heft-seen-behind-centres-bid-for-greater-control/2292836/>

- **Cryptocurrency bank plans India operations, takes cooperative route to get around RBI rules (July 19, 2021)**

At a time when the Reserve Bank of India (RBI) frowns on private virtual currencies, the proposal of cryptocurrency bank Cashaa to launch banking operations in India for customers of virtual currencies like Bitcoin from August, through the credit cooperative society route, has raised eyebrows in financial circles. Cashaa says it has launched Unicas, the world's first crypto-friendly financial institution with physical branches in India in association with the United Multistate Credit Co-operative Society.

For details:

<https://indianexpress.com/article/business/banking-and-finance/cryptocurrency-bank-plans-india-operations-takes-cooperative-route-to-get-around-rbi-rules-7411089/>

- **Master Direction - Reserve Bank of India [Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)] Directions - 2021 (July 20, 2021)**

The Reserve Bank of India has issued the Master Direction - Reserve Bank of India [Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)] Directions - 2021 which are applicable to all Scheduled Commercial Banks (SCBs) (including Regional Rural Banks), Small Finance Banks (SFBs), Payments Banks, Local Area Banks (LABs), Primary (Urban) Co-operative Banks (UCBs), State Co-operative Banks (StCBs) and District Central Cooperative Banks (DCCBs) unless stated to the contrary.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12131&Mode=0>

- **Designating Appellate Authority under Right to Information Act, 2005 (July 20, 2021)**

Insurance Regulatory and Development Authority (IRDA) has appointed Shri Randip Singh Jagpal, Chief General Manager, as the "Appellate Authority" to discharge the functions assigned under the Right to Information Act, 2005 with immediate effect. This will be in addition to his normal duties.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4528&flag=1

- **District co-operative banks' bad loan ratio hits 12.6%: FM Nirmala Sitharaman (July 21, 2021)**

Finance minister Nirmala Sitharaman on July 20, 2021 told the Rajya Sabha that gross bad loans of District Central Co-Operative Banks (DCCBs) were among the highest in the banking system, at 12.6% (Rs. 35,298 crore) of their advances as of March 2020.

For details:

<https://www.financialexpress.com/industry/banking-finance/district-co-operative-banksbad-loan-ratio-hits-12-6-sitharaman/2294437/>

- **RBI gives IDFC permission to exit IDFC FIRST Bank as lock-in period ends (July 22, 2021)**

IDFC said on July 21, 2021 that it had received permission from the Reserve Bank of India (RBI) to exit the IDFC FIRST Bank as promoters. IDFC is the owner of the holding company IDFC Financial Holding Company, which in turn holds 36.56 per cent stake in the bank. IDFC's exit from the bank will indicate that the holding company could reverse merge with the bank, in line with what two small finance banks recently announced.

For details:

https://www.business-standard.com/article/finance/rbi-gives-idfc-permission-to-exit-idfcfirst-bank-as-lock-in-period-ends-121072101381_1.htm

- **Central Bank Digital Currency: RBI evaluating running pilots for digital currency (July 22, 2021)**

The Reserve Bank of India (RBI) is examining use cases of a Central Bank Digital Currency (CBDC) and is also looking at a phased implementation strategy. T Rabi Shankar, Deputy Governor of the RBI, said on July 22, 2021 the central bank was exploring the pros and cons for introduction of CBDC for some time and conducting pilots for it may be a possibility in near future. A CBDC is a form of virtual currency that is issued by a central bank as an alternative to cash. Unlike cryptocurrencies, CBDCs are backed by the sovereign reserves of nation states and are thus not subject to the same volatility.

For details:

<https://www.financialexpress.com/industry/banking-finance/central-bank-digital-currencyrbi-evaluating-running-pilots-for-digital-currency/2295920/> &
https://www.rbi.org.in/Scripts/BS_SpeechesView.aspx?Id=1111

- **Loans and Advances - Regulatory Restrictions (July 23, 2021)**

The Reserve Bank of India (RBI) has revised the threshold limit of personal loan amount that can be sanctioned to any bank director and their families not more than ₹5 crore. Earlier the threshold of personal loan that can be given to any bank director stood at ₹25 lakh.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12132&Mode=0>

- **Covid-19 wave intensifies pressure points for small, mini non-banks: Report (July 23, 2021)**

The second COVID-19 wave has intensified pressure points for small and mini NBFCs, as they did not get the benefit of the RBI's liquidity measures announced last year, a report said. About Rs. 5.75 lakh crore of liquidity was released by the Reserve Bank of India (RBI) in the past fiscal to fight the COVID-19 pandemic and maintain a soft interest rate regime to mitigate the three-year-long twin ordeals of a crucial cog in the Indian financial system non-banks, Omidyar Network India and CRISIL said in a report.

For details:

https://www.business-standard.com/article/finance/covid-19-wave-intensifies-pressurepoints-for-small-mini-non-banks-report-121072301578_1.html

- **Online lenders can't be allowed to charge 'exorbitant' rates: Delhi HC (July 28, 2021)**

The Delhi High Court on July 27, 2021 said digital lending platforms cannot be allowed to charge an "exorbitant" rate of interest and observed that it expects the Centre and the Reserve Bank of India to come out with something to fix the rate of interest.

For details:

<https://indianexpress.com/article/business/banking-and-finance/online-lenders-cant-be-allowed-to-charge-exorbitant-rates-delhi-hc-7425716/>

- **Access for Non-banks to Centralised Payment Systems (July 28, 2021)**

It was announced that the Reserve Bank of India (RBI) shall encourage participation of non-banks in RBI-operated Centralised Payment Systems (CPS) viz. Real Time Gross Settlement (RTGS) and National Electronic Fund Transfer (NEFT) systems, in a phased manner. On a review of extant arrangements and after detailed discussions with Payment System Providers (PSPs), it is advised that, in the first phase, authorised nonbank PSPs, viz. PPI Issuers, Card Networks and White Label ATM Operators shall be eligible to participate in CPS as direct members.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12133&Mode=0>

- **Distressed banks: Deposit insurance payout within 90 days gets approval (July 28, 2021)**

The Union Cabinet on July 28, 2021 cleared changes to the deposit insurance laws to provide funds up to Rs. 5 lakh to an account holder within 90 days in the event of a bank coming under the moratorium imposed by the RBI. Earlier, account holders had to wait for years till the liquidation or restructuring of a distressed lender to get their deposits that are insured against default.

For details:

<https://indianexpress.com/article/business/banking-and-finance/cabinet-decisions-july-28-key-announcements-amendment-to-dicgc-act-deposit-insurance-credit-guarantee-corporation-nirmala-sitharaman-7426837/>

- **RBI's new rules on interchange fee, 24/7 bulk clearing facility functional (August 01, 2021)**

The Reserve Bank of India's new directions on raising interchange fee and making available the facility of bulk clearing round the clock have become effective from August 01, 2021 onwards. The RBI in June raised the interchange fee for financial transactions from Rs. 15 to Rs. 17, while for non-financial transactions the increase was done from Rs. 5 to Rs. 6. These new rates have become applicable from August 1, 2021, as per the RBI's direction.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbis-new-rules-oninterchange-fee-24-7-bulk-clearing-facility-functional/2302012/>

- **UPI logs record 3 bn transactions in July, riding on digital payments (August 02, 2021)**

Unified Payments Interface (UPI), the flagship payments platform of the National Payments Corporation of India (NPCI), made a record in volume and value of transactions in July as digital payments rise in the pandemic. UPI processed a record 3.24 billion transactions in July up 15.7 per cent from June when it processed 2.8 billion transactions. In value terms, in July, the platform processed transactions worth Rs. 6.06 trillion, up 10.76 per cent from June.

For details:

https://www.business-standard.com/article/economy-policy/upi-logs-record-3-bntransactions-in-july-riding-on-digital-payments-121080100211_1.html

- **Now get salary, pension credited on Sundays and bank holidays (August 03, 2021)**

Starting August 01, 2021, all the important banking transactions like salary, pension and EMI payments will happen 24X7, as the National Automated Clearing House (NACH) system has been made available on all days, including Sundays and bank holidays.

For details:

<https://timesofindia.indiatimes.com/business/india-business/nowget-salary-pension-credited-onsundays-and-bankholidays/articleshow/84986617.cms>

- **Framework for Outsourcing of Payment and Settlement-related Activities by Payment System Operators (August 03, 2021)**

In order to enable effective management of attendant risks in outsourcing of such activities, it was announced in the Statement on Developmental and Regulatory Policies released with the bi-monthly Monetary Policy Statement 2020-21 on February 05, 2021, that a framework for outsourcing of payment and settlement-related activities by Payment System Operators (PSOs), will be issued by the Reserve Bank of India. Accordingly, a framework for the same is issued by the RBI and the PSOs shall ensure that all their outsourcing arrangements, including the existing ones, are in compliance with this framework by March 31, 2022.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12136&Mode=0>

- **Bill for amendment of General Insurance law passed in Lok Sabha (August 03, 2021)**

Lok Sabha on August 02, 2021 passed a Bill to amend the General Insurance law and allow the government to offload its stake in state run insurance corporations, clearing its first hurdle without discussion as Parliament continued to witness pandemonium. The aim of the bill is to amend the parent Act, The General Insurance Business (Nationalisation) Act, 1972.

Amendments to the Bill

- Proposed amendments to the Bill meant for removing mandatory requirement of Central government holding not less than 51 percent of the equity capital in a specified insurer.
- As per the Bill, amendments had become necessary to attract larger private participation in public sector insurance companies, enhance penetration of insurance sector and to provide social protection by securing interests of policyholders.

For details:

<https://www.hindustantimes.com/india-news/lok-sabha-clears-insurance-divestmentbill-101627905806646.html>

- **RBI extends current account rules implementation deadline to October 31, 2021 after reports of hassles (August 04, 2021)**

The Reserve Bank of India on August 04, 2021 allowed time to banks till October 31 to implement changes on the current account front, following reports of small businesses being hit with account freezes in the last few days. The central bank said the circular is aimed at enforcing credit discipline amongst the borrowers as well as to facilitate better monitoring by the lenders, but made it clear that a graded approach had been prescribed to banks on opening and operating of current accounts and cash credit / overdraft CC / OD facilities.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-extends-current-a-c-rulesimplementation-deadline-to-oct-31-after-reports-of-hassles/2304380/> &
<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12137&Mode=0>

- **Covid impact : Banks see slippages rise in cash collection-driven segments (August 06, 2021)**

Lenders reported a deterioration in asset quality during the April-June quarter in loan categories where cash collections play an important role. Gold loans, Commercial Vehicle (CV) loans and microfinance – all saw fresh bad loans inch up in Q1FY22 as the second wave of Covid-19 hampered collection activities. The absence of a moratorium on repayments, unlike last year, made the stress more evident on lenders' books.

For details:

<https://www.financialexpress.com/industry/banking-finance/covid-impact-banks-seeslippages-rise-in-cash-collection-driven-segments/2305338/>

- **Monetary Policy Statement, 2021-22 Resolution of the Monetary Policy Committee (MPC) August 4-6, 2021 (August 06, 2021)**

The Monetary Policy Committee (MPC) met on 4th, 5th and 6th August 2021. Based on an assessment of the evolving domestic and global macroeconomic and financial conditions and the outlook, the MPC voted unanimously to keep the policy repo rate unchanged at 4 per cent. The MPC also decided on a 5 to 1 majority 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. The Marginal Standing Facility (MSF) rate and the bank rate remain unchanged at 4.25 per cent. The reverse repo rate also remains unchanged at 3.35 per cent.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52011

- **Statement on Developmental and Regulatory Policies (August 06, 2021)**

The Reserve bank of India has issued the Statement on Developmental and Regulatory policies on August 06, 2021. This Statement sets out various developmental measures including liquidity and regulatory measures. Some of the main measures taken by the Reserve Bank of India are:

- i. Extension of period for On Tap Targeted Long-Term Repo Operation (TLTRO) scheme further by three months, i.e., till December 31, 2021.
- ii. Continuation of Marginal Standing Facility relaxation for a further period of three months, i.e., up to December 31, 2021.
- iii. Banks are permitted to extend export credit using any other widely accepted Alternative Reference Rate in the currency concerned.
- iv. To defer the target date for meeting the sector specified thresholds parameters to October 01, 2022.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52010

- **Guidelines on Insurance Claims of victims of Floods (July 2021)**

in the calamity affected districts of Maharashtra State (August 06, 2021) The Insurance Regulatory and Development Authority of India (IRDAI) has issued above guidelines addressing all General Insurance Companies and Stand-Alone Health Insurance Companies to take immediate steps to mitigate the hardships of the affected insured population by ensuring immediate registration and settlement of eligible claims.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4539&flag=1

- **Guidelines on settlement of Life Insurance Claims to the victims of Flood in Maharashtra (August 06, 2021)**

Due to recent flood there are reports of loss of human lives and loss of belongings in the state of Maharashtra, the Insurance Regulatory and Development Authority of India (IRDAI) has issued above guidelines for facilitation the quick and timely settlement of life insurance claims.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4537&flag=1

- **IDBI Bank strategic sale : 7 firms in race for transaction advisor (August 08, 2021)**

As many as seven firms, including JM Financial, Ernst and Young and Deloitte, have bid for managing the strategic sale of IDBI Bank. These firms would make a virtual presentation before the Department of Investment and Public Asset Management (DIPAM), which is handling the sale process, on August 10, 2021. The firms that have bid for acting as transaction advisor are Deloitte Touche Tohmatsu India LLP, Ernst and Young LLP, ICICI Securities, JM Financial Ltd, KPMG, RBSA Capital Advisors LLP and SBI Capital Markets.

For details:

<https://www.financialexpress.com/industry/banking-finance/idbi-bank-strategic-sale-7-firms-in-race-for-transaction-advisor/2306596/>

- **Enhancement of collateral free loans to Self Help Groups (SHGs) under Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) from ₹10 lakh to ₹20 Lakh (August 09, 2021)**

The Reserve Bank of India has notified some amendments in the Credit Guarantee Fund for Micro Units (CGFMU) Scheme on July 01, 2021. Now for loans to SHGs up to ₹10.00 lakh, no collateral and no margin will be charged. No lien should be marked against savings bank account of SHGs and no deposits should be insisted upon while sanctioning loans. And for loans to SHGs above ₹10 lakh and up to ₹20 lakh, no collateral should be charged and no lien should be marked against savings bank account of SHGs. However, the entire loan (irrespective of the loan outstanding, even if it subsequently goes below ₹10 lakh) would be eligible for coverage under CGFMU.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12143&Mode=0>

- **Rationalisation of Overseas Investment Regulations under FEMA, 1999 - Draft rules/regulations for Comments (August 09, 2021)**

With a view to further liberalize regulatory framework and also to promote ease of doing business, it has been decided to rationalize the existing provisions governing overseas investment. The Rules and Regulations will be finalized after public consultations. Accordingly, the Reserve Bank of India (RBI) has placed on its website two documents viz draft Foreign Exchange Management (Non-debt Instruments - Overseas Investment) Rules, 2021 and draft Foreign Exchange Management (Overseas Investment) Regulations, 2021. Comments / feedback on the draft rules / regulations are invited from all stakeholders. Comments / feedback may be forwarded through oifeedback@rbi.org.in by August 23, 2021 with the subject line “Feedback on draft Overseas Investment rules & regulations”.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52026

- **Monitoring of Availability of Cash in ATMs (August 10, 2021)**

It has been decided by the Reserve Bank of India that the banks / White Label ATM Operators (WLAOs) shall strengthen their systems / mechanisms to monitor availability of cash in ATMs and ensure timely replenishment to avoid cash-outs. Any non-compliance in this regard shall be viewed seriously and shall attract monetary penalty. The Scheme shall be effective from October 01, 2021.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12144&Mode=0>

- **Nearly 72 per cent of financial transactions of public sector banks done through digital channels: Govt. (August 10, 2021)**

The government on August 10, 2021 said nearly 72 per cent of financial transactions of Public Sector Banks (PSBs) are now done through digital channels, with customers active on digital channels having doubled from 3.4 crore in 2019-20 to 7.6 crore in 2020-21.

