

Info Capsule

Thursday, July 09, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Labour Laws

Government Notifies Draft Rules for Code on Wages 2019 - Inviting Objections/Suggestions within 45 days

The Central Government has published a draft of Code on Wages (Central) Rules, 2020, inviting objections and suggestions from the public. Objections and suggestions, in this regard, can be sent to Shri M. A. Khan, Deputy Director (ma.khan15@nic.in), and Smt. Rachana Bolimera, Assistant Director (r.bolimera@nic.in), Government of India, Ministry of Labour and Employment, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001, within forty five days from the date of publication, which is July 08, 2020.

Draft Rules can be accessed at

[http://egazette.nic.in/\(S\(3nibci1fsbeqebcqquseyzvc\)\)/default.aspx?AcceptsCookies=yes](http://egazette.nic.in/(S(3nibci1fsbeqebcqquseyzvc))/default.aspx?AcceptsCookies=yes)

or at

https://www.livelaw.in/pdf_upload/pdf_upload-377947.pdf



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❖ Securities Laws & Capital Market

SEBI ORDER

SEBI has barred the share transfer agent Sharepro Services Pvt. Ltd., its senior officials and over 20 other entities from accessing the securities market. They are further prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever. They facilitated diversion of assets (securities and dividends) belonging to genuine and rightful shareholders to entities related to management of Sharepro in violation of SEBI regulations. (July 8, 2020)

https://www.sebi.gov.in/enforcement/orders/jul-2020/order-in-the-matter-of-sharepro-services-i-pvt-ltd-_47022.html

SEBI SETTLEMENT ORDER

Manappuram Finance Limited (MFL), its directors and compliance officer have settled the proceedings with SEBI, without admitting or denying the findings of facts and conclusions of law, upon the payment of Rs. 5.25 crore towards settlement charges. They allegedly communicated unpublished price sensitive information to market participants before the same was disclosed to the exchange and failed to supervise the implementation of code of conduct under Insider Trading Regulations.

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

❖ Banking and Insurance

• **Finance ministry asks States to ensure Safety of Bankers and to take Stern Action against Unruly**

<https://m.economictimes.com/industry/banking/finance/banking/finance-ministry-asks-states-to-ensure-safety-of-bankers-and-stern-action-against-unruly/articleshow/76860891.cms>

• **Merger halted of the Three Major Insurance Companies**

The Union Cabinet on July 08, 2020 decided to halt the merger process of three state-owned general insurance companies, National Insurance, Oriental Insurance and United India Insurance, for the moment and approved fund infusion of Rs 12,450 crore to improve their financial health. It was also decided to increase the authorised share capital of National Insurance Company Limited (NICL) to Rs 7,500 crore and that of United India Insurance Company Limited (UIICL) and Oriental Insurance Company Limited (OICL) to Rs 5,000 crore each to give effect to the capital infusion decision.

<https://www.financialexpress.com/money/insurance/national-insurance-oriental-insurance-united-insurance-merger-halted-by-modi-govt/2017829/>

• **IRDA constitutes Working Group to explore a Pandemic Risk Pool**

<https://m.economictimes.com/industry/banking/finance/insure/irda-constitutes-working-group-to-explore-a-pandemic-risk-pool/articleshow/76859316.cms>

❖ **Valuation and International Business**

• **Are Fair Values Appropriately Determined ?**

The COVID-19 pandemic has significantly affected financial markets in the first quarter of 2020. Stock markets have declined sharply and volatility has increased. Treasury bond yields have reached record lows and credit-default-swap indices have been surging while reflecting concerns of increased corporate defaults. For several assets and liabilities, fair values may have changed significantly, reflecting changes in cash flow forecasts, higher uncertainty and increased risks.

<https://home.kpmg/xx/en/home/insights/2020/03/covid-19-assets-1b.html>

• **Air Asia's future in doubt due to virus; Share Price Tumbles**

The future of top regional budget carrier Air Asia is in significant doubt after the collapse in travel demand caused by corona virus. Its auditor warned, resulting into tumbling of share price of the airline.

