

Info Capsule

Friday, July 10, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Ministry of Corporate Affairs

The Ministry of Corporate Affairs has updated the Contact Number of Helpdesk from July 17, 2020 onwards for stakeholders Queries.

- For queries related to company name availability and company incorporation, Stakeholders may contact at CRC Helpdesk: 0120-4832500 (Extension - 1) and drop an email at CRC.Escalation@Mca.Gov.In
- For queries related to company or LLP e-filings, payments or View Public Document (VPD), Stakeholders may contact Corporate Seva Kendra : 0120-4832500 (Extension - 2) and drop an email at Appl.Helpdesk@Mca.Gov.In



**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)

❖ Ministry of Finance

- **Updates from Department of Investment and Public Asset Management**
Substantial numbers of Central Public Sector Enterprises (CPSEs) have been disinvested during the financial year 2019-20. The details related to the list of CPSEs disinvested, percentage of government ownership disinvested, method of disinvestment, receipts from disinvestment and Government of India shareholdings post disinvestment, may be accessed at :
<https://dipam.gov.in/en/disinvestments/recent>
- **Updates from Department of Economic Affairs**
Government of India has announced the Sale (Re-issue) of (i) "5.22% Government Stock, 2025" for a notified amount of Rs. 12,000 crore (nominal) through price based auction, (ii) "6.19 percent Government Stock, 2034" for a notified amount of Rs. 11,000 crore (nominal) through price based auction, and (iii) "7.16 per cent Government Stock, 2050" for a notified amount of Rs. 7,000 crore (nominal) through price based auction. The Government will have the option to retain additional subscription up to Rs. 2,000 crore each against any one or more of the above securities. The auctions will be conducted by the Reserve Bank of India, Mumbai Office, Fort, Mumbai on July 10, 2020 (Friday) using multiple price method.
<https://dea.gov.in/sites/default/files/Press%20Release%20for%20auction%20of%20G-Sec-6-7-2020.pdf>

❖ Securities Laws & Capital Market

SEBI CIRCULAR

- **SEBI (International Financial Services Centres) Guidelines, 2015 (July 09, 2020)**
In order to further streamline the operations at IFSC, the market regulator SEBI has amended clause 4(1) of SEBI IFSC Guidelines, which deals with 'Eligibility and shareholding limit for stock exchange desirous of operating in IFSC'. The amended guidelines, *inter alia*, provide that any Indian recognized stock exchange or any stock exchange of a foreign jurisdiction may form a subsidiary to provide the services of stock exchange in IFSC.

https://www.sebi.gov.in/legal/circulars/jul-2020/securities-and-exchange-board-of-india-international-financial-services-centres-guidelines-2015-amendments_47034.html

SETTLEMENT ORDER

- Northward Financial Planners (NFP) and its partners have settled with SEBI, a case related to alleged violation of Investment Advisers regulations upon the payment of Rs. 21.67 lakh towards settlement charge. NFP and partners were carrying on investment advisory activities since F.Y. 2013-14 without seeking SEBI registration and filed the application for registration after a delay of over 4 years. **(July 09, 2020)**

https://www.sebi.gov.in/enforcement/orders/jul-2020/settlement-order-in-respect-of-1-northward-financial-planners-2-mr-thejus-palathingal-3-ms-diya-thommy-and-4-ms-vidya-krishnamoorthy-in-the-matter-of-northward-financial-planners_47035.html

❖ Goods and Service Tax

Customs

- **Anti-Dumping Duty on Imports of Specified Goods from People's Republic of China**

(Notification No. 17/2020 - Customs (ADD), dated 8th July, 2020)

The domestic industry's performance has improved but remains vulnerable to dumping and consequent injury. This Notification seeks to levy definitive anti-dumping duty on imports of 'Steel and Fibre Glass Measuring tapes and their parts and components', originating in, or exported from, *People's Republic of China* for a period of *five years*, in pursuance of final findings of sunset review investigations issued by DGTR.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd17-2020.pdf>

❖ Banking and Insurance

- **Exempt Current Accounts held by Traders from Minimum Balance Norms, demands Traders' Body**

The Federation of All India Vyapar Mandal (FAIVM) wrote a letter to RBI Governor to instruct the banks to exempt the minimum balance requirement for current account held by small businesses. The economic activities were at grassroots level during the lockdown period, and therefore penalties imposed by the banks during that period should also be refunded.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/exempt-current-a/c-held-by-traders-from-minimum-balance-norm-demands-traders-body/articleshow/76879129.cms>

- **IRDAI constituted panel on 'Indian Pandemic Risk Pool'**

The COVID-19 pandemic has led to the significant disruption in economic activity mainly due to the measures taken to limit the spread of the disease. Along with the health of the people, it has affected all sectors of the economy. Therefore, there is a need to explore the possibility of addressing these risks and any other related risks arising out of a Pandemic through the mechanism of a "Pandemic Risk Pool". In this background, IRDAI has constituted a working group under the chairmanship of Shri Suresh Mathur, Executive Director (IRDAI) to study the need for setting up a Pandemic Risk Pool, giving rationale for the same, recommend the Structure and Operating model for the Pool and examine any other matter relevant to the subject. The panel will submit its report within eight week from the date of its constitution.

https://www.irdai.gov.in/ADMINCMS/cms/frmOrders_Layout.aspx?page=PageNo4181

❖ Valuation

COVID 19 Impact on Accounting and Valuation for Impairments

In an exceptionally short period of time, COVID-19 had a major impact across both the "real" economy as well as in the financial and credit markets. With such uncertainty as to when the dislocations will resolve themselves, companies need to begin proactively assessing what it means for the value of their assets, with impairment considerations being a focal point.