For details:

<https://www.financialexpress.com/industry/banking-finance/nearly-72-per-cent-offinancial-transactions-of-public-sector-banks-done-through-digital-channelsgovt/2308230/>

- **Global banks unwind lucrative India trades after RBI warning (August 11, 2021)**

Foreign banks have been forced to unwind billions of dollars worth of profitable currency trades at the behest of India’s central bank, according to people with knowledge of the matter. The issue in focus is a flurry of currency swap trades that involved the banks converting rupee-denominated deposits into dollars that were then used to buy foreign sovereign debt including US Treasuries, which are unlisted in India. The Reserve Bank of India warned the banks of a regulatory breach last week, saying they must limit their holdings of such unlisted securities to no more than 10% of investments classified as the non-statutory liquidity ratio portfolio.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/global-banksunwind-lucrative-india-trades-after-rbi-warning/articleshow/85231986.cms>

- **High stress: PSBs set aside over 60% of operating profit as provisions (August 11, 2021)**

Public Sector Banks (PSBs) have set aside more than 60% of their aggregate operating profits in the June quarter as provisions, the bulk of which is for loan losses and restructured assets. This is an indication the stress on lenders' books remains fairly high. For the private sector, the share of operating profits that was allocated for total provisions was almost 50%.

For details:

<https://www.financialexpress.com/industry/banking-finance/high-stress-psbs-set-aside-over-60-of-operating-profit-as-provisions/2308300/>

- **Indian Bank signs Memorandum of Understanding with Paralympic Committee (August 11, 2021)**

Public sector Indian Bank on August 11, 2021 said it has signed a Memorandum of Understanding (MoU) with Paralympic Committee of India (PCI) as one of the banking partners of the Paralympic Games scheduled to commence from August 24 in Tokyo, Japan. "The bank, through its year-long association with PCI, will provide financial assistance to support the paralympic athletes to prepare for the sports events in domestic as well as global platforms for a year," a press release said.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-bank-signs-memorandum-of-understanding-with-paralympic-committee/articleshow/85247309.cms>

- **323 frauds in UCBs, 482 in state co-op banks in FY21: Finance Minister (August 11, 2021)**

Finance minister Nirmala Sitharaman said Urban Cooperative Banks (UCB) reported 323 frauds in FY21 as against 568 in the previous year and 1,193 in FY19. Similarly, state cooperative banks witnessed 482 frauds in FY21, down from 508 in the previous fiscal but much higher than the FY19 level of 290.

For details:

<https://www.financialexpress.com/industry/banking-finance/323-frauds-in-ucbs-482-in-state-co-op-banks-in-fy21-fm/2308257/>

- **Bill to privatise state-run general insurance cos gets Parliament nod (August 12, 2021)**

A bill to allow privatisation of state-run general insurance companies got parliamentary assent on August 11, 2021 after Rajya Sabha passed it with a voice vote amid tearing of papers and vociferous protest by opposition parties. The General Insurance Business (Nationalisation) Amendment Bill, 2021 was passed by the Lok Sabha on August 02.

For details:

https://www.business-standard.com/article/economy-policy/bill-to-privatise-state-run-general-insurance-cos-gets-parliament-nod-121081101770_1.html

- **Bank credit grows 6.11% in fortnight ended July 30 : RBI data (August 12, 2021)**

Bank credit grew by 6.11% to Rs. 109.1 lakh crore and deposits by 9.8% to Rs. 155.49 lakh crore in the fortnight ended July 30, 2021, according to RBI data. Banks advances stood at Rs. 102.82 lakh crore and deposits at Rs. 141.61 lakh crore in the fortnight ended July 31, 2020 according to RBI's Scheduled Bank's Statement of position in India as on July 30, 2021 that was released on August 12, 2021.

For details:

<https://www.financialexpress.com/industry/banking-finance/bank-credit-grows-6-11-pc-in-foortnight-ended-july-30-rbi-data/2309698/>

- **DCB Bank empanelled as Agency Bank by RBI (August 12, 2021)**

Reserve Bank of India (RBI) has empanelled Private sector lender DCB Bank as an 'Agency Bank' to facilitate banking and payment transactions for Centre and the state governments. The transactions would include revenue receipts, CDDT, CBIC and GST, pension payment and small savings scheme.

For details:

<https://www.livemint.com/industry/banking/dcb-bank-empanelled-as-agency-bank-by-rbi-11628765192415.html>

- **Senior citizens can withdraw money from SCSS, PPF etc. via authorized person: Here's how (August 13, 2021)**

As a senior citizen, if you are unable to visit post office to make withdrawals from post office schemes such as Senior Citizens Savings Scheme (SCSS), post office time deposits, savings account etc., now you can send an 'authorized person' on your behalf to carry out the transaction. The authorized person can make withdrawals/close or make premature withdrawals from the post office schemes on behalf of senior citizens.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/seniorcitizens-can-withdraw-money-from-scscs-ppf-etc-via-authorized-person-hereshow/articleshow/85293648.cms>

- **Noopur Chaturvedi appointed NPCI Bharat BillPay CEO (August 13, 2021)**

NPCI appoints Ms Noopur Chaturvedi as CEO of NPCI Bharat BillPay Ltd. Earlier Chaturvedi headed the small and medium business vertical at fintech PayU. A former Citibanker, she had also worked with Airtel Payments Bank, ING Vysya, Samsung and Infosys.

For details:

https://timesofindia.indiatimes.com/business/india-business/noopur-chaturvedi-appointed-npci-bharat-billpay-ceo/articleshow/85284134.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Reserve Bank of India cancels the licence of Karnala Nagari Sahakari Bank Ltd., Panvel (District - Raigad), Maharashtra (August 13, 2021)**

The Reserve Bank of India (RBI) has, vide order dated August 09, 2021 cancelled the licence of Karnala Nagari Sahakari Bank Ltd., Panvel (District - Raigad), Maharashtra. Consequently, the bank ceases to carry on banking business, with effect from the close of business on August 13, 2021. The Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52063

- **Finance Minister Nirmala Sitharaman to meet CEOs of public sector banks on August 25 (August 15, 2021)**

Finance Minister Nirmala Sitharaman is scheduled to meet heads of Public Sector Banks (PSBs) on August 25, 2021 to review financial performance of the lenders and progress made by them to support the economy battered by COVID-19 pandemic.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/financeminister-nirmala-sitharaman-to-meet-ceos-of-public-sector-banks-on-august25/articleshow/85343593.cms>

- **PMJDY turns 7; brings 43 crore under formal banking system (August 15, 2021)**

As India celebrates its 75th Independence Day, nearly 43 crore poor beneficiaries in the country now have a basic bank account, thanks to Centre's flagship financial inclusion scheme, Pradhan Mantri Jan Dhan Yojana (PMJDY). The scheme, announced by Prime Minister Narendra Modi in August 2014, has dispelled initial apprehensions on its efficacy and proved to be a steady vehicle for financial inclusion.

For details:

<https://www.thehindubusinessline.com/money-and-banking/pmjdy-turns-7-brings-43-crore-under-formal-banking-system/article35926143.ece>

- **Directions under Section 35A read with Section 56 of the Banking Regulation Act, 1949- Mantha Urban Co-operative Bank Limited, Mantha, District: Jalna, Maharashtra - Extension of period (August 16, 2021)**

The Reserve Bank of India, in the public interest, had issued Directions to Mantha Urban Cooperative Bank Limited, Mantha, District : Jalna, Maharashtra which was extended from time-to-time, the last being up to August 16, 2021. The Reserve Bank of India has now further extended the Directions for a period of two months from August 17, 2021 to October 16, 2021, subject to review. The Directions stipulate certain restrictions and / or ceiling on withdrawal / acceptance of deposits. The bank will continue to undertake banking business with restrictions till its financial position improves.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52065

- **HDFC Bank gets to sign up credit card users as RBI relents (August 18, 2021)**

The Reserve Bank of India (RBI) has partially lifted restrictions imposed last December on HDFC Bank, allowing it to resume issuing credit cards, a person aware of the development said. However, restrictions on new digital launches remain.

For details:

<https://www.livemint.com/industry/banking/rbi-allows-hdfc-bank-to-issue-new-credit-cardsin-partial-lifting-of-its-december-ban-11629213804457.html>

- **Supreme Court refuses to entertain banks' plea for RTI exemption (August 18, 2021)**

In a setback to various Public Sector Banks, including SBI and HDFC bank, a Supreme Court bench led by Justice SA Nazeer on August 17, 2021 refused to entertain their petition seeking exemption from disclosing any information related to their customer, trade secrets, risk ratings or any unpublished price sensitive information from the Right to Information (RTI) Act.

For details:

<https://www.financialexpress.com/industry/banking-finance/sc-refuses-to-entertain-banksplea-for-rti-exemption/2312775/>

- **Retail Stress: Auto-debit bounces ease in July, still above levels before Covid (August 18, 2021)**

The bounce rate on auto-debit transactions eased to 33% by volume in July from 36.5% in the previous month. The failure rate of such transactions, many of which are debit requests of EMI, still remain higher than their pre-Covid levels, indicating high stress in the retail segment.

For details:

<https://www.financialexpress.com/industry/banking-finance/retail-stress-auto-debit-bouncesease-in-july-still-above-levels-before-covid/2312771/>

- **RBI issues new guidelines for locker in banks (August 18, 2021)**

The Reserve Bank of India (RBI) on August 18, 2021 directed banks to maintain a branch-wise list of vacant lockers as well as a wait-list for the purpose of allotment of lockers and ensure transparency in allotment of lockers. Revised instructions will come into effect from January 1, 2022, the RBI said.

For details:

<https://www.livemint.com/industry/banking/rbi-issues-new-guidelines-for-locker-in-banks-11629288108023.html>

- **Kotak Mahindra Bank launches DIY repayment platform (August 18, 2021)**

Private sector lender Kotak Mahindra Bank Ltd. (KMBL), in a tie-up with Creditas Solutions—a fintech company—has launched a Do-It-Yourself (DIY) repayment platform for missed loan repayments.

For details:

<https://www.livemint.com/industry/banking/kotak-mahindra-bank-launches-diyrepayment-platform-11629293189854.html>

- **16 merchant bankers in race for managing LIC IPO (August 23, 2021)**

As many as 16 merchant bankers are in the race to manage the initial public offering of LIC - - touted to be the biggest share sale in the country's history. These bankers will be making a presentation before the Department of Investment and Public Asset Management (DIPAM) spread over 2 days. Seven international bankers, including BNP Paribas, Citigroup Global Markets India and DSP Merrill Lynch Ltd (now known as BofA Securities), will make presentations, as per a circular by DIPAM.

For details:

<https://bfsi.economictimes.indiatimes.com/amp/news/insurance/16-merchant-bankers-inrace-for-managing-lic-ipo/85558453>

- **FinMin exploring insurance bonds as alternative to bank guarantees (August 24, 2021)**

The government is considering to introduce insurance bonds as an alternative to bank guarantees, Finance Secretary T V Somanathan said on August 24, 2021. Somanathan made the announcement during a meeting between industry captains and Finance Minister Nirmala Sitharaman, who is on a two-day visit to the financial capital. Bank guarantees are usually asked for while extending a loan and typically require a collateral. An insurance bond is also a surety but it does not require any collateral.

For details:

https://www.business-standard.com/article/economy-policy/finmin-exploring-insurancebonds-as-alternative-to-bank-guarantees-121082401417_1.html

- **RBI puts new payment network plan on hold (August 25, 2021)**

A plan to allow new entities to create digital payment platforms and end the National Payments Council of India's (NPCI) dominance in online transactions has been put on hold by the regulator over data safety concerns. At least six consortiums, including those led by Amazon, Google, Facebook and the Tata group, applied for the so-called new umbrella entities (NUEs) licences, in partnership with companies such as Reliance Industries Ltd. and ICICI Bank Ltd. after the Reserve Bank of India (RBI) invited expressions of interest last year.

For details:

<https://www.livemint.com/industry/banking/rbi-puts-new-payment-network-plan-onhold-11629830389987.html>

- **Banks take ‘Buy Now Pay Later’ route to grow customer base (August 25, 2021)**

In search of new customers with good credit behavior, banks are adapting the “Buy Now Pay Later (BNPL) model offered by fintechs to their customers while they shop. Some lenders are also working to expand the scope of their debit card EMI facility to cover a larger suit of purchases.

For details:

<https://www.financialexpress.com/industry/banking-finance/banks-take-buy-now-paylater-route-to-grow-customer-base/2317018/>

- **Tokenisation - Card Transactions : Extending the Scope of Permitted Devices (August 25, 2021)**

It has been decided by the Reserve Bank of India to permit authorised card payment networks to offer card tokenisation services to any token requestor (i.e., third party app provider), subject to certain conditions. The permission was extends to all use cases / channels [e.g., Near Field Communication (NFC) / Magnetic Secure Transmission (MST) based contactless transactions, in-app payments, QR code-based payments, etc.] or token storage mechanisms (cloud, secure element, trusted execution environment, etc.). Now on a review of the framework and keeping in view stakeholder feedback, it has been decided to extend the scope of tokenisation to include consumer devices - laptops, desktops, wearables (wrist watches, bands, etc.), Internet of Things (IoT) devices, etc. This initiative is expected to make card transactions more safe, secure and convenient for the users.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12152&Mode=0>

- **Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 (August 25, 2021)**

The Reserve Bank of India has, from time to time, issued several guidelines / instructions / directives to the banks on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks. To enable banks to have current instructions at one place, a Master Direction incorporating all the existing guidelines / instructions / directives on the subject has been prepared for reference of the banks.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12153&Mode=0>

- **Boosting credit: PSBs to hold another outreach in October, says Finance minister Nirmala Sitharaman (August 26, 2021)**

State-run banks will undertake a nation-wide loan outreach programme around October, finance minister Nirmala Sitharaman said on August 25, 2021, as the government seeks to stir economic growth through sustained credit push, especially to Covid-hit small and medium businesses, retail and farm sectors, amid fears that bankers have turned risk-averse. Finance minister also launched the EASE 4.0 or Enhanced Access and Service Excellence - a common reform agenda for PSBs aimed at institutionalising clean and smart banking.

For details:

<https://www.financialexpress.com/industry/banking-finance/boosting-credit-psbs-to-holdanother-outreach-in-october-says-finance-minister-nirmala-sitharaman/2317730/>

- **RBI appoints Shri Ajay Kumar as new Executive Director (August 26, 2021)**

The Reserve Bank of India has appointed Shri Ajay Kumar as Executive Director (ED) with effect from August 20, 2021. Prior to being promoted as ED, Shri Ajay Kumar was heading the New Delhi Regional Office of the Bank as Regional Director.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52111

- **Payments Infrastructure Development Fund - Inclusion of PM SVANidhi Scheme beneficiaries (August 26, 2021)**

The Payments Infrastructure Development Fund (PIDF) Scheme was announced by the Reserve Bank on January 05, 2021. The objective of the scheme was to encourage deployment of Points of Sale (PoS) infrastructure (both physical and digital modes) in tier-3 to tier-6 centres and north eastern states. The Reserve Bank has now decided to include street vendors identified as part of the PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi Scheme) in tier-1 and tier-2 centres as beneficiaries under the PIDF Scheme. As hitherto, the street vendors in tier-3 to tier-6 centres will continue to be covered under the Scheme. This decision to expand the targeted beneficiaries under the PIDF scheme will provide fillip to the Reserve Bank's efforts towards promoting digital transactions at the grass root level.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52112

- **HDFC Bank lists \$1-bn AT-1 bonds on IFSC exchanges (August 26, 2021)**

Leading private sector lender HDFC Bank on Thursday listed its USD 1 billion additional tier- I (AT-1) bonds on the IFSC (International Financial Services Centre) exchanges at Gujarat International Finance Tec-City (GIFT). "The primary listing of HDFC AT 1 bond demonstrates the competitiveness of both the IFSC exchanges --India INX and NSE IFSC internationally.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-banklists-1-bn-at-1-bonds-on-ifsc-exchanges/articleshow/85656544.cms>

- **Govt. extends tenure of 3 Managing Directors and 10 Executive Directors of Public-Sector Banks (August 27, 2021)**

The government has extended the tenure of three Managing Directors (MDs) and 10 Executive Directors (EDs) of Public-Sector Banks, a move that will ensure stability in policy-making at various lenders at a time when the economy requires a massive credit push to reverse a Covid-induced slump in growth. The Appointments Committee of the Cabinet (ACC) has approved the extension of the tenure of SS Mallikarjuna Rao, MD & CEO of Punjab National Bank, by about Four-and-a-half months through January 31, 2022, when he is due for superannuation. Similarly, the tenure of Atul Kumar Goel, MD & CEO of UCO Bank, and AS Rajeev, MD & CEO of Bank of Maharashtra, by two years each.