<https://timesofindia.indiatimes.com/business/international-business/airasias-future-in-doubt-due-to-virus-share-price-tumbles/articleshow/76858464.cms>

❖ **Governance**

• **SEBI signs MOU with CBDT**

A Memorandum of Understanding (MoU) is signed between SEBI and CBDT (Central Board of Direct Taxes) to facilitate the data exchange between the two organizations. The MoU will facilitate the sharing of data and information between CBDT and SEBI on an automatic and regular basis. In addition to regular exchange of data, CBDT and SEBI will also exchange with each other, on request and *suo moto* basis, any information available in their databases, for the purpose of carrying out scrutiny, inspection, investigation and prosecution.

https://www.sebi.gov.in/media/press-releases/jul-2020/sebi-signs-mou-with-cbdt_47030.html

• **The Food Safety and Standards Authority of India has issued Standard Operating Procedures for reactivation of rejected applications and change in a user profile including new login credentials, Email id etc.**

The Food Business Operators shall apply to concerned regional officers of FSSAI for reactivation of license application within 6 months from the date of rejection and the application may be rejected automatically by the system due to non-furnishing of information/documents by FBO within 30 days. The FBOs intending to change their user profile shall submit a representation in this regard to the Joint Director, Regulatory Compliance Division. The application should be on the letterhead of the firm/company duly signed by the authorized person and a copy of photo identity card and a copy of an existing license shall be enclosed along with the application. In case, FBOs want new login credential, they have to create a new login ID and Password and the same would be indicated in their application so that the IT team can validate and map the licenses or registrations in new login credentials.

https://fssai.gov.in/upload/advisories/2020/07/5f0431c7922e6Letter_SOP_Reactivation_Rejected_Applications_07_07_2020.pdf

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	36737.69
Nifty 50	10813.45

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.69	93.89	84.41	0.69

❖ **Learning from Judicial Pronouncement**

- NCLAT in its order dated 11.06.2020 in the matter of *Mrs Arti Meenakshi Muthiah Vs. MCTM Global Investments Pvt. Ltd and Ors*, opined that merely adding an additional signatory to a bank account cannot be claimed to be an act of oppression especially when the appellant is one of the signatories.
<https://nclat.nic.in/Useradmin/upload/6552594855ee2218acdf4c.pdf>
- NCLT Ahmedabad Bench, in the matter of the application for approval of resolution plan in the CIRP of Digjam Ltd. and the Resolution Applicant (Finquest Financial Solutions Pvt. Ltd.), has asked for certain relaxations in the Resolution Plan with regard to payment to be made to Financial Creditors/Operational Creditors and other stakeholders arising out of the current ongoing pandemic due to COVID-19. NCLT vide order dated 27.05.2020, allowed the application with modifications to timeline for payment to the Financial Creditors/Operational Creditors and/or other stakeholders.

<https://ibbi.gov.in/uploads/order/c0aac745e2444452ee0ceacb7016b22.pdf>

❖ **Business and Economic News**

- **The Government has asked e-commerce platforms such as Amazon and Flipkart to display the country of origin on new products listed by sellers on their sites by 1st August, 2020 and legacy items by 1st October, 2020 without stipulating a deadline.**

https://economictimes.indiatimes.com/news/economy/foreign-trade/display-country-of-origin-by-aug-1-govt-to-ecomm/articleshow/76864214.cms?utm_source=content_ofinterest&utm_medium=text&utm_campaign=cppst

- **The Government will continue to pay the Employees' Provident Fund (EPF) contributions of both employers and employees for another three months, i.e., till August 2020.**

<https://economictimes.indiatimes.com/wealth/personal-finance-news/government-to-pay-epf-contributions-of-employees-and-employers-till-aug-2020/articleshow/76853025.cms>

- **Finance Ministry notifies National Pension Scheme Tier II- Tax Saver Scheme, 2020**

<https://www.taxscan.in/finance-ministry-notifies-national-pension-scheme-tier-ii-tax-saver-scheme-2020/63844/>

- **Atmanirbhar MSMEs : How Modi Govt's Make in India 2.0 is gateway to self-reliance for small businesses**

<https://www.financialexpress.com/industry/sme/cafesme/msme-eodb-atmanirbhar-msmes-how-modi-govts-make-in-india-2-0-is-gateway-to-self-reliance-for-small-businesses/2017162/>

Prepared by Directorate of Academics

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

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