

Info Capsule

Friday
September 18, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

International Day of Peace (September 18, 2020)

The ICSI in partnership with Heartfulness is celebrating International Day of Peace on September 21, 2020 at 8 P.M.

For details:

https://www.icsi.edu/media/filer_public/39/c4/39c4f8af-0581-444f-afd6-71159acf0050/heartfulness.pdf

❖ MCA Initiatives

Extension of period of the Company Law Committee (September 17, 2020)

In continuation of the Order dated September 18, 2019, the tenure of the Company Law Committee is hereby extended upto 2 years from the date of that order i.e. upto September 17, 2021.

For details :

http://www.mca.gov.in/Ministry/pdf/ExtensionNotice_17092020.pdf

❖ NCLAT/NCLT News

MCA further extended the term of office of Justice (Retd.) Shri Bansilal Bhat as officiating Chairperson of NCLAT (September 17, 2020)

In continuation of MCA notifications S.O. 1049(E) dated March 12, 2020 and S.O. 2226(E) dated July 06, 2020, the term of office of Justice (Retd.) Shri Bansilal Bhat, Member (Judicial) as officiating Chairperson, NCLAT is extended upto October 16, 2020 or until a regular Chairperson is appointed or until further orders, whichever is the earliest.

For Details:

<http://egazette.nic.in/WriteReadData/2020/221781.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

Punjab and Maharashtra Cooperative Bank approaches Finance Ministry to raise capital (September 17, 2020)

Stuck for nearly a year and with no immediate resolution in sight, fraud-hit Punjab and Maharashtra Cooperative Bank (PMC) has approached the central government to help the management in coming out of the mess. According to the sources in the finance ministry, the bank has asked the government to help them in getting funds as they are unable to raise money on its own.

For Details: <https://www.newindianexpress.com/business/2020/sep/17/punjab-and-maharashtra-cooperative-bank-approaches-finance-ministry-to-raise-capital-2197966.html>

❖ Securities Laws & Capital Market

SEBI CIRCULARS

Circular on Mutual Funds (September 17, 2020)

- **Uniformity in applicability of Net Asset Value (NAV) across various schemes upon realization of funds**

SEBI has partially modify its Circular dated September 13, 2012, and decided that in respect of purchase of units of mutual fund schemes (except liquid and overnight schemes), closing NAV of the day shall be applicable on which the funds are available for utilization irrespective of the size and time of receipt of such application.

- **Trade Execution and Allocation**

Further, under the circular it is provided that AMCs shall put in place a written down policy which inter-alia detail the specific activities, role and responsibilities of various teams engaged in fund management, dealing, compliance, risk management, back-office, etc., with regard to order placement, execution of order, trade allocation amongst various schemes and other related matters.

The circular shall be applicable with effect from **January 1, 2021**

For details : https://www.sebi.gov.in/legal/circulars/sep-2020/circular-on-mutual-funds_47574.html

SEBI IN NEWS

- **SEBI invites application to process, maintain investor complaints (September 17, 2020)**

SEBI has invited applications "in prescribed format for pre-qualification of agencies for processing and maintenance of records of investor complaints received at SEBI. SEBI plans to rope in an agency to process and maintain records of investor complaints received by the regulator. The mandate for the agency is to receive grievances from investors through physical or electronic mode and categorise them.

For details: <https://economictimes.indiatimes.com/markets/stocks/news/sebi-invites-application-to-process-maintain-investor-complaints/articleshow/78166508.cms>

- **Vedanta moves SEBI to get nod to start reverse book building for delisting (September 17, 2020)**

The company has in May announced plans to delist Vedanta Ltd from the Indian stock exchanges by buying out non-promoter shareholding. After mobilising USD 3.15 billion to fund the delisting of its Indian subsidiary, Vedanta Resources Ltd has approached the SEBI for necessary approvals to start the reverse book building process.

For details: <https://economictimes.indiatimes.com/markets/stocks/news/vedanta-moves-sebi-to-get-nod-to-start-reverse-book-building-for-delisting/articleshow/78169390.cms>

❖ **Direct Tax**• **Income Tax Department carries out searches in Jammu & Kashmir (PIB Dated September 17, 2020)**

The Income Tax Department carried out a search and seizure operation on a prominent Hotelier, owning a chain of Hotels at Srinagar, Gulmarg, Sonamarg and Pahalgam with another hotel under construction at Leh. Various incriminating documents and materials evidencing unexplained investments in immovable properties, construction of hotels and residences aggregating to Rs. 25 crore in the last six financial years have been seized during the search, though he has not paid any tax since A.Y. 2014-15. Almost all these investments are in cash and outside the known sources of income.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1655515>

❖ **Indirect Tax****Goods and Services Tax updates**• **GST rate on Cars lower than pre GST regime (September 17, 2020)**

India has always provided complete certainty in taxation to the auto sector, while concessions have been provided to electric and hybrid vehicles. Automakers should increase investments and become more efficient while reducing cost and royalty payments instead of asking the government to reduce taxes.