For details:

<https://www.financialexpress.com/industry/banking-finance/govt-extends-tenure-of-3-managing-directors-and-10-executive-directors-of-public-sector-banks/2318613>

- **Master Direction on Financial Statements - Presentation and Disclosures (August 30, 2021)**

The Reserve Bank of India has, from time to time, issued several guidelines/ instructions/directives to the banks on the presentation of financial statements, regulatory clarification on compliance with accounting standards, and disclosures in notes to accounts. A Master Direction incorporating, updating and where required, harmonizing across the banking sector the extant guidelines / instructions/ directives on the subject has been prepared to enable banks to have all current instructions on presentation and disclosure in financial statements at one place for reference. However, it may be noted that in addition to these disclosures, Commercial Banks shall comply with the disclosures specified under the applicable regulatory capital framework. Reserve Bank of India has issued this Direction in the exercise of its powers conferred under section 35A and section 56 of the Banking Regulation Act, 1949, and all the powers enabling it on this behalf.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12158&Mode=0>

- **RBI to set up five-member panel on NUE licences (September 02, 2021)**

The Reserve Bank of India (RBI) will set up a committee to scrutinise applications and give recommendations on New Umbrella Entity (NUE) licences. NUEs will establish their own payment infrastructure to compete with National Payments Corporation of India (NPCI). The government hopes to build a settlement system similar to the Unified Payments Interface (UPI) with the NUEs. The system will be focussed on small and medium enterprises, merchants and consumers.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-to-set-uppanel-on-nue-licences/articleshow/85853196.cms>

- **12 entities express interest in Yes Bank's ARC proposal (September 02, 2021)**

Yes Bank Ltd has received expressions of interest from a dozen investors for setting up an Asset Reconstruction Company (ARC) with the private sector lender as the minority partner. Some of the private equity firms who have shown interest include Brookfield Asset Management, Ares SSG, Oaktree Capital Management, JC Flower, VardhĀ Capital, CarVal Investors, Avenue Asia Group, Bain Capital's India Resurgent Fund, Apollo Global Management, Rohatyn Group and Silver Point Capital.

For details:

<https://www.livemint.com/industry/banking/12-entities-express-interest-in-yes-bank-sarc-proposal-11630521733219.html>

- **UPI transactions cross 3.5 billion in August (September 02, 2021)**

The volume of transactions made through the Unified Payments Interface (UPI) channel stood at 3.55 billion in August, up from 3.24 billion in the previous month. The value of transactions rose to Rs. 6.39 lakh crore from Rs. 6.06 lakh crore in July, the National Payments Corporation of India (NPCI) said on September 01, 2021.

For details:

<https://www.financialexpress.com/industry/banking-finance/upi-transactions-cross-3-5-billion-in-august/2322113/>

- **India's PNB asks tribunal to quash Jet Airways' rescue plan (September 02, 2021)**

India's Punjab National Bank on September 02, 2021 urged a tribunal to quash the rescue plan for defunct debt-laden Jet Airways, alleging irregularities in it, a move that risks delaying any return of the airline grounded two years ago. v

For details:

<https://www.financialexpress.com/industry/banking-finance/indias-pnb-asks-tribunal-to-quash-jet-airways-rescue-plan/2322970/>

- **'Lending mkt size doubled last fiscal over FY17' (September 02, 2021)**

The total size of the lending market in India rose to Rs. 156.9 lakh crore as of March 2021, a 100 per cent growth from FY17, credit bureau CRIF High Mark said in a report. Over the last five years, retail, micro-lending and commercial lending portfolios have seen an increase by 91 per cent, 157 per cent and 93 per cent, respectively.

For details:

<https://indianexpress.com/article/business/banking-and-finance/lending-mkt-size-doubled-last-fiscal-over-fy17-7483332/>

- **Mukesh Ambani's \$50 phone can unleash a credit revolution across the globe (September 03, 2021)**

A smartphone widely believed to be priced below \$50, likely the world's cheapest, will start selling a week from now. If Mukesh Ambani's Jio Phone Next, an Android device custom-built for India by Alphabet Inc.'s Google, is a hit in the price-conscious market, it will solve one problem for banks while posing another.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/mukeshambanis-50-phone-can-unleash-a-credit-revolution-across-the-globe/articleshow/85886272.cms>

- **Indian Banks' Association requests RBI to exempt govt. accounts from current accounts circular (September 04, 2021)**

The Indian Banks' Association (IBA) has requested the Reserve Bank of India (RBI) to exempt accounts held by the government with various banks from the purview of the August 06, 2020, current accounts circular. The request has been made on the basis of feedback received from IBA's member banks. If the central bank accedes to this request, a bank will not have to close current accounts held with it by the government even if the bank's exposure to the government is less than 10% of the latter's total borrowings. The deadline for complying with the circular, aimed at preventing frauds, has been extended to October 31 from July 31, 2021.

For details:

<https://www.financialexpress.com/industry/banking-finance/indian-banks-association-requests-rbi-to-exempt-govt-accounts-from-current-accounts-circular/2323718/>

- **FSDC discusses IBC, stressed assets, financial inclusion (September 04, 2021)**

The Financial Stability and Development Council (FSDC) on September 03, 2021 discussed measures to manage stressed assets and noted the need to keep a continuous vigil by the government and all regulators on the financial conditions. In the 24th meeting, which was chaired by Finance Minister Nirmala Sitharaman, the FSDC discussed issues relating to management of stressed assets, strengthening institutional mechanism for financial stability analysis, financial inclusion, framework for resolution of financial institutions and issues related to Insolvency and Bankruptcy Code processes.

For details:

<https://indianexpress.com/article/business/banking-and-finance/fsdc-discusses-ibc-stressed-assets-financial-inclusion-7487997/>

- **Why RBI is concerned about Equitas SFB's new scheme for Google Pay users (September 07, 2021)**

Equitas Small Finance Bank (SFB) launched a unique fixed deposit scheme that can be booked through the Google Pay app in an instant, much like buying a shirt from an online marketplace. It is a welcome product in a world moving to the sachetisation of financial products. However, this particular deposit scheme, say sources, has rankled the banking regulator.

For details:

https://www.business-standard.com/article/finance/why-rbi-is-concerned-about-equitassfb-s-new-scheme-for-google-pay-users-121090700025_1.html

- **RBI enhances scope of tokenisation to ensure security of card data (September 07, 2021)**

In a bid to ensure security of card data, the Reserve Bank of India (RBI) has enhanced the scope of tokenisation and permitted card issuers to act as Token Service Providers (TSP). Under tokenisation services, a unique alternate code is generated to facilitate transactions through cards. The RBI on September 07, 2021 extended the device-based tokenisation to Card-on-File Tokenisation (CoFT) services, a move that will bar the merchants from storing actual card data.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-enhances-scope-of-tokenisation-to-ensure-security-of-card-data/articleshow/86018017.cms>

- **India Ratings maintains stable outlook on banking sector in FY22 (September 07, 2021)**

Domestic rating agency India Ratings on September 07, 2021 maintained a stable outlook on the banking sector for 2021-22 while it expects an increase in stressed assets in retail and MSME segments by end-March. It estimates Gross Non-Performing Assets (GNPA) of the banking sector to be at 8.6 per cent and stressed assets at 10.3 per cent for fiscal 2021-22.

For details:

<https://www.financialexpress.com/industry/banking-finance/india-ratings-maintains-stable-outlook-on-banking-sector-in-fy22/2325746/>

- **Covid stress on small units: Mudra loan NPAs up in PSU banks (September 08, 2021)**

Public Sector banks are experiencing a sharp surge in the proportion of Mudra loans turning into Non-Performing Assets (NPAs) following the impact of Covid on incomes and repayment capacity of borrowers, according to bankers and an analysis of available data from state-level bankers' committees. The proportion of these NPAs are estimated to have shot up more than three times as of June-end 2021 over the 2019-20 fiscal year.

For details:

<https://indianexpress.com/article/business/banking-and-finance/covid-stress-on-small-units-mudra-loan-npas-up-in-psu-banks-7495311/>

- **NPCI, Fiserv to open RuPay API platform (September 08, 2021)**

The National Payments Corporation of India (NPCI) has tied up with Nasdaq-listed fintech firm Fiserv to launch an Application Programming Interface (API) platform for startups and banks looking to build credit card-based products on top of the RuPay rails. They said the collaboration will help faster and cheaper onboarding of customers and merchants by banks as well as enable fintech firms to build out new models of digital interfaces for customers launching RuPay credit card products.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/npci-fiserv-toopen-rupay-api-platform/articleshow/86027404.cms>

- **Prompt Corrective Action Framework - UCO bank (September 08, 2021)**

The performance of the UCO Bank, currently under the Prompt Corrective Action Framework (PCAF) of RBI, was reviewed by the Board for Financial Supervision. It was noted that as per its published results for the year ended March 31, 2021, the bank is not in the breach of the PCA parameters. The bank has provided a written commitment that it would comply with the norms of Minimum Regulatory Capital, Net NPA and Leverage ratio on an ongoing basis and has apprised the RBI of the structural and systemic improvements that it has put in place which would help the bank in continuing to meet these commitments. Taking all the above into consideration, it has been decided that UCO Bank is taken out of the PCA restrictions subject to certain conditions and continuous monitoring.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52198

- **Amazon Pay also set to help users book deposits, even as GPay service under RBI watch (September 08, 2021)**

Amazon Pay India, the American e-commerce major's payments app, is also set to offer deposit booking services for its customers, even as rival Google Pay's similar facility has invited regulatory attention within days of its launch. Amazon Pay India on September 08, 2021 announced a tie-up with investment platform Kuvera.in through which the former's customers will be able to invest in mutual funds and fixed deposits.

For details:

<https://www.financialexpress.com/industry/banking-finance/amazon-pay-also-set-tohelp-users-book-deposits-even-as-gpay-service-under-rbi-watch/2326359/>

- **Bank of Baroda's launches one-stop digital platform 'bob World' (September 08, 2021)**

State-owned Bank of Baroda on September 08, 2021 announced the launch of its digital banking platform 'bob World', aimed at providing all banking services under one roof. The lender aims to provide an all-inclusive and seamless virtual banking experience, encompassing all digital banking services under one roof for the convenience of customers.

For details:

https://www.business-standard.com/article/finance/bank-of-baroda-s-launches-one-stopdigital-platform-bob-world-121090801342_1.html

- **Product Structure for Cyber Insurance (September 08, 2021)**

There are rising incidences of cyber attacks along with a growing number of high profile data breaches. The online exposures for individuals, business organizations, offices and other establishments continue to increase more so in the current pandemic situation. The Authority had, therefore, constituted a working group with a focus to examine the possibility of bringing standardisation of Cyber Liability Insurance policy wording. The Working Group, after conducting wide consultations with various stakeholders, and after internal deliberations concluded that standardisation of policy wording is not desirable at this juncture keeping in view of the evolving nature of legislative frameworks in dealing with cyber risk, fast growing digital ecosystem, increasing interconnectedness globally and complexity of IT systems and emergence of new risks.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4560&flag=1

- **Title Insurance Products (September 08, 2021)**

Title insurance is a form of indemnity insurance that protects a potential owner of a property against financial loss from defects in title to real property. The policy is a retrospective one where the insured is protected against losses arising from the events that occurred prior to the date of issuing the policy. In order to ensure that the general insurers offer basic Title Insurance covers for legal liabilities of promoters/developers in case of any loss caused to allottees due to defective title of the property, protection for individual buyers for the purchased units in projects and to facilitate easy marketability of these products, the Authority had constituted a Working Group to suggest, inter alia, product construct and policy wording for two new products in addition to the existing products.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4558&flag=1

- **IRDAI (Trade Credit Insurance) Guidelines, 2021 (September 08, 2021)**

The Insurance Regulatory and Development Authority of India (IRDAI) has issued revised guidelines on Trade Credit insurance considering the evolving insurance risk needs of various sectors and response to changing market conditions. The guidelines shall come into force with effect from 1st November, 2021.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4561&flag=1

- **Karnataka High Court directs IRDAI to ensure Insurance Companies transfer unclaimed amounts to Senior Citizens Welfare Fund (September 09, 2021)**

The Karnataka High Court on September 08, 2021 directed the Insurance Regulatory and Development Authority of India (IRDAI) to ensure that all insurance companies transfer unclaimed amounts to the Senior Citizens Welfare Fund, in line with the master circular issued by the regulatory body in 2017.

For details:

<https://www.barandbench.com/news/litigation/karnataka-high-court-directs-irdai-to-ensure-insurance-companies-transfer-unclaimed-amounts-to-senior-citizens-welfare-fund>

- **BRICS Chair 2021: Documents under Central Bank Workstream (September 09, 2021)**

India is the current Chair of the BRICS. In the Second BRICS Finance Ministers' and Central Bank Governors (FMCBG) Meeting held on August 26, 2021, the Reserve Bank of India tabled the Report on Digital Financial Inclusion in BRICS; the e-Booklet on BRICS Information Security Regulations; and the Compendium of BRICS Best Practices on Information Security Risks: Supervision and Control, which were prepared by the respective teams of the BRICS central banks.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52204

- **Large Exposures Framework (LEF) - Credit Risk Mitigation (CRM) for offsetting - non-centrally cleared derivative transactions of foreign bank branches in India with their Head Office (September 09, 2021)**

It is advised that the Indian branches of foreign banks shall be permitted to reckon cash/unencumbered approved securities, the source of which is interest-free funds from Head Office or remittable surplus retained in Indian books (reserves), held with RBI under 11(2)(b)(i) of the Banking Regulation Act, 1949 as CRM, for offsetting the gross exposure of the foreign bank branches in India to the Head Office (including overseas branches) for the calculation of LEF limit, subject to the certain conditions.

For details: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12160&Mode=0>

- **Banks' NPAs stable in June quarter, look manageable; IBC needs improvement: RBI Governor Shaktikanta Das (September 09, 2021)**

Reserve Bank Governor Shaktikanta Das on September 09, 2021 said the stressed assets situation "looks manageable" as the stock of gross Non-Performing Assets (NPAs) remained stable even after the second wave of pandemic. The banking system's gross NPAs were at 7.5 per cent while the same for non-bank lenders were even lower, Das said at a conference organized by The Indian Express and the Financial Times.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-npasstable-in-june-quarter-look-manageable-ibc-needs-improvement-rbi-governorshaktikanta-das/articleshow/86072286.cms>

Legal

Info Capsule Series 8

- **New regulations to temper claims on food products with Ayurvedic ingredients (July 06, 2021)**

FSSAI, Ayush Ministry plan standards for Ayurveda Aahar, including additives. Herbal teas, gooseberry candies, and a host of immunity-building food products with Ayurvedic ingredients that have been taking up a lot of space in Indian Shelves during the pandemic-are likely to come under the purview of these new regulation. The Ayush ministry will also set up an expert committee to make recommendations to FSSAI on approval for claims and non-specified products. The food safety authority has also proposed a logo for Ayurveda Aahar products that will need to be displayed on labels along with the advisory stating, “Only for dietary use.” It has now sought comments from stakeholders on the regulations.

For details:

https://fssai.gov.in/upload/uploadfiles/files/Draft_Notification_Ayurveda_Aahar_05_07_2021.pdf

<https://www.thehindubusinessline.com/economy/policy/new-regulations-to-temper-claims-on-food-products-withayurvedic-ingredients/article35178079.ece>

- **Amul wins its first trademark violation case outside India (July 11, 2021)**

Canada has recognised ‘The Taste of India’. The Intellectual Property Appellate Board of Canada recently accorded trademark status to India’s homegrown dairy giant Amul. The country’s largest co-operative will also be awarded damages to the tune of Canadian dollar (CAD) 32,733 after it won a trademark violation case filed in the Federal Court of Canada. It is the first such case that Amul had filed against any company on foreign soil.

