

Info Capsule

Friday

August 14, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ **International Business**

Global Telecom Managed Services Market 2020-2025: Current and Projected Impact of COVID-19 on the Industry – Research and Markets.com

The Global Telecom Managed Services Market is expected to register a CAGR of 14.7% over the forecast period 2020 to 2025.

The Telecom sector is a significant market for the managed services, due to the high rate of various technological adoptions, increased frequency of confirmation of the BYOD policy (to make business operations much more comfortable and controllable), and increased need for high-end security due to the rapidly increasing data among the organizations. The telecom industry has observed extensive growth during the past few years.

<https://www.businesswire.com/news/home/20200813005620/en/Global-Telecom-Managed-Services-Market-2020-2025-Current>



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

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❖ **Securities Laws & Capital Market**

- **Investor Grievances Redressal Mechanism – Handling of SCORES complaints by Stock Exchanges and Standard Operating Procedure for Non-Redressal of Grievances by Listed companies. (August 13, 2020)** The procedure, *inter alia*, provides that the stock exchanges shall levy fines on listed companies in case of non-redressal of investor complaints. In case the listed entity fails to pay fine levied within the stipulated period, the stock exchanges shall intimate the depositories to freeze the entire shareholding of the promoters and promoter group. Lastly, Stock exchanges shall intimate SEBI through SCORES about all actions taken against the listed company for non-resolution of the complaints and non-payment of fines. This will come into force from September 1, 2020.

https://www.sebi.gov.in/legal/circulars/aug-2020/investor-grievances-redressal-mechanism-handling-of-scores-complaints-by-stock-exchanges-and-standard-operating-procedure-for-non-redressal-of-grievances-by-listed-companies_47325.html

- Reliance Securities has terminated the services of three traders named by SEBI in a front-running case. The brokerage house also emphasised that its internal checks and balances related to trading and execution are fully complied with all requirements. <https://economictimes.indiatimes.com/markets/stocks/news/reliance-securities-terminates-3-traders-named-by-sebi-in-front-running-case/articleshow/77490853.cms>
- The Securities and Exchange Board of India (SEBI) has rejected Multi Commodity Exchange (MCX) and National Commodity Derivative Exchange (NCDEX) demand for a cross margin facility on commodity indices. This facility allows traders to hedge their positions at the same margin while taking opposite positions on indices.

<https://www.moneycontrol.com/news/business/sebi-rejects-traders-demands-for-cross-margin-facility-on-commodity-indices-5696921.html>

❖ **Direct Tax**

Faceless Assessment Scheme [Notification No. 60, 61 Dated August 13, 2020]

With an aim to eliminate the interface between the taxpayer and the income tax department, the Central Board of Direct Taxes vide notification no. 60/61 has notified the Faceless Assessment Scheme.. Under the system, the selection of a taxpayer is possible only through systems using analytics and AI. The system abolishes territorial jurisdiction. The detailed scheme and procedure are available at weblink:

<http://www.egazette.nic.in/WriteReadData/2020/221089.pdf>

❖ **Indirect Tax****Customs Updates**

Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver [Notification No. 71/2020- Customs (NT), dated August 13, 2020]

The Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient so to do, hereby make the amendments for fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt71-2020.pdf>

❖ **Banking and Insurance**• **RBI revises norms for Core Investment Companies**

The Reserve Bank of India (RBI) announced stricter guidelines for core investment companies (CICs), mandating more disclosures, better risk management and a simpler group structure. These guidelines are based on recommendations of the Working Group to Review Regulatory and Supervisory Framework for Core Investment Companies. The group's report was released by RBI on November 6, 2019.

<https://www.livemint.com/industry/banking/rbi-tightens-regulations-for-core-investment-companies-11597324785628.html>

• **RBI payout no succour for Government Finances**

Finance Minister Nirmala Sitharaman can expect another payout from the Central Bank in coming weeks, but it's unlikely to plug a huge government revenue hole created by the pandemic. The Reserve Bank of India's board, led by Governor Shaktikanta Das, is meeting today,, since August typically is the month the central bank makes its annual transfer to the government. Therefore, expectations are running high that the RBI will disclose its dividend payout.

