

Info Capsule

Wednesday, July 15, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Ministry of Corporate Affairs

- Form PAS-6 [Form for Reconciliation of Share Capital Audit Report (Half-yearly)] is available for filing as e-Form from 15th July 2020.

http://www.mca.gov.in/MCA21/dca/download/forms/eformTemplates/NCA/Form_PAS-6_help.zip

- The Central Government has appointed new Chairperson and Members to the Investor Education and Protection Fund Authority with effect from the 8th July, 2020.

http://www.mca.gov.in/Ministry/pdf/1EPFMember_14072020.pdf

❖ NCLAT

With regard to issue of certified copies of applications/ petitions/ documents and resolutions plan etc. to the parties (party or third party) on pending/ disposed matters, NCLAT has ordered that such matters should be mentioned before the Chairperson in Court or in Chamber.

<https://nclat.nic.in/Useradmin/upload/3947669995e63697930041.pdf>

❖ International Business

Apple's fight against \$15 billion EU tax order heats up; Ireland finds itself in a tight spot

Apple's clash with EU competition regulators comes to a head on as the Europe's second-highest court rules on whether it has to pay 13 billion euros (\$15 billion) in Irish back taxes, a key part of the EU's crackdown against tax deals.

<https://economictimes.indiatimes.com/news/international/business/apples-fight-against-15-billion-eu-tax-order-heats-up-ireland-finds-itself-in-a-tight-spot/articleshow/76970830.cms>



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भारतीय कम्पनी सचिव संस्थान

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(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Ministry of Finance

Finance Ministry lists 14 indicators of economic recovery

The government heralded the "Early Green Shoots of Economic Revival" in May and June, 2020, pointing towards higher electricity and fuel consumption, greater movement of goods and an increase in financial transactions.

The finance ministry listed as many as 14 separate indicators across manufacturing, services, finance and agriculture to back this up in a statement entitled 'Increase in Economic Activity-Improvement in Economic Indicators'.

<https://economictimes.indiatimes.com/news/economy/indicators/govt-rbis-prompt-policy-measures-helped-reinvigorate-economy-with-minimal-damage-finance-ministry-report/articleshow/76527633.cms>

❖ Securities Laws & Capital Market

Extension of Timeline for submission of public comments on the Report of the Working Group on Social Stock Exchange (July 14, 2020)

On June 01, 2020, SEBI had put up the report of the working group on Social Stock Exchange for public consultation on its website seeking comments by June 30, 2020. At first the timeline was extended to July 15, 2020. In view of the representations received for seeking further extension of the timeline for submission of comments due to COVID-19 pandemic, SEBI has further extended the timeline for seeking public comments to August 15, 2020.

For more details, please click on:

https://www.sebi.gov.in/reports-and-statistics/reports/jul-2020/extension-of-timeline-for-submission-of-public-comments-on-the-report-of-the-working-group-on-social-stock-exchange_46950.html

SEBI ORDER

In the matter of Farmax India Ltd. (FIL), involving alleged diversion of GDR proceeds from the FIL's EURAM Bank (where GDR proceeds were deposited) to Farmax International, FZE (its UAE subsidiary) and thereafter to other entities, SEBI has directed FIL that it shall continue to pursue the measures to bring back the outstanding amount of USD 72.20 million into its bank account in India.

In this matter, SEBI restrained 11 entities including FIL from accessing the securities market and further prohibited from buying, selling or dealing in securities or being associated with the securities market in any manner. SEBI has further directed 4 entities to disgorge illegal gains of Rs. 51.74 crore and Rs. 2.57 lakh jointly or severally along with 12 per cent interest within a period of 45 days.

For more details, please click on:

https://www.sebi.gov.in/enforcement/orders/jul-2020/order-passed-by-sebi-in-the-matter-of-gdr-issue-of-farmax-india-ltd_47061.html

❖ **Direct Tax****Income Tax Department carries out search and survey operations in Rajasthan, Delhi and Mumbai**

The Income Tax Department carried out search and survey operations on three groups on 13.07.2020. These operations are being carried out at 20 premises in Jaipur, 6 in Kota, 8 in Delhi and 9 in Mumbai.