For details:

[https://timesofindia.indiatimes.com/city/vadodara/amul-wins-its-first-trademark-violation-case-outside-](https://timesofindia.indiatimes.com/city/vadodara/amul-wins-its-first-trademark-violation-case-outside-india/articleshow/84304212.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

[india/articleshow/84304212.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst](https://timesofindia.indiatimes.com/city/vadodara/amul-wins-its-first-trademark-violation-case-outside-india/articleshow/84304212.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

- **Centre seeks to pass 23 Bills in Lok Sabha during Monsoon Session (July 13, 2021)**

The Centre has listed 23 bills for consideration and passing in the Lower House for the upcoming Monsoon Session, the Lok Sabha secretariat revealed. This includes 3 bills that will be tabled to replace existing ordinances. The 17 new bills include the Insolvency and Bankruptcy Code (Amendment) Bill, 2021 and the politically contentious Electricity (Amendment) Bill, 2021. Legislation pertaining to the prevention of trafficking and the rehabilitation of victims is also on the agenda.

For details:

<https://www.republicworld.com/india-news/politics/centre-seeks-to-pass-22-bills-in-loksabha-during-monsoon-session-legislative-agenda-here.html>

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For details:

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For details:

<https://www.republicworld.com/india-news/politics/centre-seeks-to-pass-22-bills-in-loksabha-during-monsoon-session-legislative-agenda-here.html>

- **WhatsApp messages have no evidential value: Supreme Court (July 15, 2021)**

The Supreme Court, on Wednesday, July 14, 2021 has said that messages exchanged on social media platform WhatsApp have no evidential value and that the author of such WhatsApp messages cannot be tied to them, especially in business partnerships governed by agreements.

For details:

<https://timesofindia.indiatimes.com/india/whatsapp-messages-have-no-evidential-value-supreme-court/articleshow/84426237.cms>

- **Plea to declare Virtual Court Hearing as Fundamental Right: Supreme Court issues Notice to BCI, SCBA & 4 HCs (September 06, 2021)**

The Supreme Court on September 06, 2021 has issued notice to the Bar Council of India, Supreme Court Bar Association and four High Courts on a writ petition seeking a declaration that virtual court hearing is a fundamental right. A bench comprising Justices L Nageswara Rao and BR Gavai issued notice on the writ petition which sought for the retention of the hybrid options for physical and virtual hearings in courts saying that it enhanced the right to access justice.

For details:

<https://www.livelaw.in/top-stories/plea-to-declare-virtual-court-hearing-as-fundamentalright-supreme-court-issues-notice-to-bci-scba-4-hcs-181011>

Upcoming legislations (as introduced /Passed in Lok Sabha/Rajya Sabha)

The upcoming Bills passed in Lok Sabha includes the following

<i>Short Title</i>	<i>Date of Introduction</i>	<i>Debate /Passed in LS</i>	<i>Debate / Passed in RS</i>	<i>Object of the Bill</i>
The Tribunals Reforms Bill, 2021	02/08/2021	03/08/2021		to amend the Cinematograph Act, 1952, the Customs Act, 1962, the Airports Authority of India Act, 1994, the Trade Marks Act, 1999 and the Protection of Plant Varieties and Farmers' Rights Act, 2001 and certain other Acts.
The General Insurance Business (Nationalisation) Amendment Bill, 2021	30/07/2021	02/08/2021		to amend the General Insurance Business (Nationalisation) Act, 1972.
The Commission for Air Quality Management in National Capital Region and Adjoining Areas Bill, 2021	30/07/2021	04/08/2021		to provide for the constitution of the Commission for Air Quality Management in National Capital Region and Adjoining Areas for better co-ordination,

				research, identification and resolution of problems surrounding the air quality index and for matters connected therewith or incidental thereto.
The Insolvency and Bankruptcy Code (Amendment) Bill, 2021	26/07/2021	28/07/2021	03/08/2021	to amend the Insolvency and Bankruptcy Code, 2016.

The upcoming Bills passed in Rajya Sabha includes the following

<i>Title of Bill</i>	<i>Date of Passing</i>	<i>Object of the Bill</i>
The Constitution (Scheduled Tribes) Order (Amendment) Bill, 2021	05/08/2021	to amend the Constitution (Scheduled Tribes) Order, 1950 to modify the list of Scheduled Tribes in relation to the State of Arunachal Pradesh.
The Limited Liability Partnership (Amendment) Bill, 2021	04/08/2021	to amend the Limited Liability Partnership Act, 2008.
The Deposit Insurance and Credit Guarantee Corporation (Amendment) Bill, 2021	04/08/2021	to amend the Deposit Insurance and Credit Guarantee Corporation Act, 1961.
The Insolvency and Bankruptcy Code (Amendment) Bill, 2021	03/08/2021	to amend the Insolvency and Bankruptcy Code, 2016.
The Factoring Regulation (Amendment) Bill, 2021	29/07/2021	to amend the Factoring Regulation Act, 2011.

Date 13/08/2021

The upcoming Bills passed in Lok Sabha includes the following:

<i>Short Title</i>	<i>Date of Introduction</i>	<i>Debate / Passed in LS</i>	<i>Debate / Passed in RS</i>	<i>Object of the Bill</i>
The Tribunals Reforms Bill, 2021	02/08/2021	03/08/2021	09/08/2021	to amend the Cinematograph Act, 1952, the Customs Act, 1962, the Airports Authority of India Act, 1994, the Trade Marks Act, 1999 and the Protection of Plant Varieties and Farmers' Rights Act, 2001 and certain other Acts.
The General Insurance Business (Nationalisation) Amendment Bill, 2021	30/07/2021	02/08/2021	—	to amend the General Insurance Business (Nationalisation) Act, 1972.
The Commission for Air Quality Management in National Capital Region and Adjoining Areas Bill, 2021	30/07/2021	04/08/2021	05/08/2021	to provide for the constitution of the Commission for Air Quality Management in National Capital Region and Adjoining Areas for better co-ordination, research, identification and resolution of problems surrounding the air quality index and for matters connected therewith or incidental thereto.
The Insolvency and Bankruptcy Code (Amendment) Bill, 2021	26/07/2021	28/07/2021	03/08/2021	to amend the Insolvency and Bankruptcy Code, 2016.
The Taxation Laws (Amendment) Bill, 2021	05/08/2021	06/08/2021	09/08/2021	further to amend the Income-tax Act, 1961 and the Finance Act, 2012

The Constitution (One Hundred and Twenty-seventh Amendment) Bill, 2021	09/08/2021	10/08/2021	–	further to amend the Constitution of India
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The upcoming Bills passed in Rajya Sabha includes the following:

<i>Title of Bill</i>	<i>Date of Passing</i>	<i>Object of the Bill</i>
The Constitution (Scheduled Tribes) Order (Amendment) Bill, 2021	05/08/2021	to amend the Constitution (Scheduled Tribes) Order, 1950 to modify the list of Scheduled Tribes in relation to the State of Arunachal Pradesh.
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The Factoring Regulation (Amendment) Bill, 2021	29/07/2021	to amend the Factoring Regulation Act, 2011.
The Taxation Laws (Amendment) Bill, 2021	09/08/2021	further to amend the Income-tax Act, 1961 and the Finance Act, 2012
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Competition & Economic Laws

Info Capsule Series 8

- **Restaurant association complains to CCI against Zomato, Swiggy (July 05, 2021)**

The food delivery tussle has reached the Competition Commission of India (CCI) after the National Restaurant Association of India (NRAI) said that they have filed a complaint against food delivery aggregators Zomato and Swiggy. The Association said that it moved CCI after constant dialogues yielded no concrete outcomes. "Keeping the interest of restaurants in India in mind and how they have been affected by the inherently anti-competitive practices of Zomato & Swiggy, NRAI, on 1st July 2021, have filed an information with the CCI," NRAI said.

For details:

<https://www.timesnownews.com/business-economy/article/restaurant-association-complains-ccci-against-zomato-swiggy/780777>

- **Cabinet approves Memorandum on Cooperation (MoC) between Competition Commission of India (CCI) and Japan Fair Trade Commission (JFTC) (July 08, 2021)**

The Union Cabinet, chaired by Prime Minister Shri Narendra Modi, has approved the Memorandum on Cooperation (MoC) between Competition Commission of India (CCI) and Japan Fair Trade Commission (JFTC) to promote and strengthen cooperation in the matter of Competition Law and Policy. The approved MoC, through exchange of information, will enable CCI to emulate and learn from the experiences and lessons of its counterpart competition agency in Japan which would enhance efficiency. The same will help improve enforcement of the Competition Act, 2002 by CCI. The resultant outcomes will benefit consumers at large and will promote equity and inclusiveness.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1733840>

- **CCI imposes Rs. 200 crore penalty on Maruti for restricting discounts by dealers (August 23, 2021)**

The Competition Commission of India (CCI) passed a final order against Maruti Suzuki India Limited (MSIL) for indulging in anti-competitive conduct of Resale Price Maintenance (RPM) in the passenger vehicle segment by way of implementing Discount Control Policy vis-à-vis dealers, and accordingly, imposed a penalty of Rs. 200 crore (Rupees Two Hundred Crore Only) upon MSIL, besides passing a cease-and-desist order.

For details: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1748288>

CONSUMER PROTECTION LAW

- **Draft Consumer Protection (Direct Selling) Rules, 2021 (June 30, 2021)**

On June 30, 2021, Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) published the Consumer Protection (Direct Selling) Rules, 2021. The subject matter of these rules include all goods and services bought or sold through direct selling, all models of direct selling, all direct selling entities offering goods and services to consumers in India and all forms of unfair trade practices across all models of direct selling. The rules inter-alia provide for registration, duties, records, obligations of direct selling entities. The rules prohibit convicted, Bankrupt or person of unsound mind for engaging in the business of Direct Selling. It also prohibits any Pyramid Scheme and Money Circulation Scheme. Views / comments / suggestions on the proposed draft Consumer Protection (Direct Selling) Rules, 2021 may be sent within 21 days (by 21st July 2021) by email to jsca@nic.in.

For details:

<https://consumeraffairs.nic.in/sites/default/files/fileuploads/latestnews/Draft%20Consumer%20Protection%20%28Direct%20Selling%29%20Rules%2C%202021.pdf>

Labour Law

Info Capsule Series 8

- **Registration of Unorganized Workers begins across the Country as Government of India launches the e-Shram Portal (August 26, 2021)**

Portal will help build a comprehensive National Database of Unorganized Workers (NDUW) in the country. Portal will prove to be a huge boost towards last mile delivery of the welfare schemes for crores of unorganized workers : Shri Bhupender Yadav. Game changer in the history of the country, where more than 38 Crore workers would register themselves under one portal. Registration is totally free and workers do not have to pay anything.

For details: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1749294>

- **All-India Consumer Price Index for Industrial Workers (2016=100) for July, 2021 (August 31, 2021)**

The All-India CPI-IW for July, 2021 increased by 1.1 points and stood at 122.8 (one hundred twenty-two and point eight). On 1-month percentage change, it increased by 0.90 per cent with respect to previous month compared to an increase of 1.20 per cent recorded between corresponding months a year ago. The Labour Bureau, an attached office of the Ministry of Labour & Employment, has been compiling Consumer Price Index for Industrial Workers every month on the basis of retail prices collected from 317 markets spread over 88 industrially important centres in the country. The index is compiled for 88 centres and All-India and is released on the last working day of succeeding month. The maximum upward pressure in current index came from Miscellaneous group contributing 0.42 percentage points to the total change. At item level, Dairy Milk, Poultry/Chicken, Mango, Carrot, Cauliflower, Onion, Tomato, Cooking Gas, Doctor's/ Surgeon's Fee, Medicines Allopathic, Auto Rickshaw/Scooter Fare, Bus Fare, Rail Fare, Petrol for Vehicle, Housing, etc. are responsible for the rise in index. However, this increase was largely checked by Fish Fresh, Edible Oil, Pomegranate/Anar, Lemon, etc. putting downward pressure on the index. At Centre level, Yamunanagar recorded maximum increase of 4.7 points followed by Goa, Nagpur and Belgaum with 3.7 points, 3.6 points and 3.0 points respectively. Among others, 9 centers observed an increase

between 2 to 2.7 points, 32 centers between 1 to 1.9 points and 34 Centre's between 0.1 to 0.9 points. On the contrary, Sibsagar recorded a maximum decrease of 1.0 point. Among others, 6 centres observed a decline between 0.1 to 0.9 points. Rest of 2 centres remained stationary. Year-on-year inflation for the month stood at 5.27 per cent compared to 5.57 per cent for the previous month and 5.33 per cent during the corresponding month a year before. Similarly, Food inflation stood at 4.91 per cent against 5.61 per cent of the previous month and 6.38 per cent during the corresponding month a year ago.

For details: <https://pib.gov.in/PressReleseDetail.aspx?PRID=1750818>

International Business News

Info Capsule Series 8

- **U.S. Data Protection Act would create a Federal Data Privacy Oversight Agency (June 28, 2021)**

U.S. Sen. Kirsten Gillibrand (D-New York) announced that she reintroduced Senate Bill 2134, the Data Protection Act of 2021. The bill creates an independent federal Data Protection Agency (DPA) to protect individuals' data, safeguard their privacy and ensure that data practices are fair and transparent.

For details:

<https://www.jdsupra.com/legalnews/u-s-data-protection-act-would-createa-2887141/>

- **EU rules UK data protection is 'adequate' in boost for business (June 28, 2021)**

British data protection standards are "adequate", the EU has ruled in a long-awaited decision that lets digital information continue to flow between the UK and the bloc. But Brussels warned Boris Johnson's government the decision could be revoked "immediately" if it sees weakening UK standards. Failure to get a positive decision would have risked plunging British businesses into disarray, leaving industries from banking to logistics scrambling to set up more costly, bureaucratic alternatives to share data.

For details:

<https://www.theguardian.com/technology/2021/jun/28/eu-rules-uk-data-protection-isadequate-in-boost-for-business>

- **World Bank approves USD 500 million loan to support India's informal working class amid pandemic (June 30, 2021)**

World Bank on Wednesday, June 30, 2021 said it has approved a USD 500 million (about Rs. 3,717.28 crore) loan programme to support India's informal working class to overcome the current pandemic distress. The loan will create greater flexibility for states to cope with the ongoing pandemic, future climate and disaster shocks, World Bank said in a statement.

For details:

<https://economictimes.indiatimes.com/news/economy/finance/world-bank-approves-usd-500-million-loan-to-support-indias-informal-working-class-amid-pandemic/articleshow/83987011.cms>

- **India's exports rise to all-time high of \$95 billion in June quarter (July 5, 2021)**

India recorded the highest-ever exports of \$95 billion during April-June, up 85 per cent year-on-year (YoY) and 18 per cent higher than the first quarter of the fiscal year 2019-20. "It is also 16 per cent more than the previous highest Q1 exports of FY19 (\$82 billion) and is higher than the earlier peak of exports in Q4FY21 (\$90 billion)," the commerce department said on Friday, July 2, 2021.

For details:

<https://www.hellenicshippingnews.com/indias-exports-rise-to-all-time-high-of-95-billion-in-june-quarter/>

- **India will be Engine of Global Growth after 2nd Covid Wave (July 06, 2021)**

India's strong economic recovery after it emerges from the second wave of Covid-19 infections will be an engine of growth for the global economy, external affairs minister S Jaishankar said on Tuesday, July 06, 2021. Jaishankar made the remarks while addressing the maiden edition of the Indo-Pacific Business Summit organised by the external affairs ministry and Confederation of Indian Industry (CII) as part of efforts to drive postpandemic economic growth.

For details:

<https://www.hindustantimes.com/india-news/india-will-be-engine-of-global-growthafter-2nd-covid-wave-jaishankar-101625593216278.html>

- **ADB : SDG Accelerator Bonds to help plug Covid funding gaps (July 08, 2021)**

The Asian Development Bank (ADB) has proposed a sustainable development goals accelerator bond for developing countries to reduce investment risk and achieve a green recovery from the Covid-19 pandemic. The Asian Development Bank (ADB) is encouraging developing nations in Southeast Asia to tap sustainable development goals (SDG) bonds, to aid the recovery of ailing economies still reeling from the impacts of the Covid-19 pandemic and to help them meet the United Nation's Sustainable Development Goals (SDGs).

