

Info Capsule

Thursday
May 19, 2022

President: CS Devendra V. Deshpande

Vice President: CS Manish Gupta

❖ Latest @ ICSI

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https://www.icsi.edu/media/w ebmodules/Seeking_interest_for_British_Council_English_Language_Course.pdf



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भारतीय कम्पनी सचिव संस्थान
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❖ Ministry of Finance

Cabinet empowers the Board of Directors of the Holding / Parent Public Sector Enterprises to recommend and undertake the process for Disinvestment / closure of their subsidiaries / units / stake in JVs and additional delegation of powers to Alternative Mechanism (May 18, 2022)

The Union Cabinet, chaired by Prime Minister Shri Narendra Modi, has approved the proposal for empowering the Board of Directors of the Holding / Parent Public Sector Enterprises to recommend and undertake the process for Disinvestment (both strategic disinvestment and minority stake sale) or closure of any of their subsidiaries / units / stake in JVs.

The Cabinet has also empowered Alternative Mechanism to accord 'in principle' approval for disinvestment (both strategic disinvestment and minority take sale) / closure of subsidiaries / units / sale of stakes in JVs of Holding / Parent PSEs [except the disinvestment (minority stake sale) of Maharatna PSEs which was delegated to them and review the process of disinvestment / closure by Parent / Holding PSEs.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1826264>

❖ **Securities Laws & Capital Markets**

SEBI Circulars

- **Simplification of procedure and standardization of formats of documents for transmission of securities (May 18, 2022)**

As an on-going measure to enhance ease of dealing in securities markets and with a view to make the transmission process more efficient and investor friendly, the procedure for transmission of securities has been further simplified. For ease of reference, a ready reckoner listing out the documents required for transmission of securities, in case of demise of the sole holder, has been provided. SEBI has also provided the Operational Guidelines for processing investor's service request for the purpose of transmission of securities.

For details:

<https://www.sebi.gov.in/legal/circulars/may-2022/simplification-of-procedure-and-standardization-of-formats-of-documents-for-transmission-of-securities-pursuant-to-amendments-to-the-securities-and-exchange-board-of-india-listing-obligations-and-dis-59007.html>

- **Master Circular for Commodity Derivatives Market (May 17, 2022)**

In order to ensure availability of comprehensive information mentioned in the circulars pertaining to commodity derivatives market at one place, SEBI has been issuing Master Circular comprising of information mentioned in various circulars pertaining to commodity derivatives segment. This Master Circular has covered various circulars issued till March 31, 2022 and will supersede previous Master Circular SEBI/HO/CDMRD/DMP/P/CIR/2021/589 dated July 01, 2021. It is clarified that in case of any inconsistency between the Master Circular and the original applicable circular, the content of the original circular shall prevail.

For details:

https://www.sebi.gov.in/legal/master-circulars/may-2022/master-circular-for-commodity-derivatives-market_58937.html

SEBI News

- **Retail participation in the F&O segment to come under SEBI lens (May 19, 2022)**

Worried about the rising retail participation in the Futures and Options (F&O) segment, the SEBI has undertaken a study to gauge the extent of retail presence in this segment. The outcome of the study could lead to regulatory invention if required. SEBI is concerned about the risks associated with the F&O segment and the increasing number of retail investors coming into this segment. Based on the findings of the study, the market regulator will think about taking suitable measures. The F&O segment is riskier than investing in stocks.

For details:

<https://mintgenie.livemint.com/news/markets/retail-participation-in-the-f-o-segment-to-come-under-sebi-lens-151652930446859>

❖ **Indirect Tax**

Goods and Services Tax

- **GoM calls for 28% GST on online gaming, casinos; tax likely on face value (May 19, 2022)**

An empowered Group of Ministers (GoM), set up to look into taxation of online gaming, casinos and races, has unanimously proposed a flat 28 per cent Goods and Services Tax (GST) on these activities. The panel of ministers, which met on May 18, 2022, also decided that the tax will be levied on the entire “face value” or “bet amount” and not on the total transaction value. Total transaction value includes the prize money, or the net commissions (revenues) that accrue to gaming firms.

