

Info Capsule

Tuesday
March 29, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ **Technology and Automation**

Tata Steel UK using bacteria-technology to recycle its emissions (March 29, 2022)

Tata Steel's blast furnaces in the UK are using billions of microscopic bacteria to convert its emissions into stock materials for other industries to make recycled products such as food-packaging to animal feed, the Indian steel major has said. A pilot project, led by the University of South Wales, has been set up at the two Tata Steel UK Port Talbot iron making furnaces in Wales.

For details:

https://www.business-standard.com/article/companies/tata-steel-uk-using-bacteria-technology-to-recycle-its-emissions-122032900100_1.html



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❖ **Securities Laws & Capital Markets**

SEBI Circulars

- **Product specifications pertaining to the Electronic Gold Receipts (EGR) segment in India (March 28, 2022)**

SEBI vide this circular has prescribed that any person desirous of dealing in EGR on the stock exchange shall deposit the gold with the registered Vault Managers, in the 'deposit unit', which shall be specified by the stock exchanges. The trading of EGR shall take place on stock exchanges, in the 'trading unit', which shall be specified by the stock exchanges. The stock exchanges shall ensure that trading unit is not smaller than 10th part of the corresponding deposit unit. For example: On deposit of 100gm gold bar, 1 EGR may be created of 100 gm trading unit or 10 EGRs may be created of 10gm each trading unit. Further, the 'settlement unit' of EGR shall be same as 'trading unit', which shall be specified by the stock exchanges

For details:

https://www.sebi.gov.in/legal/circulars/mar-2022/circular-on-product-specifications-pertaining-to-egr-segment-in-india_57235.html

- **Calculation of investment concentration norm for Category III AIFs (March 28, 2022)**

Regulation 15(1)(d) of SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations") provides the flexibility to Category III AIFs, including large value funds for accredited investors of Category III AIFs, to calculate investment concentration norm based either on investable funds or net asset value ("NAV") of the scheme while investing in listed equity of an investee company. In this regard, it is specified that the existing Category III AIFs may opt for calculating investment concentration norm based on investable funds with the approval of their trustees or board of directors or

designated partners, as the case may be, and inform the same to their investors within 30 days from the date of the issuance of this circular. Further provided that all Category III AIFs shall disclose the basis for calculation of investment concentration norm in the placement memorandum of their schemes.

For details:

https://www.sebi.gov.in/legal/circulars/mar-2022/circular-on-calculation-of-investment-concentration-norm-for-category-iii-aifs_57249.html

SEBI News

SMSes pertaining to FPO not issued by the company, says Ruchi Soya (March 29, 2022)

Ruchi Soya Industries has said that the SMSes pertaining to investments in its follow-on public offering (FPO) have not been issued by the company or its promoters. The company has filed a first information report to investigate the origin of the messages doing the rounds on social media. The Securities and Exchange Board of India (SEBI) has directed Ruchi Soya Industries to give the investors who participated in its Rs 4,300-crore follow-on public offering (FPO) the option to withdraw their bids due to “circulation of unsolicited SMSes advertising the issue”.

For details:

https://www.business-standard.com/article/companies/smses-pertaining-to-fpo-not-issued-by-the-company-says-ruchi-soya-122032900102_1.html

❖ Terminology for today

Money Center Banks

A money center bank is similar in structure to a standard bank; however, its borrowing, and lending activities are with governments, large corporations and regular banks. These types of financial institutions (or designated branches of these institutions) generally do not borrow from or lend to consumers.