For details:

<https://www.eco-business.com/news/adb-sdg-acceleratorbonds-to-help-plug-covid-funding-gaps/>

- **ADB, World Bank commit to more Climate Financing (July 12, 2021)**

Multilateral development banks, the Asian Development Bank (ADB) and World Bank, have committed higher climate financing as the V20 Group called on developed nations to deliver on their Paris Agreement climate assistance commitments. The V20 Group, composed of the most vulnerable countries to climate change.

For details:

<https://businessmirror.com.ph/2021/07/12/adb-world-bank-commit-to-more-climatefinancing/>

- **Narrowing the trade finance gap for LDCs (July 13, 2021)**

The Covid-19 pandemic has exacerbated the challenges Least Developed Countries (LDCs) face in accessing vital trade finance, as many have seen their local dollar liquidity shrink while foreign banks take a dimmer and not always accurate view of emerging market risk. Development banks, international organizations and LDCs themselves are however working to bridge the trade finance gap by improving product knowledge, mitigating compliance risk and investing in digitization.

For details:

<https://trade4devnews.enhancedif.org/en/news/narrowing-trade-finance-gap-ldcs>

- **India's solar learning curve inspires action across the World: World Bank (July 14, 2021)**

The Covid-19 pandemic has been marked by inextricable times, globally. It has exposed the gaps in national and international health systems, reinstating the need to have a reliable infrastructure in place. As many parts of the world continue to struggle for 24/7 supply of electricity, it creates a disparity in the world in multifaceted domains, including access to lifesaving refrigerated vaccines. For some, this difference constitutes the difference between life and death. Thus, this brings the pressing need of renewable energy, particularly solar energy to the fore. Recently, the acclaimed financial institution 'World Bank' in one of its reports, applauded India's solar learning curve; saying it inspires action across the world.

For details:

<https://newsonair.com/2021/07/14/indias-solar-learning-curve-inspires-action-acrossthe-world-world-bank/>

- **Strong tailwinds, India set to emerge as fourth largest chemical producer in the world (July 16, 2021)**

The specialty chemicals industry in India that has grown at a rapid pace of 11.7 percent CAGR over CY15-20 and is valued at around \$32 billion is expected to continue growing at a lightning speed, delivering a 12.4 percent CAGR over the next five years and India's share in the global specialty chemical market is expected to double to \$64 billion by CY25.

For details:

<https://www.moneycontrol.com/news/business/markets/strong-tailwinds-india-set-toemerge-as-fourth-largest-chemical-producer-in-the-world-7180711.html>

- **India breaks into the top 10 list of Agri Produce Exporters (July 22, 2021)**

India broke into the top 10 list of agricultural produce exporters in 2019 with a sizeable share in the export of rice, cotton, soya beans and meat, according to a World Trade Organization (WTO) report on the trends in world agricultural trade in the past 25 years.

For details:

<https://www.livemint.com/news/india/india-breaks-into-the-top-10-list-of-agri-produceexporters-11626975654126.html>

- **IMF, World Bank autumn meetings to kick off 11th October (July 25, 2021)**

The IMF is expected to release its updated report on the world's economic outlook on Thursday, July 29, 2021, which sheds light on the global economy's performance under the pressure of COVID-19. The 2021 annual Autumn meetings of the World Bank Group (WBG) and the International Monetary Fund (IMF) are scheduled to take place on 11th October, 2021 through 17th October, 2021.

For details:

<https://english.ahram.org.eg/NewsContent/3/12/417656/Business/Economy/IMF,-WorldBank-autumn-meetings-to-kick-off--Octob.aspx>

- **"International Expansion : a Key to Business Growth" Sanjeev Jain, Ace Advisors India (July 26, 2021)**

"There is an increasing demand and enthusiasm amongst Indians to explore new avenues in their business ventures abroad. With the right approach and guidance, any Indian venture can make its mark on the global marketplace", said Sanjeev Jain, CEO, Ace Advisors India (AAI), Globalization as a phenomenon has impacted various aspects of life in the last few decades.

For details:

<https://www.mid-day.com/lifestyle/infotainment/article/international-expansion-a-key-tobusiness-growth-sanjeev-jain-ace-advisors-india-23184831>

- **US supports India's emergence as leading global power: State department (July 27, 2021)**

The US on Tuesday, July 27, 2021, said it supports India's emergence as a leading global power and a vital partner in efforts to ensure that the strategic Indo-Pacific is a region of peace, stability, and growing prosperity and economic inclusion, as America's top diplomat arrived in New Delhi on his first visit.

For details:

<https://timesofindia.indiatimes.com/india/us-supports-indias-emergence-as-leadingglobal-power-state-department/articleshow/84796341.cms>

- **How SDG bonds could accelerate a Green Recovery (July 28, 2021)**

Southeast Asia's climate-resilient infrastructure financing needs are estimated by the Asian Development Bank (ADB) at \$210 billion per annum between 2016 and 2030. Where the financing gap is estimated at 50-60 percent of the target – likely worse with the COVID-19 pandemic's impacts – governments need private sector funds. The good news is that ADB technical assistance (through the ADB-managed ACGF-ASEAN Catalytic Green Finance Facility) for the government of Thailand in late 2020 saw the issuance of one of the first sustainability bonds since the pandemic broke out. This raised almost \$1 billion and was three times oversubscribed. Clearly, there is a demand for SDG bonds in the global financial community despite the pandemic.

For details: <https://www.greenbiz.com/article/how-sdg-bonds-could-accelerate-green-recovery>

- **Hitachi 'imagining' India as global hub for new age tech solutions, expects India operations to drive growth globally (August 01, 2021)**

Japanese conglomerate Hitachi is "imagining" India as a global hub in terms of new age technologies and solutions which will drive its businesses in the country as well as global markets, a top company official has said. The company, which has augmented its capacities through a concerted approach in India, is now looking at the country to be a hub in many new segments, including technology, artificial intelligence, energy storage and fast charging or environmentally friendly solutions, according to Hitachi India Managing Director Bharat Kaushal.

For details:

<https://telecom.economictimes.indiatimes.com/news/hitachi-imagining-india-as-global-hubfor-new-age-tech-solutions-expects-india-operations-to-drive-growth-globally/84943015>

- **Devyani International IPO : All You Need To Know (August 03, 2021)**

Devyani International Ltd. will sell shares at Rs. 86-90 apiece in its three-day initial public offering starting August 04, 2021, as the franchisee owner of KFC, Pizza Hut and Costa Coffee in India joins quick-service restaurant chain peers in a record year for maiden offers. The company is seeking a market valuation of Rs. 10,823 crore at the upper end of its price band. The offer comprises a fresh issue of Rs. 440 crore and an offer for sale worth Rs. 1,398 crore by its selling shareholders—Dunearn and RJ Corp. The latter was allotted 2.2 crore shares (ex-split) in March at Rs. 43.3 apiece on a private placement-cumpreferential allotment.

For details:

<https://www.bloomberquint.com/ipos/devyani-international-ipo-all-you-need-to-know>

- **Deepak Das takes charge as new Controller General of Accounts (August 01, 2021)**

Deepak Das took charge as the new Controller General of Accounts (CGA) on Sunday, August 1, 2021. Das is the 25th officer to hold the position of CGA. Deepak Das, a 1986- batch Indian Civil Accounts Service (ICAS) officer, is appointed by the Government of India as the Controller General of Accounts (CGA), Department of Expenditure, Ministry of Finance, with effect from August 01, 2021.

For details:

<https://economictimes.indiatimes.com/news/india/for-hit-and-run-death-governmentplans-rs-2-lakh-compensation/articleshow/84996865.cms>

- **Coming soon: Offshore campuses of Indian Institutes (August 04, 2021)**

The government, under the University Grants Commission (UGC), will now allow colleges and universities to set up offshore campuses abroad. Sources said that detailed guidelines on the category of institutes, based on academic history, batch size and courses, will be released by the government in the coming weeks.

For details:

<https://www.moneycontrol.com/news/business/economy/coming-soon-offshore-campus-of-indian-institutes-7271301.html>

- **Export basket of Northeast (August 05, 2021)**

Export of maize from Assam to Bangladesh close on the heels of export of 'Assam lemon' (Kaji Nemu) to London and Leteku (Burmese grapes) to Dubai speaks volumes of the huge potential of export of agricultural and horticultural products from the state. It also highlights the importance of diversifying the state's export basket to leverage India's deepening engagement with Bangladesh for trade and commerce.

For details: <https://www.sentinelassam.com/editorial/export-basket-of-northeast-549382>

- **AEPC Chairman addresses members at 42nd AGM; says Indian apparels to help achieve \$400 bn export target (August 16, 2021)**

Apparel Export Promotion Council (AEPC), Chairman Dr A Sakthivel has exuded confidence that India's merchandise exports will reach 400 billion dollars this fiscal as envisaged by Prime Minister Narendra Modi.

For details:

<https://knnindia.co.in/news/newsdetails/sectors/aepc-chairman-addresses-members-at42nd-agm-says-indian-apparels-to-help-achieve-400-bn-export-target>

- **India-UAE ties: Powering the future (August 17, 2021)**

The India-UAE partnership has withstood the test of time and adversity. The outbreak of the Covid-19 pandemic was, and is, yet another period when the two countries stood side by side and helped each other to ameliorate the impact it had on their people. Whether it be UAE's facilitation in the repatriation of Indian nationals through the Vande Bharat Mission, the urgent supply of medical oxygen, equipment and drugs in the midst of the pandemic or the provision of more than 400 healthcare personnel and HCQ shipments from India that reinforced UAE's fight against Covid-19, the bond between the two countries has only become stronger.

For details: <https://en.trend.az/world/other/3470531.html>

- **Shipping Industry in India: Prospects for Foreign Investors (August 23, 2021)**

India's strategic location, enveloped by the world's busiest maritime route in the Indian Ocean, marks the importance of its shipping industry which facilitates 95 percent of India's international trade by volume. Therefore India is according the highest priority to the development of its maritime sector and is seeking investments to the tune of US\$81 billion. India allows upto 100 percent FDI under automatic route for port and harbor construction projects.

For details:

<https://www.hellenicshippingnews.com/shipping-industry-in-india-prospects-for-foreigninvestors/>

- **India's exports to ASEAN seen at \$46 bn in FY 22 (August 24, 2021)**

India is likely to record exports worth \$46 billion to the ASEAN region, Ministry of State of Commerce and Industry Anupriya Patel said on Tuesday, August 24, 2021. Addressing the Indian - ASEAN Engineering Partnership Summit organised by EEPC India, she noted that as one of the largest destinations for Indian exports, the Association of South East Asian Nations will be an important region for India in meeting the global export target of \$400 billion in financial year 2021-22.

For details:

<https://english.lokmat.com/international/indias-exports-toasean-seen-at-46-bn-in-fy22- minister/>

- **13th BRICS summit to take place on 09 Sept; PM Modi to chair event virtually : MEA (September 06, 2021)**

Prime Minister Narendra Modi will chair the 13th BRICS Summit on 9 September 2021 in virtual format, said the Ministry of External Affairs (MEA) on Monday, September 06, 2021. The theme for the 13th BRICS (Brazil, Russia, India, China, South Africa) Summit under the chairmanship of India will be 'BRICS @ 15 : Intra-BRICS cooperation for continuity, consolidation and consensus,' the Ministry added.

For details:

<https://www.livemint.com/news/world/13th-brics-summit-to-takeplace-on-9-sept-underchairmanship-of-india-report11630917713648.html>

- **India likely to be part of top Global Bond Index by early next year: Morgan Stanley (Sept 9, 2021)**

India is likely to be included in one of the world's top global bond indices early next year, Morgan Stanley said in a note on September 08, 2021. This could attract \$170 billion to \$250 billion in bond inflows over the next decade. JPMorgan's influential GBI-EM (Government Bond Index - Emerging Markets) and Global Aggregate indices are likely to include India before February 2022. However, WGBI (world GBI) will not include India in the next few years, Morgan Stanley said.

For details:

<https://www.livemint.com/mutual-fund/mf-news/india-likely-to-be-part-of-top-global-bondindex-by-early-next-year-morgan-stanley-11631119251835.html>

- **NDB initiates Membership Expansion, Extends Global Outreach (Sept 9, 2021)**

The New Development Bank (NDB) established by BRICS (Brazil, Russia, India, China and South Africa) in 2015 has initiated its membership expansion. NDB's Board of Governors authorized the Bank to conduct formal negotiations with prospective members in late 2020. After a round of successful negotiations, NDB approved the admission of the United Arab Emirates (UAE), Uruguay and Bangladesh as its first new member countries, NDB said in a press release.

For details:

<https://www.hubbis.com/news/ndb-initiates-membershipexpansion-extends-globaloutreach>

Business and Economic News

Info Capsule Series 8

- **Government announces 500,000 free visas, loan guarantee scheme for Travel Sector (June 29, 2021)**

The Centre announced free visas for 500,000 tourists and a loan guarantee scheme to support recognised tour operators and tourist guides whose business has been disrupted due to Covid19 pandemic. Free visas will be issued once the government reopens borders for leisure tourists and working capital or personal loans will be provided to travel firms and registered tourist guides to discharge liabilities and restart their business.

For details:

https://www.business-standard.com/article/economy-policy/govt-announces-500-000-freevisas-loan-guarantee-scheme-for-travel-sector-121062801369_1.html

- **Tata Motors to launch 10 EVs by 2025, 'lead change' on carbon footprint (June 29, 2021)**

Tata Motors will aggressively push its presence in electric vehicles (EVs) and launch 10 new battery-electric vehicles by 2025 across segments in India. The company, which has the largest share of India's electric car market, will also invest in lithium-ion cell manufacturing in India and Europe to establish a proper supply chain for its zero-emission vehicles in the coming decade.

For details:

https://www.business-standard.com/article/automobile/tata-motors-to-launch-10-evs-by2025-lead-change-on-carbon-footprint-121062801293_1.html

- **Registration of new companies sees surge during the pandemic (June 29, 2021)**

The two waves of Covid-19 pandemic and the consequent business and economic uncertainty did little to dent the entrepreneurial spirit of Indian businessmen. This is evident in the month-on-month new company registrations consistently going up after hitting a nadir in April 2020. According to the MCA database, the number of new company registrations hit a low of 3,209 in April 2020. It then picked up pace with various phases of unlocking to cross 16,000 registrations in July 2020, possibly due to backlogs and remained above the level till October 2020. The monthly registrations hit a fresh high of 17,324 companies in March 2021 and stood at 10,915 companies in May 2021.

For details:

<https://www.thehindubusinessline.com/data-stories/data-focus/registration-of-new-companies-sees-surge-during-the-pandemic/article35023126.ece>

- **130 countries agree to Biden-backed 15% global minimum tax for companies [July 2, 2021]**

Around 130 countries have agreed on a global minimum tax backed by US President Mr. Joe Biden as part of a worldwide effort to keep multinational firms from dodging taxes by shifting their profits to countries with low rates. The agreement announced is an attempt to address challenges presented by a globalised and increasingly digital world economy in which profits can be relocated across borders and companies can earn online profits in places where they have no taxable headquarters. The deal calls for a global minimum tax of at least 15%, a key element pushed by Mr. Biden as he seeks to raise more revenue for his infrastructure and clean energy plans. There are still technical details that need to be worked out and it would be at least year 2023 before the agreement takes effect.

For details:

https://www.business-standard.com/article/international/130-countries-agree-to-biden-backed-15-global-minimum-tax-for-companies-121070200056_1.html

- **Highest ever merchandise exports in a quarter in the history of India (July 02, 2021)**

India sets a target of USD 400 billion merchandise exports in 2021-22. Despite COVID-19, labour-intensive sectors (engineering goods, rice, marine products, etc.) saw a rapid export growth. FDI inflow of USD 81.72 billion in 2020-21 has been recorded which is the highest ever. The number of startups recognised by DPIIT has also gone up to 50,000, spread across 623 districts.

For details:

https://dipp.gov.in/sites/default/files/pressRelee_MerchandiseExport_06July2021.pdf

- **Twitter Stripped of Safe Harbour Immunity under IT Act for Non-Compliance with IT Rules 2021: GOI To Delhi High Court (July 05, 2021)**

The Ministry of Electronics and Information Technology, (MeITy) Government of India has informed the Delhi High Court in an affidavit that the Safe Harbour Immunity under the Information Technology Act, 2000 (IT Act) is no longer available to Twitter, as it hasn't "fully" complied with the IT Rules, 2021.

