

Info Capsule

Thursday
December 10, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Ministry of Finance

Need robust global cooperation to fight cross-border tax evasion, avoidance: Finance Minister (December 9, 2020)

Finance Minister, Nirmala Sitharaman on Wednesday, December 9, 2020 stressed upon the need for robust global cooperation to fight cross border tax evasion and avoidance. Addressing the 13th Plenary Meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes, she called upon the international community for further strengthening and broadening of the tax transparency agenda to include global cooperation on assistance in recovery of taxes, and measures to tackle emerging risks to tax transparency.

For more details:

<https://timesofindia.indiatimes.com/business/india-business/need-robust-global-cooperation-to-fight-cross-border-tax-evasion-avoidance-finance-minister/articleshow/79649382.cms>



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❖ Securities Laws and Capital Markets

SEBI Circular

• E-Voting Facility Provided by Listed Entities (December 9, 2020)

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.

Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. The same shall be implemented in a phased manner as provided under the circular.

This facility shall be available to all individual shareholders holding the securities in demat mode. ESPs may continue to provide the facility of e-voting as per the existing process to all physical shareholders and shareholders other than individuals viz. institutions/ corporate shareholders.

For details:

https://www.sebi.gov.in/legal/circulars/dec-2020/e-voting-facility-provided-by-listed-entities_48390.html

❖ **Banking and Insurance**

• **Banks Face Rs. 12 lakh Crore Hit due to COVID -19 Pandemic (December 10, 2020)**

Indian banks are staring at a combined lost revenues and increased costs of ₹12 lakh crore by fiscal 2024 because of credit losses and operating challenges posed by the Covid-19 pandemic as per Annual Banking Review by consultancy firm McKinsey & Co. For details:

https://economictimes.indiatimes.com/markets/stocks/news/covid-19-impact-banks-face-12-lakh-cr-hit-on-lost-revenues-higher-costs-mckinsey/articleshow/79650774.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

• **Proposal of Standardised personal accident insurance cover by IRDAI (December 09, 2020)**

India's insurance regulator has floated draft guidelines for a standardized personal accident cover aimed at simplifying the product constraints for mass adoption, following similar moves to standardize both life and health insurance products in 2020. A 100% sum assured would be liable to victims of accidents that result in death or permanent disablement, as per the draft guidelines whereas partial disablements would have different predetermined caps for reimbursements. The policy period has been kept as one year. Stakeholders have been given time till December 18, 2020 to submit their feedback and suggest name for the product. The person whose suggested name is selected will be issued a certificate of appreciation by Chairman, IRDAI.

For details:

https://economictimes.indiatimes.com/industry/banking/finance/insure/after-health-and-life-now-a-standardised-personal-accident-insurance-cover-in-the-work-by-irdai/articleshow/79645887.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo4302

❖ **Market Watch**

Stock Market Indices as on 10.12.2020

S & P BSE Sensex	45959.88 (-143.62)
Nifty 50	13478.30 (-50.80)

Foreign Exchange Rates as on 09.12.2020 (<https://www.fbil.org.in/#/home>)

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
73.5882	98.5498	89.3689	.7065

❖ **Business and Economics News**

• **Atmanirbhar Bharat Rojgar Yojana (ABRY)**

The Union Cabinet on December 09, 2020 has given its approval for Atmanirbhar Bharat Rojgar Yojana (ABRY) to boost employment in formal sector and incentivize creation of new employment opportunities during the Covid recovery phase under Atmanirbhar Bharat Package 3.0. Cabinet has approved an expenditure of Rs. 1,584 crore for the current financial year and Rs.22,810 crore for the entire Scheme period i.e. 2020-2023. The salient features of the Scheme are as under:

- i. Government of India will provide subsidy for two years in respect of new employees engaged on or after 1st October, 2020 and upto 30th June, 2021.
- ii. Government of India will pay both 12% employees' contribution and 12% employers' contribution i.e. 24% of wages towards EPF in respect of new employees in establishments employing upto 1000 employees for two years
- iii. Government of India will pay only employees' share of EPF contribution i.e. 12% of wages in respect of new employees in establishments employing more than 1000 employee for two years.
- iv. An employee drawing monthly wage of less than Rs. 15000/- who was not working in any establishment registered with the Employees' Provident Fund Organisation (EPFO) before 1st October, 2020 and did not have a Universal Account Number or EPF Member account number prior to 1st October, 2020 will be eligible for the benefit.
- v. Any EPF member possessing Universal Account Number (UAN) drawing monthly wage of less than Rs. 15000/- who made exit from employment during Covid pandemic from 01.03.2020 to 30.09.2020 and did not join employment in any EPF covered establishment up to 30.09.2020 will also be eligible to avail benefit.
- vi. EPFO will credit the contribution in Aadhaar seeded account of members in electronic manner.
- vii. EPFO shall develop a software for the scheme and also develop a procedure which is transparent and accountable at their end.
- viii. EPFO shall work out modality to ensure that there is no overlapping of benefits provided under ABRY with any other scheme implemented by EPFO.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1679336>

• **Cabinet approves setting up of public WiFi networks under 'PM-WANI' (December 9, 2020)**

In a bid to improve wireless connectivity, the Union Cabinet on Wednesday approved setting up of public WiFi networks across the country. The WiFi will be provided through public data offices (PDOs) for which there will be no licence, registration or any other fees, Telecom Minister Ravi Shankar Prasad said, adding that the public WiFi was being rolled out as part of the Prime Minister WiFi Access Network Interface (PM- WANI).

For details:

<https://indianexpress.com/article/india/cabinet-approves-setting-up-of-public-wifi-networks-pm-wani-7098010/>

❖ Pronouncement

November 18, 2020	Positive edge Technology Pvt. Ltd. & Ors. (Appellants) vs. Asmita Katdare & Ors. (Respondents)	NCLAT
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The Companies Act, 2013 vide chapter IV specifically regulates the mechanism for Transfer & Transmission of Securities. Hence, as per Section 430 of the Companies Act, “Civil Court not to have Jurisdiction” on such issues.

Fact of the case

The Appellant is aggrieved by the impugned order of the NCLT, Bangalore Bench which directed the 1st Appellant Company to give effect to the transmission of shares of the deceased Director and Shareholder of 1st Appellant Company in favour of Respondents by rectifying its register of members and also to pay all consequential benefits at par with other shareholders. The Tribunal has observed that the Appellant Company is exercising arbitrary powers conferred on the Company and its Directors by Article of Association of this Company and it amounts to oppression.

The Appellants have alleged that the Respondents are putting pressure on the Appellants for transmission of 5000 equity shares without complying with the Indian Laws Intestate Succession. Further, the Appellants have submitted that the Article of Association of the company is conferring discretion upon the Board of Directors in transmission matters. They have also raised the issue that the Tribunal has decided “Civil Right of inheritance of the Respondent qua the shares held by the deceased members”. It is a settled principle of law that such an adjudication regarding the rights of inheritance can be made only on a civil suit filed for such adjudication before Civil Court of competent jurisdiction and have cited certain judgments. The Tribunal has entered into the area of discretion granted to the Board of Directors.

Judgment

The NCLAT observed that the Appellant Company have not assigned a tenable or sound reason as well as taken the correct approach to the issue of transmission. Further, the Companies Act, 2013 vide chapter IV specifically regulates the mechanism for Transfer & Transmission of Securities. Hence, as per Section 430 of the Companies Act, “Civil Court not to have Jurisdiction” on such issues. Hence, NCLAT upheld the order of NCLT, Bengaluru Bench and the Appeal is dismissed.

For details:

<https://nclat.nic.in/Useradmin/upload/18699541165fb63a8339a20.pdf>

Prepared by Directorate of Academics

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