<https://www.livemint.com/industry/banking/rbi-payout-no-succor-for-government-finances-11597363227001.html>

• **RBI slaps Rs. 10 lakh penalty on four Co-operative Banks for issues in Regulatory Compliance**

The RBI informed that it has imposed a total penalty of Rs. 10 lakh on four cooperative banks for deficiencies in regulatory compliance. A penalty of Rs. 5 lakh has been imposed on Jowai Co-operative Urban Bank Limited for contravention of the directions issued by RBI on 'Exposure Norms and Statutory/Other Restrictions-UCBs'.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-slaps-rs-10-lakh-penalty-on-four-co-operative-banks-for-issues-in-regulatory-compliance/articleshow/77530683.cms>

• **Credit cost to more than double for NBFCs, says Acuite Ratings**

Acuite Ratings and Research said that despite restructuring relief from Reserve Bank of India (RBI), credit costs are likely to more than double for most of non-banking players. In a discussion on non-banking financial companies (NBFCs) amid COVID-19, the rating firm said that profitability headwinds for shadow banks would remain high due to sharp decline in disbursements. RBI had earlier allowed lenders to restructure personal as well as corporate loans with strict barriers.

<https://www.financialexpress.com/industry/banking-finance/credit-cost-to-more-than-double-for-nbfc-says-acuite-ratings/2054390/>

• **Usage of Debit, Credit Cards Surges: Transactions up 111% from April low**

After the crash in April due to the COVID-19 induced lockdown, value of transactions through credit and debit cards jumped 111 per cent in June to come closer to the pre-COVID levels in the month March, and cash withdrawals through ATMs rose by Rs. 1 lakh crore in two months. Indicating that consumer spending has picked up, transactions using debt and credit cards jumped to Rs. 1,05,266 crore in June as against Rs. 49,807 crore in April, latest data available with the RBI said. Card use fell from Rs. 1,15,877 crore in March as trade and business were hit in the wake of the lockdown across the country.

<https://indianexpress.com/article/business/banking-and-finance/usage-of-debit-credit-card-surges-transactions-up-111-from-april-low-6553783/>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37877.34 (-433.15)
Nifty 50	11178.40 (-122.05)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.60 (+0.10%)	87.75 (+0.16%)	97.25 (-0.24%)	0.70 (-0.40%)

❖ **Business and Economic News**

- Retail inflation based on consumer price index (CPI) accelerated to 6.93% in the month of July as against 6.23% in June mainly due to higher food prices.
<https://timesofindia.indiatimes.com/business/india-business/retail-inflation-rises-to-6-93-in-july-from-6-23-in-june/articleshow/77526101.cms>
- Faceless tax scrutiny assessment and appeal would help ease compliance burden of taxpayers and increase fairness and objectivity in the tax system.
http://timesofindia.indiatimes.com/articleshow/77521160.cms?utm_source=contentofinterest&utm_medi

❖ **Valuations****Bankrupt Energy Companies' Valuations and Unsecured Recoveries Pressured**

According to a new Fitch Ratings report, the bondholders of defaulted energy company have suffered from pressured enterprise valuations and poor unsecured recoveries in a number of recent reorganizations. A senior director at Fitch said that "Many of these energy companies have been struggling since the prior oil market price trough. Distress stemming from persistent cash shortfalls and lack of market access was magnified by the historic coronavirus pandemic-related demand cuts for gasoline and aircraft fuel, and plummeting market prices. Others in the energy, power and coal sectors were unable to refinance or repay looming maturities or filed due to an event."

<https://www.fitchratings.com/research/corporate-finance/bankrupt-energy-companies-valuations-unsecured-recoveries-pressured-13-08-2020>

Prepared by Directorate of Academics

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

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