For details:

<https://www.livelaw.in/news-updates/twitter-stripped-of-safe-harbour-immunity-under-it-delhi-high-court-non-compliance-176910>

- **Government issues draft norms to regulate direct selling cos (July 05, 2021)**

Direct selling companies such as Amway, Oriflame, Tupperware and similar entities in India will now have to comply with regulatory norms. The consumer affairs ministry has issued draft rules for their mandatory registration and has also proposed mechanisms to protect the direct sellers or agents and make the companies accountable to their consumers.

For details:

http://timesofindia.indiatimes.com/articleshow/84130653.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Central Government creates a new Ministry of Co-operation (July 06, 2021)**

Ahead of the much awaited cabinet expansion, the Union Government announced the creation of a new ministry named the Ministry of Co-operation to implement the vision of 'Sahkar se Samridhhi' or prosperity through co-operation. The creation of a separate ministry is also indicative of the Union Government's commitment to community based developmental partnership and fulfils the budget announcement made by the Finance Minister.

For details:

<https://www.hindustantimes.com/india-news/central-government-creates-a-new-ministryof-cooperation-101625591776206.html>

- **Twitter appoints Interim Compliance Officer (July 08, 2021)**

Facing flak for not complying with new IT rules, Twitter has now appointed an interim compliance officer. Twitter told the Delhi High Court that it has engaged the services of the Interim Chief Compliance Officer as a contingent worker via a third-party contractor and has also addressed a communication to MeitY, ANI reported.

For details:

https://economictimes.indiatimes.com/news/india/twitter-appoints-interim-compliance-officer/articleshow/84228759.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Twitter case : Government can proceed under new IT rules, says Delhi HC (July 08, 2021)**

The Delhi High Court said the Central Government can initiate action against Twitter in accordance with the new IT rules in case of non-compliance even as the micro-blogging site submitted a timeline on the appointment process of officers as mandated while maintaining that it reserves the right to challenge the rules.

For details:

<https://indianexpress.com/article/cities/delhi/centre-twitter-india-court-it-rules-7395141/>

- **Twitter appoints India-Based Grievance Officer amid trouble with Centre (July 11, 2021)**

Twitter India has appointed an Indian national as its officer for grievances redressal required under the new digital rules of the country. On its website, Twitter named Vinay Prakash as its Resident Grievance officer and provided an email contact id. The appointment comes amid a huge stand-off with the government as the new rules came into effect.

For details:

<https://www.ndtv.com/india-news/amid-stand-off-with-government-twitter-appoints-resident-grievance-officer-to-follow-new-it-rules-2483972>

- **Tata Group may seek indemnity clause in Air India deal (July 12, 2021)**

The Tata Group may ask for an indemnity clause in the Air India privatisation deal to protect itself from unexpected claims or 'hidden contracts' once the deal is done. Nevertheless, the company has been intensifying its due diligence on the Air India deal. This development comes on the back of possible risks arising out of claims made by Cairn Energy and Devas Multimedia that are seeking to seize the airline's overseas assets.

For details:

<https://www.businesstoday.in/latest/corporate/story/tata-group-may-seek-indemnity-clause-in-air-india-deal-301054-2021-07-12>

- **NMDC board approves demerger with NMDC Steel (July 13, 2021)**

National Mineral Development Corporation (NMDC) announced on Tuesday, July 13, 2021 that its Board of Directors has green-lit the demerger between NMDC Limited and NMDC Steel Limited. "The Board of Directors of NMDC Limited, at its meeting held on July 13, 2021, has approved the Scheme of Arrangement for Demerger between NMDC Limited ("Demerged Company") and NMDC Steel Limited ("Resulting Company") and their respective shareholders, pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013", NMDC said via a regulatory filing.

For details:

<https://www.businesstoday.in/latest/corporate/story/nmdc-board-approves-demerger-with-nmdc-steel-301246-2021-07-13>

- **WhatsApp banned 2 million Indian accounts during May 15-June 15 period (July 15, 2021)**

WhatsApp banned two million Indian accounts while it received 345 grievance reports between May 15 and June 15, the company said in its maiden monthly compliance report as mandated by the IT rules. The new IT rules require large digital platforms, with over five million users to publish compliance reports every month, mentioning the details of complaints received and action taken.

For details:

https://timesofindia.indiatimes.com/business/india-business/whatsapp-banned-2-million-indian-accounts-during-may-15-june-15-period/articleshow/84445519.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **India's GDP growth expected to be 8.8-9% in FY22 : Care Ratings (July 26, 2021)**

GDP growth for the year (FY22) is expected to be 8.8-9 per cent with GVA (gross value added) growth of 7.8 per cent. The main drivers of the economy would be agriculture and industry," the ratings agency said in its Economic Outlook for 2021-22.

For details:

<https://www.moneycontrol.com/news/business/economy/indias-gdp-growth-expected-to-be8-8-9-in-fy22-care-ratings-7227711.htm>

- **IMF cuts India's FY22 GDP forecast to 9.5% from 12.5% (July 27, 2021)**

The International Monetary Fund, on July 27, cut India's gross domestic product (GDP) growth forecast to 9.5 % for fiscal year 2021-22, from the previous forecast of 12.5 %, citing the hit on economic activity and demand due to the deadly 'second wave' of the COVID-19 pandemic.

For details:

<https://www.moneycontrol.com/news/business/economy/imf-cuts-indias-fy22-gdp-forecastto-9-5-from-12-5-7234481.html>

- **With an aim to further improve ease of doing business, Centre launches the "Secured Logistics Document Exchange" along with a Calculator for Green House Gas Emissions (July 28, 2021)**

The Digital initiative is now set to improve logistics efficiency, reduce logistics cost, and promote multi-modality and sustainability in a big way. These digital initiatives have been launched to fill the gap areas where no action has yet been taken either by private players or any of the line ministries. The Launch Event was attended by more than 75 participants from the Central Ministries, Banks, IT companies, international organizations, logistics sector stakeholders and industry bodies.

For details: <https://pib.gov.in/PressReleseDetail.aspx?PRID=1740023>

- **Review of Foreign Direct Investment (FDI) Policy on Petroleum & Natural Gas Sector (July 29, 2021)**

The Government of India vide Press Note No. 3 (2021 Series) has reviewed the extant FDI policy on Petroleum & Natural Gas sector and has made the following amendment in the Consolidated FDI Policy Circular of 2020, as amended from time to time (FDI Policy).

A new Para 5.2.4.3 is inserted under Para 5.2.4 of the FDI Policy. Accordingly, Para 5.2.4 of FDI Policy is amended to be read as under:

5.2.4 Petroleum & Natural Gas

Sector/Activity	% of Equity/ FDI Cap	Entry Route
5.2.4.1 Exploration activities of oil and natural gas fields, infrastructure related to marketing of petroleum products and natural gas, marketing of natural gas and petroleum products, petroleum product pipelines, natural gas/pipelines, LNG Regasification infrastructure, market study and formulation and Petroleum refining in the private sector, subject to the existing sectoral policy and regulatory framework in the oil marketing sector and the policy of the Government on private participation in exploration of oil and the discovered fields Of national oil companies.	100%	Automatic
5.2.4.2 Petroleum refining by the Public Sector Undertakings (PSU), without any disinvestment or dilution of domestic equity in the existing PSUs	49%	Automatic

For details:

<https://dipp.gov.in/sites/default/files/pn3-2021.PDF>

- **PM Modi launches e-RUPI 'to strengthen DBT, ensure leakage-free delivery' (August 02, 2021)**

Prime Minister Narendra Modi on August 02, 2021 launched a new digital payments solution, eRUPI, which he described as a platform which will further strengthen the country's Direct Benefit Transfer (DBT) programme.

For details:

<https://www.moneycontrol.com/news/trends/current-affairs-trends/pm-modi-launches-e-rupi-tostrengthen-dbt-ensure-leakage-free-delivery-7263021.html>

- **India's e-Commerce market continues to grow at YoY rate of 5 percent despite COVID challenge, as per NASSCOM (August 03, 2021)**

The Union Minister of State for Consumer Affairs, Food and Public Distribution, Shri Ashwini Kumar Choubey in a written reply to a question in Lok Sabha today informed that as per National Association of Software & Services Companies (NASSCOM), India's e-Commerce market continues to grow at Year on Year rate of 5 percent with estimated revenue of USD 56.6 billion in FY 2021 despite COVID-19 led challenges. Department for Promotion of Industry and Internal Trade has informed that no quantifiable assessment has been made with regard to rising online purchasing/e-commerce trade during the last two years. Complaints are lodged by consumers on the National Consumer Helpline run by the Department of Consumer Affairs relating to payment, quality and quantity issues, manufacturing defects, nonproviding of services, etc. The complaints of the consumers are transferred through the Integrated Grievance Redress Mechanism software to the companies concerned for redressal. In cases where consumers are not satisfied with the redressal, they are advised to approach the Consumer Commission of appropriate jurisdiction for redressal of their grievances. The e-Daakhil portal enables consumers to file their grievances online, in the Consumer Commission of their choice. The Consumer Commissions are empowered to give relief of a specific nature and award, wherever appropriate, compensation to consumers.

For details: <https://www.pib.gov.in/PressReleseDetail.aspx?PRID=1741860>

- **Efficient distribution sector essential for improving ease of doing business: Niti Aayog VC Rajiv Kumar**

Releasing a report titled 'Turning Around the Power Distribution Sector', Kumar said the report examines many important reforms such as the role of the private sector in distribution, power procurement, regulatory oversight, integration of renewable energy, and upgradation of infrastructure.

For detail:

<https://www.moneycontrol.com/news/business/economy/efficient-distribution-sector-essential-for-improving-ease-of-doing-business-niti-aayog-vc-rajiv-kumar-7269541.html>

- **Report on Turning Around the Power Distribution Sector : Learning And Best Practices From Reforms can be accessed on the link: http://www.niti.gov.in/sites/default/files/2021-08/ElectricityDistribution-Report_030821.pdf**

- **ED slaps Rs. 10,600-crore notice on Flipkart for forex violations (August 05, 2021)**

The Enforcement Directorate (ED) has slapped its biggest FEMA show-cause notice of Rs. 10,600 crore on Sachin Bansal and Binny Bansal-founded Flipkart and nine other entities/ individuals linked to the e-commerce major for allegedly flouting foreign exchange rules. The central probe agency has charged these entities by an order issued in July by the adjudicating authority of the Foreign Exchange Management Act (FEMA).

For details:

https://www.business-standard.com/article/companies/ed-slaps-rs-10-600-crore-noticeon-flipkart-for-forex-violations-121080500036_1.html

- **Kumar Mangalam Birla steps down as Voda Idea Chairman (August 05, 2021)**

Vodafone Idea Ltd.'s board accepted Chairman Kumar Mangalam Birla's request to step down, as he distanced himself from the beleaguered telecom operator, underscoring the gravity of the crisis that has engulfed the once-booming strategic sector.

For details:

<https://www.livemint.com/companies/news/kumar-mangalam-birla-steps-down-as-vodaidea-chairman-11628103708065.html>

- **Amazon wins Supreme Court case restraining merger between Future and Reliance (August 06, 2021)**

The Supreme Court has upheld e-commerce giant Amazon's plea against the Rs 24,731- crore merger of Future Retail Ltd (FRL) with Reliance Retail. The top Court said that the order by a Singapore arbitrator in October - that put the deal on hold after finding merit in Amazon's objections - was valid. Amazon and FRL have been embroiled in a bitter legal fight over the deal and the US-based firm has sought in the apex court that the EA award was valid and enforceable.

For details:

https://economictimes.indiatimes.com/industry/services/retail/future-reliance-deal-amazon-wins-supreme-court-case/articleshow/85091208.cms?utm_source=ETnotifications&utm_medium=editpush&utm_campaign=Retail&utm_content=bigimage

- **Government nullifies retro tax; introduces Bill to amend Income Tax Act 1961 (August 06, 2021)**

The Taxation Laws (Amendment) Bill, 2021 passed in Lok Sabha on August 6, 2021 proposes to amend the Income Tax Act, 1961 and the Finance Act, 2012 to scrap the effect of RETRO TAX amendment (which took place in the year 2012 after Supreme Court judgement in the case of Vodafone International B.V vs. Union of India & Anr.) to the Incometax law for Indirect Transfer of Indian Assets.

For details : http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/120_2021_LS_E.pdf

- **Supreme Court refuses to stop CCI probe against Amazon and Flipkart (August 09, 2021)**

The Supreme Court on Monday refused to interfere with Karnataka High Court's order which declined to stop the investigation initiated by the Competition Commission of India (CCI) against Amazon and Flipkart for alleged anti-competitive practices.

For details:

https://www.business-standard.com/article/companies/supreme-court-refuses-to-stop-cciprobe-against-amazon-and-flipkart-121080900769_1.html

- **Economy picking up pace, industry needs to increase risk taking appetite: PM Modi at CII Annual Meeting (August 11, 2021)**

Prime Minister Narendra Modi on Wednesday said that the country's economic growth is picking up pace again and the domestic industry needs to enhance its risk-taking appetite. He also said that taking reforms is a matter of conviction for the government, which is ready to take all risks in the national interest.

For details:

<https://www.financialexpress.com/economy/economy-picking-up-pace-industry-needs-to-increase-risk-taking-appetite-pm-modi-at-cii-annual-meeting/2308859/>

- **Meesho becomes India's most downloaded app across all categories (August 11, 2021)**

E-commerce platform Meesho, the reseller and marketplace platform combined in one, has pitchforked itself into the position of India's most downloaded app across all segments. According to data by Sensor Tower that examines apps in Google Play, Meesho has left Instagram, WhatsApp, Google, Amazon and Flipkart far behind.

For details:

https://www.business-standard.com/article/companies/meesho-becomes-india-s-mostdownloaded-app-across-all-categories-121081101893_1.html

- **PM Modi announces Rs 100 lakh crore infra development programme 'Gatishakti' (August 15, 2021)**

Prime Minister Narendra Modi on Sunday announced Rs 100 lakh crore 'Gatishakti' initiative to bring employment opportunities for the youth and to help in holistic infrastructure growth.

For details:

<https://economictimes.indiatimes.com/news/economy/infrastructure/pm-unveils-100-l-cr-gatishakti-plan-to-boost-infra/articleshow/85356872.cms?from=mdr>

- **ONDC to end monopolistic practices in e-commerce : Piyush Goyal (August 14, 2021)**

Commerce & Industry Piyush Goyal on Friday said the proposed Open Network for Digital Commerce (ONDC) will end monopolistic practices in digital commerce in India. "Goyal deliberated with the members of the advisory council & experts on how the initiative will democratise digital commerce & move it from platform-centric model to an open-network model," commerce ministry said in a statement after Goyal chaired a meeting of the advisory council.

For details:

<https://www.livemint.com/news/india/ondc-to-end-monopolistic-practices-in-ecommerce-piyush-goyal-11628873842438.html>

- **Cabinet note on cryptocurrency bill ready, awaiting clearance : FM Sitharaman (August 17, 2021)**

The Union Cabinet is soon expected to take up a bill to regulate cryptocurrency and its growing market in India, Finance Minister Nirmala Sitharaman said on August 16. "Cabinet note is ready on cryptocurrency bill. I am awaiting Cabinet to clear that," Sitharaman said during an interaction with reporters.

For details:

<https://www.moneycontrol.com/news/business/economy/cabinet-note-on-cryptocurrencybill-ready-awaiting-clearance-fm-sitharaman-7344881.html>

- **Government mulls proposal to bring LLPs, PSBs under CSR ambit (August 18, 2021)**

The government is considering a proposal to amend existing laws to make it mandatory for Limited Liability Partnership (LLP) firms and state-run banks such as the State Bank of India (SBI) to spend 2% of their net profit in Corporate Social Responsibility (CSR) activities.

For details:

<https://www.livemint.com/companies/news/govt-mulls-proposal-to-bring-llps-psbs-under-csr-ambit-11629228080263.html>

- **Finance Minister Smt. Nirmala Sitharaman discusses various issues related to climate change with Rt. Hon Alok Sharma, COP 26 President Designate (August 18, 2021)**

Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman met Rt. Hon Alok Sharma, the COP 26 President Designate, and discussed various issues related to climate change and specifically COP 26. The Finance Minister stated that India is among a few G20 countries on track towards UNFCCC and Paris Agreement goals and has taken decisive actions to tackle climate change.

