

Info Capsule

Tuesday
October 06, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

- **The ICSI has celebrated its 52nd Foundation Day on October 4, 2020 (October 5, 2020)**

The ICSI has celebrated its 52nd Foundation Day on Sunday i.e. October 4, 2020, on the theme "Governance : From Grassroots to Global" through virtual mode.

For details:

<https://www.icsi.edu/media/web-modules/Press%20Release%20-%20ICSI%20celebrates%2052nd%20Foundation%20Day%20on%204th%20October%202020.pdf>

- **Exposure Draft of Guidance Note on Auditing Standard on Secretarial Audit (CSAS-4) (October 5, 2020)**

The ICSI has issued the Exposure Draft of Guidance Note on Auditing Standard on Secretarial Audit (CSAS-4) and has placed it on its website for public comments. The comments on the exposure draft may be sent in the prescribed format at asb@icsi.edu on or before November 07, 2020.

For details:

https://www.icsi.edu/media/web-modules/Exposure_Draft_of_Guidance_Note_on_Auditing_Standard_on_Secretarial_Audit_CSAS_4.pdf



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

❖ SEBI Updates

- **Standardization of timeline for listing of securities issued on a private placement basis (October 5, 2020)**

SEBI has prescribed the time period within which securities issued on private placement basis under SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, SEBI (Public Offer and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 and SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, need to be listed after completion of allotment. Further, it was provided that the depositories shall activate the ISINs of debt securities issued on private placement basis only after the Stock Exchange(s) have accorded approval for listing of such securities.

For details: https://www.sebi.gov.in/legal/circulars/oct-2020/standardization-of-timeline-for-listing-of-securities-issued-on-a-private-placement-basis_47790.html

- **Review of Dividend option(s) / Plan(s) in case of Mutual Fund Schemes (October 5, 2020)**

The regulatory requirements mandates that when units are sold, and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains shall be credited to an Equalization Reserve Account and which can be used to pay dividend. SEBI in this regard has clarified that there is a need to clearly communicate to the investor and stipulates that offer documents shall clearly disclose that the amounts can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains. Further, Asset Management Companies shall ensure that the said disclosure is made to investors at the time of subscription of such options/plans. SEBI has also renamed the Dividend option(s) in all the existing and proposed Schemes of Mutual Funds.

For details: https://www.sebi.gov.in/legal/circulars/oct-2020/circular-on-review-of-dividend-option-s-plan-s-in-case-of-mutual-fund-schemes_47795.html

- **Product Labelling in Mutual Fund schemes – Risk-o-meter (October 5, 2020)**

SEBI has reviewed the guidelines for product labelling in mutual funds and provided that Risk Level of a scheme will be depicted by “Risk-o-meter”, as shown below:



The detailed guidelines for evaluation of risk levels of a scheme along with few examples are provided at annexure A to this circular. The circular shall be in force with effect from January 1, 2021, to all the existing schemes and all schemes to be launched on or thereafter.

For details: https://www.sebi.gov.in/legal/circulars/oct-2020/circular-on-product-labeling-in-mutual-fund-schemes-risk-o-meter_47796.html

- ❖ **Ministry of Finance**

- **Loan moratorium : SC gives RBI, Centre a week to revise response (October 6, 2020)**

The Supreme Court (SC) on Monday, October 5, 2020, said that the affidavit filed by the Centre on October 2 regarding the waiver of compound interests on loans under moratorium following the corona virus disease (Covid-19) does not deal with several issues raised by various petitioners and asked the government and Reserve Bank of India (RBI) authorities to submit a revised response by October 13, 2020.