For details: <https://timesofindia.indiatimes.com/business/india-business/gst-rate-on-cars-lower-than-pre-gst-regime-auto-companies-should-cut-royalty-payments-finance-ministry/articleshow/78168413.cms>

Customs Updates• **Notification No. 34/2020- Customs (September 17, 2020)**

This notification seeks to further amend notification No. 50/2017-Customs dated June 30, 2017 so as to reduce the Basic Customs Duty on Lentils (Mosur) for the period from September 18, 2020 to October 31, 2020.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications /notfns-2020/cs-tarr2020/cs34-2020.pdf>

❖ **International Business**• **India ranks 116 in World Bank's annual Human Capital Index (September 17, 2020)**

India has been ranked at the 116th position in the latest edition of the World Bank's annual Human Capital Index that benchmarks key components of human capital across countries.

For details: <https://theprint.in/india/india-ranks-116-in-world-banks-annual-human-capital-index/504606/>

❖ **Business and Economic News**• **CBDT lays out five parameters for compulsory selection of returns under faceless assessment (September 18, 2020)**

The Central Board of Direct Taxes has clarified various situations and the parameters basis which the cases would be selected for scrutiny, and has specified when scrutiny shall be conducted by NeAC or transferred to Central charge. The broad parameters include survey, search and seizure, cases where notice under Section 148 has been issued, cases relating to revocation of registration or approval by authorities under sections 12A / 10(23C) and cases where notices under section 142(1) have been issued calling for return.

For details: <https://economictimes.indiatimes.com/news/economy/policy/cbd-t-lays-out-five-parameters-for-compulsory-selection-of-returns-under-faceless-assessment/articleshow/78172235.cms>

• **Sub-committee for disinvestment formed for sale of PSIDC stake in PACL (September 17, 2020)**

The Punjab Cabinet approved the constitution of an empowered cabinet sub-committee on disinvestment to finalise the modalities for strategic divestment of state-owned PSIDC's stake in Punjab Alkalies & Chemicals Limited (PACL).

For details: https://economictimes.indiatimes.com/news/economy/policy/sub-committee-for-disinvestment-formed-for-sale-of-psidc-stake-in-pacl/articleshow/78174131.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	38845.82 (-134.03)
Nifty 50	11504.95 (-11.15)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
73.48 (+0.3%)	86.99 (-0.21%)	95.08 (+0.53%)	0.70 (+0.46%)

❖ **Banking and Insurance**• **Conversion/Switch of Government of India (GoI)'s Securities (September 17, 2020)**

The Government of India announces the conversion/switch of its securities through auction for an aggregate amount of Rs. 24,000 crore (face value). The market participants are required to place their bids in e-kuber giving the amount of the source security and the price of the source and destination security expressed upto two decimal places. The auction would be a multiple-price based auction, i.e. successful bids will get accepted at their respective quoted prices for the source and destination securities. Bids for the auction should be submitted in electronic format on the Reserve Bank of India Core Banking Solution (e-kuber) system on September 21, 2020 (Monday) between 10.30 a.m. and 11.30 a.m. The result of the auction will be announced on the same day and settlement will take place on September 22, 2020.

For details : https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50374

• **US-based Rosen Law Firm files lawsuit against HDFC Bank (September 18, 2020)**

US-based Rosen Law Firm has filed a class action suit against HDFC Bank on behalf of its shareholders, alleging that the lender had misled its investors. The firm has sought damages from the bank and sought a trial by jury.

For details: <https://www.financialexpress.com/industry/banking-finance/us-based-rosen-law-firm-files-lawsuit-against-hdfc-bank/2086025/>

• **Bankers pitch stressed domestic assets to Foreign Investors (September 18, 2020)**

Indian lenders are marketing domestic stressed assets to foreign investors noting that the current economic scenario would offer "fantastic valuations" to potential foreign investors besides access to a dedicated workforce and a large domestic market.

For details: <https://indianexpress.com/article/business/banking-and-finance/bankers-pitch-stressed-domestic-assets-to-foreign-investors-6600378/>

• **IRDAI to take decision on extending tenure of COVID-19 related products : Chairman (September 17, 2020)**

IRDAI is mulling over a plan to allow the tenure extension of COVID-19 specific insurance products as the vaccine for the disease is seemingly away by some more time, its chairman Subhash C Khuntia said on Thursday.

For details: <https://www.financialexpress.com/money/insurance/irdai-to-take-decision-on-extending-tenure-of-covid-19-related-products-chairman/2085723/>

• **IRDAI plans to come out with standard plans to boost insurance penetration (September 18, 2020)**

The Insurance Regulatory and Development Authority of India (IRDAI) is planning to come out with standard plans for the life as well as non-life insurance industry to improve penetration of insurance. IRDAI will soon roll out guidelines regarding standard products for term plans, dwelling and medium and small enterprises.

For details: <https://www.financialexpress.com/money/insurance/irdai-plans-to-come-out-with-standard-plans-to-boost-insurance-penetration/2085871/>

Prepared by Directorate of Academics

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

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वृत्तान्ते मतेः श्रेयते। इत्युक्तेः श्रेयः।

MISSION
"To develop high calibre professionals
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