

Info Capsule

Thursday
August 13, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

Extension of Due Dates of Compliances under the Companies Act, 2013

The ICSI has submitted a representation to Ministry of Corporate Affairs to consider the relaxation in due dates of following compliances:

1. Request for Extension for Holding Annual General Meeting
2. Request for Extension of Validity of LLP Settlement Scheme, 2020, Companies Fresh Start Scheme 2020 and Scheme for Relaxation of Time for Filing Forms related to Creation or Modification of Charges.

https://www.icsi.edu/media/filer_public/b7/be/b7be08e3-e1ef-4305-9020-f73e05c07efe/mca_representation_agmandcfss.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)

❖ Ministry of Finance

India's Finance Ministry suggests alternatives to proposed BAT on steel imports

Indicating a lukewarm response on the imposition of proposed Border Adjustment Tax (BAT) on steel imports, the Ministry of Finance has sought exploration of alternative measures, a Government Official said on August 11, 2020.

The official said that the Ministry of Finance which had received the proposal for imposition of BAT on steel imports, has asked its counterparts at the Ministry of Commerce to seek alternative measures like non-tariff barriers including minimum quality standards for imports and review and re-negotiations of existing Free Trade Agreements (FTAs) through which bulk of steel imports were routed.

<https://www.steelorbis.com/steel-news/latest-news/indias-finance-ministry-suggests-alternatives-to-proposed-bat-on-steel-imports-1159010.htm>

❖ Securities Laws & Capital Market

- A Government-appointed panel has suggested that unlisted companies in India too should be brought under a regime wherein they would report to stakeholders on how they achieve their environmental, social and good governance objectives. It is further contented that this should be mandated for unlisted companies above a specified threshold of turnover and/or paid-up capital.

<https://www.thehindubusinessline.com/markets/stock-markets/bring-unlisted-firms-too-under-the-framework-for-sustainability-reporting-panel/article32336531.ece>

- SEBI has issued a show cause notice to six promoters of Kirloskar Brothers (KBL) and two others in connection with a 2010 stake sale. It has been conducting a probe into alleged charges of insider trading and unfair trade practices against KBL promoters. The probe relates to the sale of 10.7 million shares (13.5 percent stake) of KBL to Kirloskar Industries (KIL) on October 6, 2010.

<https://www.moneycontrol.com/news/business/sebi-issues-showcause-notice-to-kirloskar-brothers-promoters-in-connection-with-fraud-case-report-5689871.html>

- Business process management firm Hinduja Global Solutions' (HGS) short-term loans of more than Rs. 340 crore to group companies have raised concerns among corporate governance firms. The company confirmed in a post-earnings call that the loans were given to Hinduja Group Ltd, Hinduja Realty Ltd., and Hinduja Energy Ltd, and have been repaid. Analysts have expressed their concerns with such loans given to related parties and the company's delayed disclosure on the matter.

<https://economictimes.indiatimes.com/news/company/corporate-trends/hindja-global-solutions-short-term-loans-to-group-companies-raise-concerns/articleshow/77517522.cms>

ADJUDICATION ORDER

SEBI imposed the penalties ranged between 5 lakh to 25 lakh on 81 entities for alleged violation of price manipulation/ fraud by these entities for entering into buy trades in the scrip of Dhyana Finstock Ltd. and made profits and illegal gains.

https://www.sebi.gov.in/enforcement/orders/aug-2020/adjudication-order-with-respect-to-81-entities-in-the-matter-of-m-s-dhyana-finstock-ltd_47313.html

❖ **Ministry of Corporate Affairs**

The Ministry of Corporate Affairs (MCA) will work closely with SEBI for implementation of the 'Business Responsibility and Sustainability Report (BRSR)' framework in the country. Releasing the report of the MCA appointed committee on Business Responsibility Reporting (BRR), Shri Rajesh Verma, Secretary, MCA highlighted that Indian companies are aspiring to have a global foothold and thus they cannot ignore the emerging trend of Corporate Governance, i.e. Responsible Business.

<https://www.thehindubusinessline.com/economy/policy/business-responsibility-reporting-mc-to-closely-work-with-sebi-for-implementation/article32328833.ece>

❖ **Direct Tax**

- Hon'ble Prime Minister Shri Narendra Modi will launch a new platform, "Transparent Taxation – Honouring the Honest", which will carry forward the journey of direct tax reforms.

http://timesofindia.indiatimes.com/articleshow/77499304.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- CBDT has directed that all the assessment orders shall be passed by National e-Assessment Centre through the Faceless Assessment Scheme 2019 except Assessment orders in cases assigned to Central Charges and to International Tax Charges. Any assessment order which is not in conformity shall be treated as non-est and shall be deemed to have never been passed.