For details: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1747066>

- **India expresses desire to expand the horizon of New Development Bank (NDB) for strengthening social infrastructure at BRICS Industry Ministers meet. (August 18, 2021)**

Union Minister of Commerce and Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal chaired the “5th meeting of BRICS Industry Ministers” Meeting under the Chairship of India. The Ministers present expressed their intention to collaborate with the New Development Bank (NDB). India expressed the desire to expand the horizon of NDB and resources be utilized for strengthening of social infrastructure besides promotion of Industrial sector.

For details: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1747176>

- **FM announces plan to monetise assets, realise Rs 6 trillion till 2024-25 (August 24, 2021)**

Finance Minister Nirmala Sitharaman announced a pipeline of assets the government is looking to monetise to collect about Rs. 6 trillion to partly fund its ambitious infrastructure projects over four years ending 2024-25. About Rs. 88,000 crore will be realised through asset monetisation in the current financial year.

For details:

https://www.business-standard.com/article/economy-policy/fm-announces-plan-to-monetise-assets-realise-rs-6-trillion-till-2024-25-121082300923_1.html

- **Foreign direct investments rise to \$12.1 billion in May: Piyush Goyal (August 24, 2021)**

"India has received the highest ever FDI inflow in 2020-21. It surged by 10 per cent to USD 81.72 billion and FDI during May 2021 is USD 12.1 billion, i.e. 203 per cent higher than May 2020," he said while addressing a meeting of different industry associations on promoting exports.

For details:

<https://www.moneycontrol.com/news/business/economy/foreign-direct-investments-rise-to-12-1-billion-in-may-piyush-goyal-7378521.html>

- **Govt. eyes over Rs. 45,000 crore from monetisation of power transmission assets by FY25 (August 24, 2021)**

Finance Minister Nirmala Sitharaman on Monday announced a Rs. 6 lakh crore National Monetisation Pipeline (NMP) that will look to unlock value in infrastructure assets across sectors ranging from power to road and railways.

For details:

<https://www.moneycontrol.com/news/business/economy/govt-eyes-over-rs-45000-crore-from-monetisation-of-power-transmission-assets-by-fy25-7378501.html>

- **Streamline investment for insurance, pension funds in InvITs : NITI Aayog (August 30, 2021)**

The NITI Aayog has suggested streamlining limits for investment by insurance and pension funds in infrastructure investment trusts (InvITs) to promote active participation by investors to fund infrastructure (infra) projects. “The long-term nature of infra projects requires active participation from investors looking at a similar return profile from their investments. However, the existing investment guidelines for insurance and pension funds limit the exposure of such funds to InvIT/real estate investment trust (REIT) assets,” the Aayog said in the guidebook of the National Monetisation Pipeline (NMP).

For details:

https://www.business-standard.com/article/economy-policy/streamline-investment-forinsurance-pension-funds-in-invits-niti-aayog-121083001131_1.html

- **National Monetisation Pipeline (NMP) by NITI Aayog:**

<https://www.niti.gov.in/national-monetisation-pipeline>

- **Institutional shareholders voting against top brass’ resolutions in AGMs (August 31, 2021)**

Institutional investors have voted against resolutions of as many as 63 companies since the start of the AGM season in July this year, and this is expected to climb further in the coming months.

For details:

<https://www.financialexpress.com/industry/institutional-shareholders-voting-againsttop-brass-resolutions-in-agms/2320703/lite/>

- **Index of Eight Core Industries (Base: 2011-12=100) for July, 2021 (August 31, 2021)’**

The Office of Economic Adviser, Department for Promotion of Industry and Internal Trade (DPIIT) is releasing Index of Eight Core Industries (ICI) for the Month of July, 2021. ICI measures combined and individual performance of production in selected eight core industries viz. Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity. The Eight Core Industries comprise 40.27 percent of the weight of items included in the Index of Industrial Production (IIP). Details of yearly and monthly indices and growth rates are provided at Annex I & II respectively.

The combined Index of Eight Core Industries stood at 134.0 in July 2021, which increased by 9.4 per cent (provisional) as compared to the Index of July 2020. The production of Coal, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity industries increased in July 2021 over the corresponding period of last year.

Final growth rate of Index of Eight Core Industries for April 2021 is revised to 62.6% from its provisional level 56.1%. The growth rate of ICI during April-July 2021-22 was 21.2% (P) as compared to the corresponding period of last FY.

For details: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1750778>

- **Economic recovery to need both fiscal, monetary policy support: Experts (September 01, 2021)**

Data released by the National Statistical Office (NSO) showed that the Indian economy grew by a record 20.1 per cent in the April-June quarter, helped by a very weak base of last year and a sharp rebound in the manufacturing and services sectors in spite of a devastating second wave of COVID-19 cases.

For details:

<https://www.moneycontrol.com/news/business/economy/economic-recovery-to-needboth-fiscal-monetary-policy-support-experts-7414041.html>

- **India, UK agree to be ambitious on services deal in FTA negotiations(September 03, 2021)**

Pointing out that services account for 71 per cent of UK's GDP and 54 per cent of India's, the statement released after India-UK Economic and Financial Dialogue said both countries recognise the importance of services in their respective economies.

For detail:

https://www.business-standard.com/article/economy-policy/india-uk-agree-to-beambitious-on-services-deal-in-fta-negotiations-121090201342_1.html

- **Need to ensure orderly growth of account aggregator ecosystem: RBI Dy Guv (September 03, 2021)**

The account aggregator ecosystem in the country is in a nascent stage and there is a need for its orderly growth, Reserve Bank of India's Deputy Governor M Rajeshwar Rao said on Thursday. Account Aggregators (AA) are entities that enable financial data sharing from Financial Information Providers (FIPs) to Financial Information Users (FIUs), based on the consent from the customers.

For details:

https://www.business-standard.com/article/finance/need-to-ensure-orderly-growth-ofaccount-aggregator-ecosystem-rbi-dy-guv-121090201174_1.html

- **Brands get responsible on recycling and reusing (September 05, 2021)**

In a move that will eliminate 30 million plastic straws annually, Nestlé India has decided to switch to paper straws for Milo and Nescafe cold coffee beverage portfolio. In fact, the company will be leveraging its association with Royal Challengers Bangalore to focus on the sustainability theme during the upcoming IPL matches.

For details: <https://theoutreach.in/brands-get-responsible-on-recycling-and-reusing/>

- **Beware! Employees of popular apps have access to your data (September 05, 2021)**

Increasingly, cases of employees going rogue and misusing data are surfacing. There's a draft Personal Data Protection Bill in the waiting, which is likely to take care of some of these issues by holding companies accountable when there's a breach and also giving consumers more clarity on the legal discourse they could opt for.

For details: <https://theoutreach.in/beware-employees-of-popular-apps-have-access-to-your-data/>

- **Union Cabinet approves Rs. 10,683 crore PLI scheme for Textile Sector (September 09, 2021)**

The Union Cabinet approved the Production-Linked Incentive (PLI) scheme for textiles for a budgetary outlay of Rs. 10,683 crore to boost domestic manufacturing of Man-Made Fibres (MMF), garments, and technical textiles. Incentives will be provided over five years for manufacturing these products. The scheme is focused at expanding MMFs and technical textiles' value chain and will help India regain its dominant status in the global textile trade, at a time when India's share of global exports has gradually declined over the years.

For details:

https://www.business-standard.com/article/economy-policy/union-cabinet-approves-rs-10-683-crore-pli-scheme-for-textile-sector-121090801448_1.html

Arbitration & Mediation Law

Info Capsule Series 6

- **India becoming hub of international arbitration will also promote ease of doing business: Kiren Rijju (July 15, 2021)**

Law Minister Sh. Kiren Rijju underlined the need to make India a hub of international arbitration, saying this will also help in promoting ease of doing business in the country. Interacting with officers of the Department of Legal Affairs and Legislative Department in the Law Ministry, he said to achieve the prime minister's vision of developing India as an international arbitration hub, the Arbitration Council of India (ACI) and the New Delhi International Arbitration Centre (NDIAC) are required to be set up. Establishing these institutions would not only help in reduction of litigation for appointment of arbitrators, but would promote institutional arbitration, which is the need of the hour, an official statement said quoting Sh. Rijju.

For details:

https://economictimes.indiatimes.com/news/india/india-becoming-hub-of-international-arbitration-will-also-promote-ease-of-doing-business-kiren-rijju/articleshow/84449793.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Make mediation first step to settle disputes : CJI N V Ramana (July 18, 2021)**

With the pendency of cases crossing the 4.5-crore mark over burdening the three-tier justice delivery system, Chief Justice of India N V Ramana on Saturday, July 17, 2021 said mediation should be made mandatory as a first step for dispute resolution and a law should be framed in this regard. "Given the growing scope of mediation, it is time for India to enter mission mode. To popularise mediation as cheaper and faster dispute resolution mechanism, a movement needs to be launched," the CJI said.

For details:

https://timesofindia.indiatimes.com/india/make-mediation-first-step-to-settle-disputes-cji-n-v-ramana/articleshow/84515193.cms?utm_source=whatsapp&utm_source=contentofinterest&utm_medium=social&utm_medium=text&utm_campaign=toiarticleshowicon&utm_campaign=cppst

Governance

Info Capsule Series 8

- **Vedanta shareholders oppose reappointment of Former SEBI Chief U K Sinha (August 13, 2021)**

An overwhelming number of public shareholders of commodity major Vedanta have voted against a resolution to re-appoint UK Sinha, the previous chief at market regulator SEBI—on its board. While the resolution was still passed on the back of promoter support, it underscored the extent of emphasis institutional investors are placing on issues such as corporate governance and transparency.

For details:

https://www.business-standard.com/article/companies/vedanta-shareholders-opposereappointment-of-former-sebi-chief-u-k-sinha-121081201746_1.html

- **India Inc pampering independent directors with fat pay-cheques (August 17, 2021)**

Minority shareholder advisory firms have raised concerns about India Inc handing out fat pay-cheques to some independent directors, who are said to be receiving from Rs.1 crore to Rs.5 crore per annum. SEBI has capped the sitting fees of IDs at Rs.1 lakh per board meeting.

For details:

<https://www.thehindubusinessline.com/markets/stock-markets/india-inc-pampering-independent-directors-with-fat-pay-cheques/article35945739.ece>

Pronouncements

Info Capsule Series 8

<i>June 28, 2021</i>	<i>In the matter of Mohit Agro Commodities Processing Pvt. Ltd. & Ors.</i>	<i>NCLAT</i>
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When the ‘Transferor and Transferee Company’ involve a Parent Company and a Wholly Owned Subsidiary the meeting of Equity Shareholders and Creditors can be dispensed with.

Fact of the Case

The Appellant Company (‘Transferor Company’ and ‘Transferee Company’) filed Applications under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 seeking dispensation of the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors in respect of the scheme of Amalgamation of the ‘Transferor Company’ with the ‘Transferee Company’. It is contented that there is no change in the capital structure of the ‘Transferor Company’ till the date of approval of the schemes by the Board of Directors. It is further stated that the ‘Transferor Company’ is a Wholly Owned Subsidiary of the ‘Transferee Company’ and that both the Companies are incorporated in similar type of nature of activities and that the ‘Transferee Company’ had acquired the ‘Transferor Company’ as a business supportive mechanism for ease of operations.

Judgment

The NCLAT has observed that Section 232(1) of the Companies Act, 2013 uses the word ‘may’ which introduces an element of discretion to the Tribunal to be exercised in the interest of justice in appropriate situations. Section 232 is a specific provision carved out by the Legislature when both conditions maintained in clauses (a) and (b) of sub-Section (1) of Section 232 are met. Therefore, in the instant case it is held that the rights and liabilities of Secured and Unsecured Creditors were not getting affected in any manner by way of the proposed scheme as no new shares are being issued by the ‘Transferor Company’ and no compromise is offered to any Secured and Unsecured Creditors of the ‘Transferee Company’. Hence, when the ‘Transferor and Transferee Company’

involve a Parent Company and a Wholly Owned Subsidiary the meeting of Equity Shareholders, Secured and Unsecured Creditors can be dispensed with.

For details:

https://efiling.nclat.gov.in/nclat/order_view.php?path=L05DTEFUX0RvY3VtZW50cy9DSVNfRG9jdW1lbnRzL2Nhc2Vkb2Mvb3JkZXJzL0RFTEhJLzlwMjEtMDYtMjg2Y291cnRzLzZGFpbnRvMTYyNDk0MDcwMTg2NjE3NTkyODYwZGFhMDlkZDcyYTYucGRm

July 13, 2021	<i>In re Emerald Court Co-operative Housing Society Limited</i>	<i>GST AAR Maharashtra</i>
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GST is applicable on Co-operative Housing Society (CHS) maintenance charges if Members' monthly contribution exceeds Rs.7500

Facts of the case:

The applicant, Emerald Court Co-op Housing Society Ltd. is a Co-operative Housing Society (CHS). It looks after the upkeep of the society and its members. The CHS provides services to its members in the form of facilities or benefits like security, cleaning, repairs, water, common electricity, etc. It also arranges to pay for the ancillary services like accounting, auditing, caretaker, etc. Presently, the CHS is raising monthly bills on its members which consist of 2 parts, one is the property tax on which GST is not being charged and another is 'Maintenance charges' on which GST is being charged. The applicant had sought the advance ruling on the issue of chargeability of GST on such transactions since there could be no sale by the Co-operative Housing Societies to their own permanent members, for the doctrine of mutuality would come into play.

Judgment:

The Maharashtra Authority of Advance Ruling (AAR) ruled that housing societies should pay Goods and Services Tax (GST) on Maintenance Charges if Members' monthly contribution exceeds Rs.7,500. The AAR took in to consideration a retrospective amendment dating back to July 01, 2017, made by the Finance Act, 2021 whereby a CHS and its members are treated as 'distinct entities.' According to a government circular, a CHS has to levy and collect GST at 18% on the maintenance charges, if these exceed Rs. 7,500 per month per member. However, it should be noted that smaller societies with an annual turnover of Rs. 20 lakh or less do not have to register and consequently do not have to comply with GST obligations.

For details:

<https://timesofindia.indiatimes.com/city/mumbai/aar-chs-has-to-pay-gst-onmaintenance/articleshow/84537620.cms>

02.08.2021	<i>Commissioner of Income Tax (Exemption) vs. Batanagar Education and Research Trust</i>	<i>Supreme Court</i>
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Entity which misuses Status under Section 12AA Income Tax Act, 1961 not entitled to retain it

Fact of the case :

The Trust was registered under Section 12AA of the Income Tax Act, 1961 (the Act) and was also accorded approval under Section 80G (vi) of the Act. In a survey conducted on an entity, it was prima facie observed that the Trust was not carrying out its activities in accordance with the objects of the Trust. A show cause notice was, therefore, issued by the CIT.

The CIT (Exemption) cancelled registration of the Trust on the ground that the Trust had received bogus donation from School of Human Genetics and Population Health. The Income Tax Appellate Tribunal dismissed the appeals filed by the Trust. The Calcutta High Court allowed the appeal filed by the Trust and set aside the cancellation order.

Judgement :

In appeal, the bench comprising Justice Uday Umesh Lalit and Ajay Rastogi noted that the answers given to the questionnaire by the Managing Trustee of the Trust show the extent of misuse of the status enjoyed by the Trust by virtue of registration under Section 12AA of the Act.

"These answers also show that donations were received by way of cheques out of which substantial money was ploughed back or returned to the donors in cash. The facts thus clearly show that those were bogus donations and that the registration conferred upon it under Sections 12AA and 80G of the Act was completely being misused by the Trust. An entity which is misusing the status conferred upon it by Section 12AA of the Act is not entitled to retain and enjoy said status. The authorities were therefore, right and justified in cancelling the registration under Sections 12AA and 80G of the Act", the Court said.

