

# Info Capsule

Monday  
July 05, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

## ❖ NCLT

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



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भारतीय कम्पनी सचिव संस्थान

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(Under the jurisdiction of Ministry of Corporate Affairs)

## ❖ Securities Laws & Capital Market

### SEBI News

- **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/sebi-slaps-over-rs-32-crore-penalties-on-iisl-afsl-3-individuals-11625417444775.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-ipo-etnow/articleshow/84092901.cms>

## ❖ **Direct Tax**

### • **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 Amendment (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](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 sub-rule (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](https://www.incometaxindia.gov.in/communications/circular/circular_14_2021.pdf)

## ❖ **Market Watch**

### **Stock Market Indices as on 05.07.2021**

S & P BSE Sensex	52880.00 (+395.33)
Nifty 50	15834.35 (+112.15)

### **Foreign Exchange Rates as on 02.07.2021**

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

<b>INR / 1 USD</b>	<b>INR / 1 EUR</b>	<b>INR / 1 GBP</b>	<b>INR / 1 JPY</b>
74.37	88.14	102.55	0.67

## ❖ **Banking and Insurance**

### • **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-seeks-response-of-centre-rbi-on-plea-of-pnb-against-disclosure-of-info-under-rti/2283428/>

## ❖ **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 [js-ca@nic.in](mailto:js-ca@nic.in).

For details:

<https://consumeraffairs.nic.in/sites/default/files/file-uploads/latestnews/Draft%20Consumer%20Protection%20%28Direct%20Selling%29%20Rules%2C%202021.pdf>

## ❖ *International Business News*

### **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/>

## ❖ *Terminology for today*

### **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.

**Prepared by Directorate of Academics**

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082116

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