<https://www.pwc.com/us/en/services/audit-assurance/accounting-advisory/COVID-19-impact-on-accounting-and-valuation-for-impairments.html>

❖ Market Watch

Capital Market	
S & P BSE Sensex	36594.33
Nifty 50	10768.05

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.76	94.38	84.63	.70

❖ Business and Economic News

• IBC faces test again as top court hears Bhushan Power & Steel case

Although the Essar Steel judgment provided some clarity about eligibility and Section 29A, the BPSL case will test the applicability of the newly formulated Section 32A, which provides immunity to the corporate debtor.

For details, please visit at https://www.business-standard.com/article/companies/ibc-to-face-another-litmus-test-in-the-bhushan-power-steel-case-120070700450_1.html

• PIL in Madras high court challenges ordinance banning insolvency petitions under IBC

A Chennai based financier has moved to Madras High Court challenging an Ordinance amending IBC (Insolvency and Bankruptcy Code) banning applications for corporate insolvency during COVID 19 lockdown.

For details, please visit at <https://timesofindia.indiatimes.com/city/chennai/pil-in-madras-high-court-challenges-ordinance-banning-insolvency-petitions-under-ibc/articleshow/76857127.cms>

• 58 Indian-origin executives employ over 3.6 million globally, account for \$1 trillion in revenue

According to a list released by a US-based top Indian Diaspora Organisation, a group of 58 Indian-origin executives heading various companies across 11 different countries, including US, Canada and Singapore, collectively employ more than 3.6 million people and account for a combined \$1 trillion in revenue, along with \$4 trillion in market capitalisation,

<https://timesofindia.indiatimes.com/business/international-business/58-indian-origin-executives-employ-over-3-6-million-globally-account-for-1-trillion-in-revenue/articleshow/76867461.cms>

• In order to make industry more competitive globally, India Inc has suggested policy measures pertaining to approvals for starting a business, dispute resolution and logistics infrastructure.

<https://economictimes.indiatimes.com/news/economy/policy/india-inc-seeks-government-aid-to-compete-globally/primeshow/76882186.cms>

• India's digital payments volumes across all channels increased 46% in last fiscal year, with banks recording a record 45.72 billion transactions and exceeding the state-set target.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/digital-payments-grew-46-in-fy20-beats-state-set-target-meity-to-banks/primeshow/76878914.cms>

• Amazon, Flipkart, other e-commerce firms agree to display 'Country of Origin' on products

<https://www.dnaindia.com/business/report-amazon-flipkart-other-e-commerce-firms-agree-to-display-country-of-origin-on-products-2831476>

• RERA authorities to approach RBI to prevent bad loans and make the developers eligible for fresh borrowings

<https://www.newshour.press/real-estate/rera-authorities-to-approach-rbi-to-prevent-bad-loans/>

❖ Learning from Judicial Pronouncement

• In the matter of *Velankani Information Systems Ltd vs. Union of India and others* (July 08, 2020), Karnataka High Court ruled that a Writ Petition under Article 226 of the Constitution of India is maintainable against private banks as regards the implementation of loan moratorium by the Reserve Bank of India in the wake of lockdown.

For details, please visit at <https://www.livelaw.in/news-updates/writ-petition-maintainable-against-private-bank-for-enforcement-of-rbi-circular-on-loan-moratorium-karnataka-hc-159677>

• In the matter of *M C Mehta vs. Union of India and others*, Supreme Court has recalled its March 27, 2020 order that allowed the sale of BS4 vehicles after the lockdown. The apex court has slammed the Federation of Automobile Dealers' Association of India (FADA) for committing "fraud". Justice Arun Mishra said, "Please do not take advantage of this court by playing fraud. You have told us no sales have taken place. You are understating your values." Honourable Supreme Court has also clarified that it will protect only those vehicles which have been registered with the VAHAN portal. **SC has directed FADA to furnish the data of BS4 sales and has directed the government to corroborate the sales data with the information available on the VAHAN portal.** The apex court noted that over 17,000 vehicles sold were not registered with the VAHAN portal.

For details, please visit at <https://www.cnbctv18.com/auto/supreme-court-recalls-order-allowing-bs4-vehicle-sales-post-lockdown-says-only-vehicles-registered-with-vahan-will-be-protected-6286271.htm>

Prepared by Directorate of Academics

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

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MISSION
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