For details:

https://www.livelaw.in/pdf_upload/commissioner-of-income-tax-exemption-vs-batanagareducation-and-research-trust-ll-2021-sc-337-397805.pdf

Terminologies

Info Capsule Series 8

Absolute Error

The difference between the true value of a parameter in the population and a value derived from a survey. Total error is the sum of the sampling and non-sampling errors in a survey

Ad Hoc Research

Research that is specifically designed to address a particular problem or issue. Ad hoc research is usually conducted when there is insufficient existing information. Ad hoc projects are usually single pieces of research rather than part of a continuous program

Artificial variable

A variable that has no physical meaning in terms of the original linear programming problem, but serves merely to enable a basic feasible solution to be created for starting the simplex method. Artificial variables are assigned an objective function coefficient of $-M$, where M is a very large number

Autonomous Investment

Autonomous investment is the level of investment independent of national output. This includes Government investment, investment to replace worn out capital and any other type of investment that is not dependent on change in Goal.

Average Treatment Effect

The Average Treatment Effect (ATE) measures the difference in the mean (average) outcome between the individuals or other units (e.g., classrooms, schools) assigned to the treatment and those assigned to the control. For example, in a study of the effects of a preschool reading intervention, the ATE would be the difference in average reading scores for children who received the intervention (treatment group) and the average reading scores for those who did not (control group).

Balloon mortgage

Balloon mortgages are just for short term and it has a fixed rate mortgage. In balloon mortgage, a monthly payment is lower because of large payment at the end of a term. A balloon payment is for honest and qualified borrowers who have a good credit history.

Black Swan

A black swan is an unpredictable event that is beyond what is normally expected of a situation and has potentially severe consequences. Black swan events are characterized by their extreme rarity, severe impact, and the widespread insistence they were obvious in hindsight.

Blue Sky Laws (U.S)

Laws passed by the states in the U.S. to protect investors. The term traces its origin to a remark made by a Kansas legislator that unless a state passed effective legislation promoters would try to sell shares in the blue sky to unsuspecting investors.

Bollinger Band

A Bollinger Band is a technical analysis tool defined by a set of trendlines plotted two standard deviations (positively and negatively) away from a Simple Moving Average (SMA) of a security's price, but which can be adjusted to user preferences.

Climate transition benchmarks

Climate transition benchmarks are indices of equities or corporate bonds which aim to assist in meeting the decarbonization objectives set by the European Union's Sustainable Finance Action Plan. They aim to promote sustainable investment in companies that are helping to combat global warming, principally by cutting greenhouse gas emissions.

Cohort Analysis

A group by group analytic treatment of individuals having a statistical factor in common to each group. Group members share a particular characteristic [e.g., born in a given year] or a common experience [e.g., entering a college at a given time].

Competitive Intelligence

It involves gathering, analyzing, and managing data and information regarding the business environment in which a company operates

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It involves gathering, analyzing, and managing data and information regarding the business environment in which a company operates.

Consensus Algorithm (or Protocol)

The set of rules or the algorithm followed by a distributed system to achieve a consensus. For Blockchains this is generally used to decide what blocks and transactions are added to the network

Constructivism

The idea that reality is socially constructed. It is the view that reality cannot be understood outside of the way humans interact and that the idea that knowledge is constructed, not discovered. Constructivists believe that learning is more active and self-directed than either behaviourism or cognitive theory would postulate.

Contingent capital

A scheme to protect banks against reduced credit that may arise during a financial crisis, whereby banks set aside capital, classified as a debt obligation, which would be converted into equity in the event of financial difficulties.

Convexity

A financial instrument is said to be convex (or to possess convexity) if the financial instrument's price increases (decreases) faster (slower) than corresponding changes in the underlying price.

CRUD matrix

A two-dimensional matrix showing which user roles have permission to access specific information entities, to create new records in those entities, to view the data in existing records, to update or modify the data in existing records, or to delete existing records. An alternate use of the CRUD matrix can be used to show which processes, instead of users, have the permission to create, read, update and delete rights.

DECIDE Model

A model of the decision-making process; Define the marketing problem, Enumerate the controllable and uncontrollable decision factors, Collect relevant information, Identify the best alternative, Develop and implement a marketing plan, and Evaluate the decision.

Divergence Threshold

The critical value of each European Monetary System member's divergence indicator that, when reached, establishes the presumption that domestic economic policies will be adjusted.

Emancipatory Research

A research that is conducted on and with people from marginalized groups or communities. It is led by a researcher or research team who is either an indigenous or external insider; is interpreted within intellectual frameworks of that group; and, is conducted largely for the purpose of empowering members of that community and improving services for them.

Endogenous Growth

The theory that in the long run economic growth is governed by factors within the national system and not by factors outside it.

Ethereum

It is a blockchain like that of bitcoin. A set of anonymous computers that maintains a shared record. Ethereum has a currency called Ether, which can be stored in a wallet, and bought and sold, like bitcoin. The main difference is that Ethereum has a more sophisticated programming language, specially designed to write and run smart contracts.

Executive Dashboard

Executive Dashboard allows the executive team to gain instant insight into the big picture of an entire organization from finance and operations to sales and marketing. Executive Dashboards (such as those Jet Reports delivers through Jet Analytics) are fully customizable to display the data that matters to the executive team.

Fait Accompli

A fait accompli is something that's already done. The phrase fait accompli is French, and it literally means "an accomplished fact."

FANG Stocks

In finance, the acronym FANG refers to the stocks of four prominent American technology companies- Facebook, Amazon, Netflix and Google.

Financial Inclusion (FI) Index

The RBI conceptualised and constructed the FI-Index as a comprehensive measure that incorporates details of banking, investments, insurance, postal as well as the pension sector in consultation with the government and regulators.

Fishbone Diagram

A fishbone diagram is a problem-analysis tool that derives its name from its shape which resembles the skeleton of a fish. Developed by Dr. Kaoru Ishikawa, a Japanese quality control statistician, the fishbone diagram is a systematic way of looking at an effect and identifying and capturing the causes that contribute and result in that particular effect. For this reason, it is sometimes referred to as a cause and effect diagram

Flight Capital

Monies which are taken out of a country as a result of instability in the political, economic or social environment.

Forum shopping

Forum shopping is a practice where litigants file their legal case in a court which they believe is probable of providing a favourable verdict. In a broader context, it is a practice of frequently seeking a dispute resolution forum for a complaint, concern or action, until one is found. Certain jurisdictions are known to have become 'plaintiff-friendly', due to which they attract a large number of lawsuit despite little or no connection between the legal matters and the jurisdiction in which they are to be prosecuted.

Game Theory

Discipline based on economics and mathematics that studies the way in which agents make strategic decisions under different information situations and incentive schemes. It is a central part of the new field of decentralized justice.

Incremental Innovation

Incremental innovation refers to a series of small, gradually built improvements to existing products, processes or methods to maintain competitive position over time.

International Securities Identification Number (ISIN)

The international standard that is used to uniquely identify securities. It consists of a two character alphabetic country code specified in ISO 6166, followed by a nine-character alphanumeric security identifier (assigned by a national security numbering agency), and then an ISIN check-digit.

Longitudinal Research

Researchers performing a longitudinal study will run the same survey many times over short or long periods, in an effort to observe how the opinions, behaviors or habits of the same population change over time. The population can also be randomized to see how time impacts the questions being asked, regardless of population

OLAP

Online analytical processing (OLAP) refers to descriptive analytic techniques of slicing and dicing the data to understand it better and discover patterns and insights. The term is derived from another term “OLTP” - online transaction processing which comes from the data warehousing world.

Option pricing curve

A graphical representation of the estimated theoretical value of an option at one point in time, at various prices of the underlying stock.

PDCA Method

A 4-step, iterative method commonly used for Business Process Improvement. PDCA stands for Plan, Do, Check, Act. It is used to create a feedback loop based on measurable results and make incremental changes and improvements over time

Predatory pricing

A phenomenon when a firm under-prices a product with the object of limiting competition.

Quanto Option

An option the payout for which is denominated in an index other than the underlying cash instrument.

Ratcheting Effect

A Keynesian theory that states that once prices have risen according to a rise in aggregate demand, they do not always reverse when that demand falls. In governance, the term refers to an effect in which the medium of executive compensation increases as multiple companies within a group increase compensation to match their peers or exceed the medium compensation.

Research and Development Cost Ratio

Research and development costs / Sales. This margin shows how much the company invests in developing the next generation of products or services for each dollar of sales.

Sector Index

An index that measures the performance of a narrow market segment, such as biotechnology or small capitalization stocks.

Split Verdict

Split Verdict refer to a verdict in which one issue is decided in favor of first party and the other issue is decided in favor of other party.

For eg. A claim over one property is admitted in favor of plaintiff and at the same time, claim of other property is denied.

Synthetic

This term is used in financial markets to describe the construction of a financial instrument or product using derivatives. For example a synthetic floating rate note is a fixed rate bond that has been converted to a floating rate bond using an interest rate swap. A synthetic CDO uses credit derivatives to create the credit risk rather than cash based assets.

70-20-10 Rule

The 70-20-10 rule (created by then Google CEO Eric Schmidt), is a rule for allocating resources between the core (70%), the adjacent (20%) and the transformational (10%) innovation. It's considered to be a good starting for resource allocation.

Market Watch

Info Capsule Series 8

Stock Market Indices

S & P BSE Sensex

(June 29, 2021 - September 10, 2021)



Stock Market Indices

Nifty 50

(June 29, 2021 - September 10, 2021)



Foreign Exchange Rates

USD

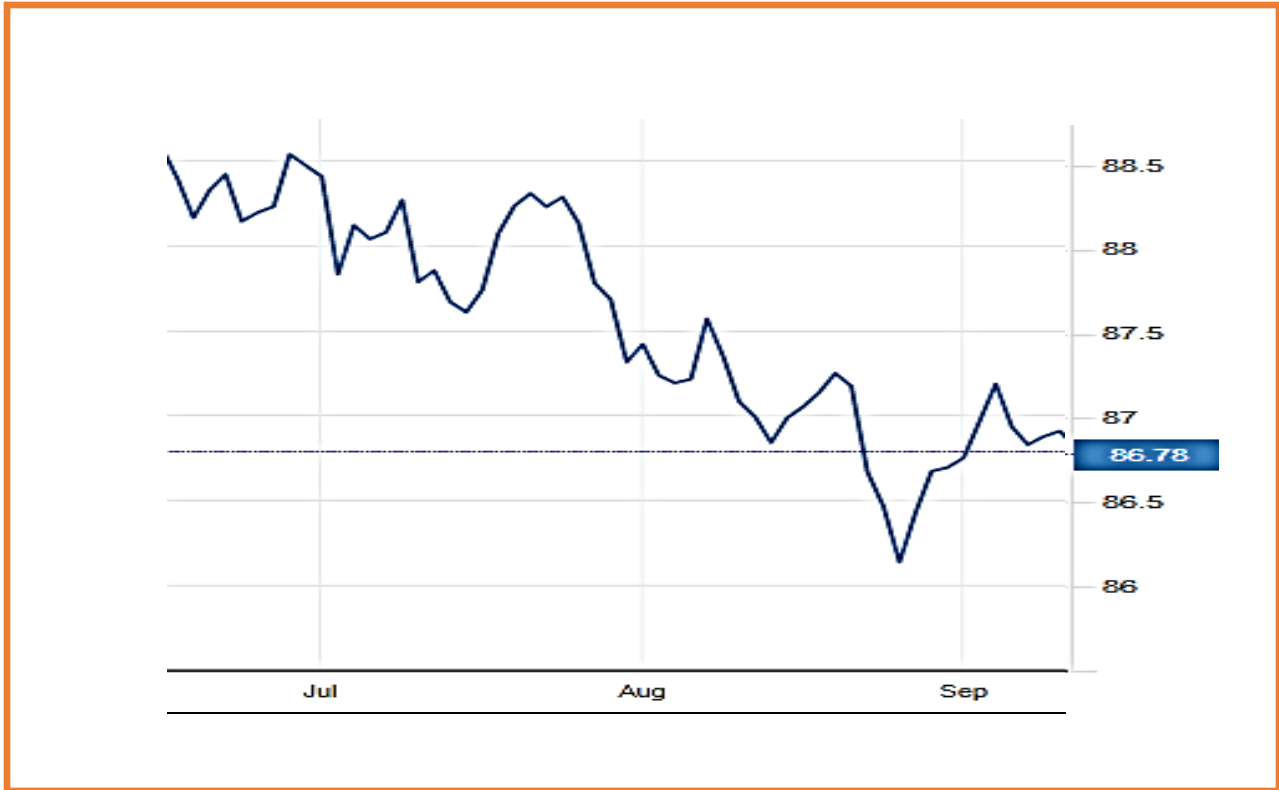
(June 29, 2021 - September 10, 2021)



Foreign Exchange Rates

EURO

(June 29, 2021 - September 10, 2021)



Foreign Exchange Rates

JAPANESE YEN

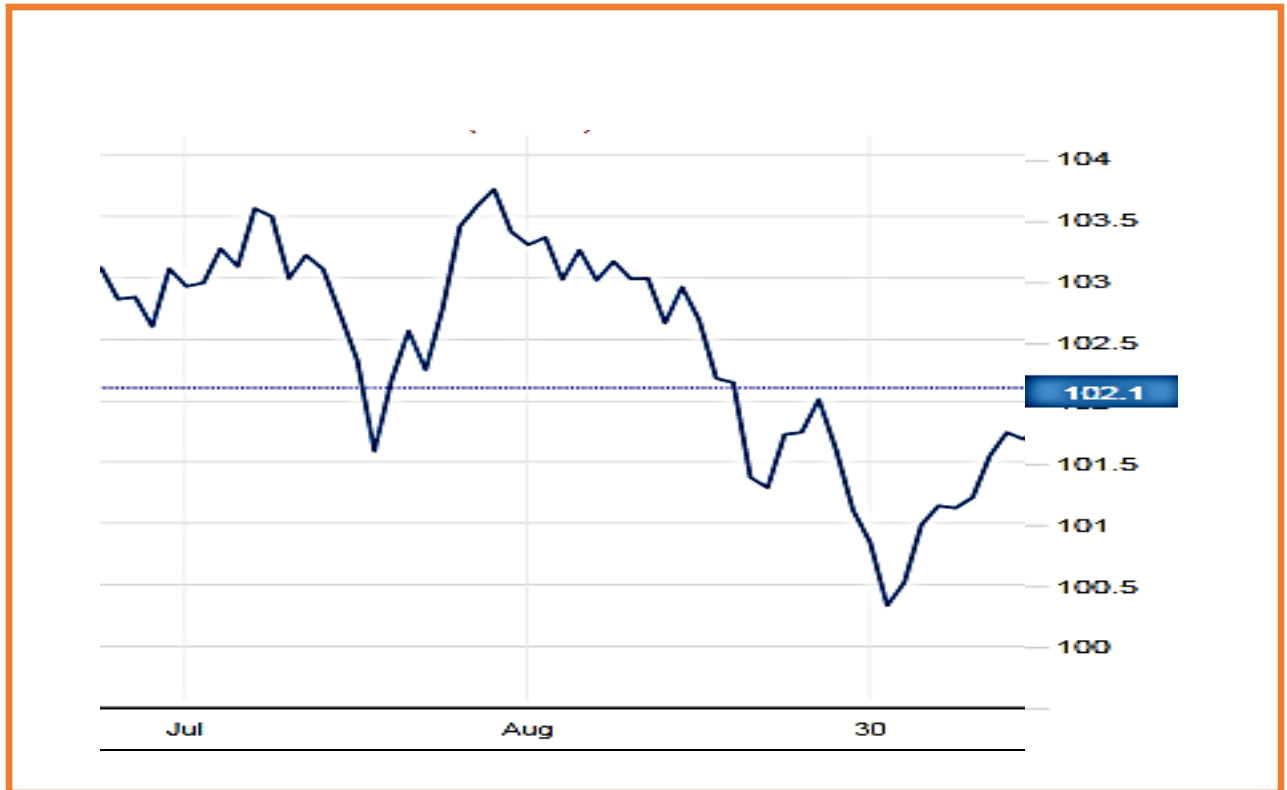
(June 29, 2021 - September 10, 2021)



Foreign Exchange Rates

GBP

(June 29, 2021 - September 10, 2021)



Motto

सत्यं वद | धर्मं चर।

इष्टार्थे त्थे त्थुते. श्चोवेष्टे तु त्थे त्थु.

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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(Under the jurisdiction of Ministry of Corporate Affairs)

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