For details:

https://www.business-standard.com/article/economy-policy/gom-calls-for-28-gst-on-online-gaming-casinos-tax-likely-on-face-value-122051900023_1.html

❖ **Banking and Insurance**

- **Governor, Reserve Bank of India meets MD & CEOs of Public and Private Sector Banks (May 18, 2022)**

The Governor, Reserve Bank of India held meetings with the MD & CEOs of select Public and Private Sector Banks on May 17 and 18, 2022. The meetings were also attended by the Deputy Governors, Shri M. K. Jain and Shri M. Rajeshwar Rao along with a few senior officials of the RBI. He advised the banks to remain watchful of the recent geo-political developments and take mitigating measures proactively including raising of capital for ensuring that the potential impact on their balance sheets are minimised. The Governor also urged the banks to pay specific attention to further improve their grievance redress systems and continue to provide necessary support to the ongoing revival of economic activity. Among other matters, issues relating to credit off-take, outlook on asset quality, collection efficiency, consumer grievance redress, setting up of Digital Banking Units, resilience of IT infrastructure and cyber security defences in banks, etc. were also discussed.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53726

- **Global storms hitting together prompted RBI to hike rate: MPC minutes (May 18, 2022)**

Several global storms hitting together prompted the Reserve Bank to hike the key interest rate in an off-cycle review by the Monetary Policy Committee (MPC), said the minutes of the rate-setting panel that were released on May 18, 2022. RBI Governor Shaktikanta Das, as per the minutes, said the off-cycle monetary policy actions were aimed at lowering inflation and anchoring inflation expectations with a view to strengthening the medium-term growth prospects of the economy and protecting the purchasing power of the weaker sections of society.

The MPC after its meeting on May 2 and 4 had recommended raising the key interest rate (repo) by 40 basis points. The rate was hiked with immediate effect. It was the first hike since August 2018.

For details:

<https://www.financialexpress.com/economy/global-storms-hitting-together-prompted-rbi-to-hike-rate-mpc-minutes/2529749/>

• **Rating agencies in a limbo over RBI's new guidance on loans (May 19, 2022)**

Credit rating agencies have sought the intervention of their primary regulator, SEBI, in the wake of new directions from the RBI and the contradictions that have surfaced in the views of the two financial market watchdogs. The central bank has said ratings given on loans to a company cannot be notched up on the basis of "diluted and non-prudent support structures" such as letter of comfort, letter of support or undertaking, and other covers like pledge of shares.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rating-agencies-in-a-limbo-over-rbis-new-guidance-on-loans/articleshow/91651887.cms>

❖ **Business and Economic News**

Future Enterprises defaults on Rs. 1.06 cr interest payment for NCDs (May 18, 2022)

Debt-ridden Future Enterprises Ltd (FEL) on May 18, 2022 said it has defaulted on payment of interest of Rs. 1.06 crore for its non-convertible debentures. The due date for payment was May 17, 2022, FEL said in a regulatory filing. Last month, FEL had informed the exchanges about a default of Rs. 2,835.65 crore towards its consortium of banks. Its due date was March 31, 2022. FEL was part of the 19 group companies operating in retail, wholesale, logistics and warehousing segments, which were supposed to be transferred to Reliance Retail as part of Rs. 24,713 crore deal announced in August 2020. The deal was called off by the billionaire Mukesh Ambani-led Reliance Industries Ltd last month.

For details: <https://economictimes.indiatimes.com/industry/services/retail/future-enterprises-defaults-on-rs-1-06-cr-interest-payment-for-ncds/articleshow/91647398.cms>

❖ **Market Watch**

Stock Market Indices as on 19.05.2022	
S & P BSE Sensex	52792.23 (-1,416.30)
Nifty 50	15809.40 (-430.90)

Foreign Exchange Rates as on 18.05.2022 <i>(https://www.geojit.com/currency-futures)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
77.45	81.38	96.11	0.60

❖ *Technology and Automation*

● **Leverage technology to ensure accessible, affordable and quality education for all- Shri Dharmendra Pradhan (May 18, 2022)**

Union Education Minister Shri Dharmendra Pradhan reviewed the progress made under National Educational Technology Forum (NETF) and National Digital Educational Architecture (NDEAR). Senior officials of Education and Skill Development Ministry attended the meeting. NETF will be the guiding body for National Digital Educational Architecture (NDEAR). It will act as the blueprint for creating a unifying national digital infrastructure to energize and catalyze the entire education ecosystem. NDEAR takes on an 'Open Digital Ecosystem' approach, where a set of principles, standards, specifications, building blocks and guidelines seek to enable different entities to create elements of the digital education ecosystem.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1826484>

● **WEF 2022: How data and tech are driving change in predicting future (May 19, 2022)**

This is the dawn of the golden age of predictive technologies. Billions of sophisticated algorithms powered by vast computers enable forecasters to process ever-larger amounts of data. In a range of fields from weather to medicine to business, our ability to draw conclusions about the future should be better now than at any stage in history.

For details:

https://www.business-standard.com/article/current-affairs/wef-2022-how-data-and-tech-are-driving-change-in-predicting-future-122051900206_1.html

❖ *Terminology for today*

Game Theory

Game theory is a theoretical framework for conceiving social situations among competing players. In some respects, game theory is the science of strategy, or at least the optimal decision-making of independent and competing actors in a strategic setting.

Prepared by Directorate of Academics

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