<https://twitter.com/FinMinIndia/status/1293814900628709381/photo/1>

❖ **Indirect Tax**

Goods and Services Tax Updates

DGGI uncovers GST evasion of more than Rs. 17 Crores after multiple searches

The DGGI conducted multiple searches at premises of a major cement manufacturer in Madhya Pradesh and Uttar Pradesh over the last seven days and detected GST evasion of Rs. 17.2 crore. The searches have indicated substantial quantities of cement and clinker have been supplied clandestinely without payment of Goods & Service Tax (GST).

<https://www.businesstoday.in/current/economy-politics/dggi-uncovers-gst-evasion-worth-rs-172-cr-after-multiple-searches/story/412793.html>

❖ **Business and Economic News**

- Union Minister called for increased investment by international institutions and bodies in the Indian highways and MSME sectors

<https://timesofindia.indiatimes.com/business/india-business/nitin-gadkari-calls-for-global-investment-in-highways-msme-sectors/articleshow/77509301.cms>

- Gold bounces back above \$1,900 as UK data renews recession fears

http://timesofindia.indiatimes.com/articleshow/77503607.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- Personal Data Protection Bill : Utilising Personal Data in e-commerce – Uncertainty or Opportunity?

<https://www.financialexpress.com/industry/sme/cafesme/personal-data-protection-bill-utilising-personal-data-in-e-commerce-uncertainty-or-opportunity/2051417/>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	38310.49 (-59.14)
Nifty 50	11311.65 (+3.25)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.53 (-0.26%)	87.61 (-0.34%)	97.48 (-0.16%)	0.70 (-0.61%)

❖ **Banking and Insurance**

• **System-based Asset Classification – UCBS**

In order to improve the efficiency, transparency and integrity of the asset classification process, it has been decided to implement system-based asset classification in urban co-operative banks (UCBs).

<https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=11948&Mode=0>

• **Lenders question RBI's loan Exposure Definition**

Several foreign and private lenders have questioned the definition of "loan exposure" in the Reserve Bank of India's (RBI) recent circular that bars corporate borrowers from operating multiple current accounts. While public sector banks (PSBs) stand to benefit the most from the changed regulations on current accounts announced by RBI, the foreign and private sector banks said that more clarity is warranted on what constitutes a loan exposure.

<https://www.livemint.com/industry/banking/lenders-question-rbi-s-loan-exposure-definition-11597281334708.html>

• **Get Clarity about Health Insurance Misconceptions**

Subramanyam Brahmajosyula, Head Underwriting and Reinsurance, SBI General, makes an attempt to clear certain misconceptions about health insurance in the mind of the younger generation with an email interview with Financial Express, a leading newspaper of India.

<https://www.financialexpress.com/money/insurance/international-youth-day-clearing-misconceptions-about-health-insurance-among-millennials/2052939/>

❖ **Pronouncements**

- In the matter of *Balasure Alloys Limited v. Medima LLC*, Calcutta High Court ruled that Indian courts have the power to grant anti-arbitration injunctions against foreign seated arbitrations. The Court, however, added that this power should be used sparingly and in line with principles already laid down by the Supreme Court in *Modi Entertainment Network v. WSG Cricket*.

https://images.assettype.com/barandbench/2020-08/61fa77c4-9a57-46d5-b42c-da6bbbdff727/Balasure_Alloys_v_Medima_LLC_Calcutta_HC_order.pdf

- In the matter of *Yashumati Devi and Another vs. Christian Medical College (CMC)*, Vellore, the National Consumer Disputes Redressal Commission (NCDRC) has awarded the compensation to the deceased patient's wife on the finding that deficiency/negligence is conclusively established. In their considered view and in the facts and specificities of the instant case, compensation of Rs. 25 lakh with interest at the rate of 8% per annum from the date of the death of the patient appears just and equitable.

https://images.assettype.com/barandbench/2020-08/273733a0-cae2-4806-9aa2-dff4f8087dc6/Yashumati_Devi_v_CMC_Vellore_NCDRC_Ruling_August_11_2020_compressed.pdf

Prepared by Directorate of Academics

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

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"To be a global leader in promoting
good corporate governance"

ICSI Motto
सत्यं वद। धर्मं चर।
इष्टार्थं कुरु। सत्यं चर।
इष्टार्थं कुरु। सत्यं चर।

MISSION
"To develop high calibre professionals
facilitating good corporate governance"

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