<https://pib.nic.in/PressReleasePage.aspx?PRID=1638450>

❖ **Indirect Tax****Customs Updates****Amendment in All Industry Rates of Duty Drawback (Notification No. 56/2020- Customs (Non-Tariff), dated 13th July, 2020)**

The Central Government has amended the Notification No. 7/2020-Customs (N.T.) dated 28th January, 2020 relating to All Industry Rates (AIRs) of Duty Drawback.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt56-2020.pdf>

❖ **Valuation****Musings on Markets**

A Viral Market Update IX: A Do-it-Yourself S&P 500 Valuations

<http://aswathdamodaran.blogspot.com/2020/06/a-viral-market-update-ix-do-it-yourself.html>

❖ **Governance****Draft Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020- Public Comments/Views Invited by PNGRB**

PNGRB (Petroleum and Natural Gas Board) has invited public comments/views on the draft regulation hosted on the website of PNGRB.

Purpose of Draft Regulation : It is an attempt to build a regulatory framework for a gas exchange that would trade physical contracts. The draft lays out detailed regulations regarding the setting up and operation of an exchange, membership, shareholding and settlement of trades.

Few Highlights:

- Anybody wanting to set up an exchange would require an approval from the PNGRB, which would have the power to regulate an exchange, call for information, order investigation and cancel authorisation if needed.
- No person, other than a member of an authorised gas exchange, shall at any time, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than fifteen (15) percent of the paid-up equity share capital in an authorised gas exchange.
- At least 51% equity capital of an authorised clearing corporation shall always be held by one or more gas exchanges. But no clearing corporation can hold any stake or interest of any nature in the gas exchange.
- Every clearing corporation or gas exchange shall establish and maintain a settlement fund for each category of product authorized by the regulator to guarantee the settlement of trades executed.
- A compliance officer shall be appointed who shall be responsible for monitoring the compliance of the Act, regulations, or directions issued thereunder and for redressal of members' grievances.
- The disclosure requirements and corporate governance norms as specified for listed companies shall mutatis mutandis apply to an authorized gas exchange and an authorized clearing corporation.

<https://economictimes.indiatimes.com/markets/stocks/news/pngrb-draft-regulation-caps-individual-stake-in-gas-exchange-to-15/articleshow/76942800.cms?from=mdr>

The detailed draft regulation can be accessed from the below link:

<https://www.pngrb.gov.in/pdf/public-notice/DraftGasExchangeRegulation.pdf>

❖ **Market Watch**

| Capital Market | |
|------------------|-------------------|
| S & P BSE Sensex | 36051.81 (+18.75) |
| Nifty 50 | 10618.20 (+10.85) |

| Reference Rate | | | |
|-------------------|-------------------|-------------------|------------------|
| INR / 1 USD | INR / 1 GBP | INR / 1 EUR | INR / 1 JPY |
| 75.13 (+0.30%) | 94.22 (-0.26%) | 85.43 (+0.60%) | 0.70 (+0.14%) |

❖ **Business and Economic News**

- SBI to institute work-from-anywhere infrastructure, hopes to save Rs 1,000 crore
http://timesofindia.indiatimes.com/articleshow/7696326.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- Government's fuel-tax hikes are putting brakes on India's recovery
http://timesofindia.indiatimes.com/articleshow/76957017.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- Fate Of Unpaid Tax Liability Under The Insolvency And Bankruptcy Code
<https://www.livelaw.in/columns/fate-of-unpaid-tax-liability-under-the-insolvency-and-bankruptcy-code-159871>
- PNGRB draft regulation caps individual stake in gas exchange to 15%
<https://m.economictimes.com/markets/stocks/news/pngrb-draft-regulation-caps-individual-stake-in-gas-exchange-to-15/articleshow/76942800.cms>
- **Corona Rakshak – Benefit of 100% of sum insured to the Insured**

Corona Rakshak Policy is the standard benefit-based health policy which IRDAI has asked all insurers to launch preferably before July 10, 2020. However, the actual launch is awaited. Corona Rakshak Policy is different from Corona Kavach Policy as the latter can be launched only by general and health insurers and is a reimbursement based policy. In Corona Kavach Policy only the hospital bill gets reimbursed as it is an indemnity-based plan but in Corona Rakshak Policy, the 100 per cent of the sum insured is to be paid to the policyholder as it a benefit-based plan. COVID Standard benefit-based health policy will be offered on an individual basis only and hence no Family Floater option is available in it. The COVID Standard benefit-based health policy will be available in three tenure – 3 ½ months, 6 ½ months, and 9 ½ months including waiting period.

<https://www.financialexpress.com/money/insurance/get-100-of-sum-insured-with-corona-rakshak-a-covid-19-standard-benefit-based-health-policy/2022170/>

Prepared by Directorate of Academics

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