For details: <https://www.hindustantimes.com/business-news/loan-moratorium-sc-gives-rbi-centre-a-week-to-revise-response/story-9TnGagwgfkDCWFFyq9wL90.html>

- ❖ **Goods and Services Tax**

- **Recommendation of 42nd GST Council Meeting (October 05, 2020)**

The 42nd GST Council met under the Chairmanship of Union Finance & Corporate Affairs Minister Ms. Nirmala Sitharaman through video conferencing on October 05, 2020 and made the following recommendations: Levy of Compensation Cess to be extended beyond the transition period of five years. Centre is releasing compensation of Rs. 20,000 crore to States towards loss of revenue during 2020-21 and an amount of about Rs. 25,000 crore towards IGST of 2017-18. Due date of furnishing quarterly GSTR-1 by quarterly taxpayers to be revised to 13th of the month succeeding the quarter **w.e.f. January 01, 2021**, Revised Requirement of declaring HSN for goods and SAC for services in invoices and in FORM GSTR-1 **w.e.f. April 01, 2021**, Various amendments in the CGST Rules and Forms have been recommended which includes provision for furnishing of Nil **FORM CMP-08** through SMS.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1661827>

❖ **Banking and Insurance**

- **Supreme Court asks Centre, RBI to file Kamath panel suggestions, their decisions on loan moratorium (October 05, 2020)**

The Supreme Court asked the Centre and the RBI to place on record the K V Kamath committee recommendations on debt restructuring in view of COVID-19 related stress on various sectors as well as the notifications and circulars issued so far on loan moratorium. The apex court's direction came after the Finance Ministry decision to grant relief to individual borrowers as well as medium and small industries by agreeing to waive compound interest (interest on interest) charged on loans of up to Rs. 2 crores for a six-month moratorium period announced due to the pandemic.

For details : <https://www.financialexpress.com/industry/banking-finance/sc-asks-centre-rbi-to-file-kamath-panel-suggestions-their-decisions-on-loan-moratorium/2098262/>

- **IRDAI releases exposure draft on color coding of individual products of health insurance (October 6, 2020)**

Insurance Regulatory and Development Authority of India (IRDAI) came out with the exposure draft on color coding of individual products of health insurance business. This move will enable policyholder to understand the level of complexity while buying the health insurance products. The color codes that can be allotted are green, orange and red. According to the exposure draft, color code green shall signify that the product offered is a simple product, easy to understand and comprehend. Orange color shall signify that the product offered is moderately complex. While the color code red shall signify that the product offered is complex when compared with both green color coded and orange color coded products.

For details : <https://www.financialexpress.com/money/insurance/irdai-releases-exposure-draft-on-color-coding-of-individual-products-of-health-insurance/2098806/>

- **IRDAI working group suggests broad framework for insuring drones (October 4, 2020)**

A working group set up by regulator IRDAI has recommended a broad policy framework and procedure for providing insurance cover to the drone industry and also suggested various risks associated with the use of Remotely Piloted Aircraft Systems (RPAS). Among other things, the group in its report has come out with Specimen Policy Wording (Drone Insurance) which includes various definitions and covers various aspects, including legal liabilities to third party, drone hull cover, personal accident cover to operator, accidental medical cover to operator, general exclusions and general coverage.

For details :

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-working-group-suggests-broad-framework-for-insuring-drones/articleshow/78476016.cms>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	39574.57 (+600.87)
Nifty 50	11662.40 (+159.05)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.12 (-0.60%)	85.66 (-0.68%)	94.53 (-0.16%)	0.69 (-0.39%)

❖ **Customs**

- **Extension in RoSCTL scheme – Notification No. 36/2020 (October 05, 2020)**

This notification seeks to amend notification No.13/2020 dated February 14, 2020 for extending the RoSCTL (Rebate of State and Central Taxes and Levies) scheme validity from March 31, 2020 to March 31, 2021 or until such date the RoSCTL scheme is merged with RoDTEP (Remission of Duties and Taxes on Exported Products) scheme, whichever is earlier.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs36-2020.pdf>

❖ **Business and Economic News**

- **DoT looks for more spectrum to meet 5G demand of telecom companies (October 6, 2020)**

The Department of Telecommunications (DoT) has started searching for additional spectrum to meet the demand of telecom companies for a larger chunk of airwaves to roll out 5G services.

For details : https://www.business-standard.com/article/economy-policy/dot-looks-for-more-spectrum-to-meet-5g-demand-of-telecom-companies-120100600054_1.html

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082269

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