❖ Market Watch

Stock Market Indices as on 29.03.2022

S & P BSE Sensex	57943.65 (+350.16)
Nifty 50	17325.30 (+103.30)

Foreign Exchange Rates as on 28.03.2022

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
76.01	83.49	100.16	0.62

❖ **Banking and Insurance**

● **RBI Governor dedicates Varnika Ink Manufacturing Unit of BRBNMPL to the Nation (March 28, 2022)**

Shri Shaktikanta Das, Governor, Reserve Bank of India (RBI), dedicated Varnika, the Ink Manufacturing Unit of Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL), a wholly owned subsidiary of RBI to the nation on March 28, 2022 in Mysuru. In his address, Governor recognised the substantial progress made towards achieving self-reliance in banknote production ecosystem in India. He emphasised the importance of continuously building capacity (in terms people, process, and technology), research and development and innovation to achieve 100 per cent self-sufficiency in banknote manufacturing in the near future. BRBNMPL has set up Varnika with an annual ink manufacturing capacity of 1,500 MT to enhance the security of banknotes. It is a boost to 'Make in India' initiative.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53476

● **RBI's new rules for MFIs to aid profitability, says Crisil Ratings (March 28, 2022)**

Reserve Bank's new rules for microlenders, who have been deeply impacted in the pandemic because of loan losses, will help widen profits by giving such entities greater flexibility in operations, a report said on March 28, 2022. Removing the interest margin cap on loans, the biggest change in regulation, will help NBFC-MFIs (Non-Banking Finance Company-Microfinance Institutions) adopt a risk-based pricing approach and hence support profitability, the report by Crisil Ratings said.

For details:

https://www.business-standard.com/article/finance/rbi-s-new-rules-for-mfis-to-aid-profitability-says-crisil-ratings-122032801303_1.html

● **Banks, MFIs seek time to implement new guidelines (March 29, 2022)**

The Reserve Bank of India's new guidelines for MFIs, issued on 14 March and expected to come into effect from 01 April, allow MFIs to set their own interest rates for loans, provided the rates are not exorbitant. Besides, the RBI has also revised the definition of MFI loans to a collateral-free loan to households having annual income of up to Rs. 3 lakh. Earlier, the cap was at Rs.1.2 lakh for a rural household and Rs. 2 lakh for urban borrowers. MFIs and banks are seeking at least three months to implement the new guidelines that require board approval.

For details:

<https://www.livemint.com/industry/banking/banks-mfis-seek-time-to-implement-new-guidelines-11648493514480.html>

❖ **Consumer Protection**

The Legal Metrology (Packaged Commodities) Amendment Rules, 2022 (March 28, 2022)

The Central Government notified the Legal Metrology (Packaged Commodities) Amendment Rules, 2022, they shall come into force on the October 1, 2022. The said rules *inter-alia* consist provisions pertaining to the unit sale price in rupees, rounded off to the nearest two decimal place, shall be declared on every pre-packaged commodities in the manner, namely:- (i) per gram where net quantity is less than one kilogram and per kilogram where net quantity is more than one kilogram; (ii) per centimeter where net length is less than one metre and per metre where net length is more than one metre; (iii) per millilitre where net volume is less than one litre and per litre where net volume is more than one litre; (iv) per number or unit if any item is sold by number or unit. Declaration of unit sale price is not required for the pre-packaged commodities in which retail sale price is equal to the unit sale price etc.

For details: <https://egazette.nic.in/WriteReadData/2022/234582.pdf>

❖ **Indirect Tax**

Goods and Services Tax

Government says Rs. 95.86 crore recovered from 11 cryptocurrency exchanges for GST evasion (March 28, 2022)

The government on March 27, 2022 said that Rs 95.86 crore has been recovered from 11 cryptocurrency exchanges for evasion of Goods and Services Tax (GST). The total amount includes penalty and interest. Zanmai Labs (WAZIRX), Coin DCX, CoinSwitch Kuber, Buy Ucoin, UnoCoin and Flitpay were among the exchanges that were involved in GST evasion cases.

For details:

<https://economictimes.indiatimes.com/news/economy/finance/govt-says-rs-95-86-crore-recovered-from-11-cryptocurrency-exchanges-for-gst-evasion/articleshow/90495053.cms>

Prepared by Directorate of Academics

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