

Info Capsule

Thursday
August 20, 2020



**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)

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

• ICSI has launched Compliance Software for Practicing Company Secretaries

Company Secretaries in Practice can access the software through the dedicated portal on the ICSI webpage wherein the CP Number of the member can be used for Registration and Login. Members only with a valid CP Number can access the software.
<https://www.icsi.edu/media/webmodules/cc.pdf>

• Admit Card for August, 2020 Session of CSEET (Remote Proctored Mode)

The Admit Cards to eligible candidates for appearing in Company Secretary Executive Entrance Test (CSEET) scheduled to be held on August 29, 2020 through Remote Proctored Mode, have been uploaded on the website of the ICSI. Eligible candidates may download the Admit Card from August 19, 2020 onwards.

https://www.icsi.edu/media/webmodules/Admit_Card_Download_for_CSEET_August_2020_session.pdf

❖ Securities Laws & Capital Market

Consultation Paper

• Recalibration of threshold for Minimum Public Shareholding norms, enhanced disclosures in Corporate Insolvency Resolution Process (CIRP) cases (August 19, 2020)

The objective of this discussion paper is to seek comments / views from the public and market intermediaries on recalibration of threshold for Minimum Public Shareholding norms (MPS) in companies which undergo Corporate Insolvency Resolution Process (CIRP) and seek relisting of its shares pursuant to implementation of the approved resolution plan. The comments may be sent on or before September 18, 2020.

https://www.sebi.gov.in/reports-and-statistics/reports/aug-2020/recalibration-of-threshold-for-minimum-public-shareholding-norms-enhanced-disclosures-in-corporate-insolvency-resolution-process-cirp-cases_47360.html

SEBI in News

• SEBI proposes changes in public float norms for companies under insolvency. SEBI in a discussion paper proposed three options for such companies to increase public float at quicker timelines. Under SEBI norms listed companies need to have at least 25% of minimum public shareholding (MPS). But for companies, which undergo an insolvency resolution under the Insolvency and Bankruptcy Code (IBC) are being granted a relaxation from this rule.

<https://www.livemint.com/news/india/sebi-proposes-changes-in-public-float-norms-for-companies-under-insolvency-11597840600149.html>

❖ **Indirect Tax****Goods and Services Tax Updates**• **41st GST Council Meeting on August 27, 2020 to discuss Compensation to States**

GST Council will hold its 41st meeting on August 27, 2020 to discuss the single-point agenda of compensation to states for revenue losses under the indirect tax regime. Several options including expanding the ambit of compensation cess, market borrowing to fund compensation deficit along with a future plan for rate rationalisation beginning from correction of inverted duty structure for some items are expected to be discussed in the meeting.

<https://indianexpress.com/article/business/economy/gst-council-meet-states-centre-tussle-likely-over-compensation-6561791/>

Customs Updates• **Deferred Payment of Import Duty (Amendment) Rules, 2020**

The Notification No. 79/2020- Customs (NT), dated August 19, 2020 seeks to amend Notification No.134/2016- Customs (N.T.) dated 02.11.2016 for omitting Rule 4 of the Deferred Payment of Import Duty Rules, 2016

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt79-2020.pdf>

❖ **Business and Economic News**

• Nearly 16,500 companies registered in July : Ministry of Corporate Affairs

Registration of new companies in India increased to a record breaking high of seven years in July, 2020 highlighting the renewed interest of entrepreneurs to set up new business ventures. A total of 16,487 companies, including 970 OPCs, were registered under the Companies Act, 2013 during July, 2020.

<https://www.moneycontrol.com/news/business/nearly-16500-companies-registered-in-july-corporate-affairs-ministry-5726051.html>

• Competition Commission throws out Antitrust Complaint against WhatsApp in India

India's antitrust watchdog has dismissed a case against Facebook's WhatsApp, saying the company has not abused its dominant position to expand in the country's digital payments market, according to an official order. A case in March alleged that WhatsApp was bundling its digital payment facility - WhatsApp Pay - within its messaging app for which it already has a large user base. The case alleged WhatsApp was abusing its position by forcing its payments feature on to its existing users.

<https://www.livemint.com/industry/banking/competition-commission-throws-out-antitrust-complaint-against-whatsapp-in-india-11597837241851.html>

• IEX, the country's leading power exchange, has received approval of the Central Electricity Regulatory Commission (CERC) to launch a 'Green Term-Ahead' Market.

https://www.thehindubusinessline.com/markets/iex-gets-regulators-nod-for-green-market/article32396502.ece?utm_campaign=amp_article_share&utm_medium=referral&utm_source=whatsapp.com#

• Supreme Court's 7 Judge Committee says that 3 Big Courtrooms to be made ready for Physical Hearing on experimental basis

<https://www.barandbench.com/news/litigation/sc-7-judge-committee-asks-3-big-courtrooms-for-physical-hearing-pilot-scheme>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	38215.98 (-398.81)
Nifty 50	11309.60 (-98.80)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.50 (-0.17%)	88.76 (+0.30%)	98.25 (+0.52%)	0.71 (+0.55%)

❖ **Banking and Insurance**

● **Bond yields in India creeping back to 6% as RBI goes silent**

A conspicuous silence from the Reserve Bank of India regarding support for the nation's bonds has left traders wondering whether the recent gains in yields is a new normal. The central bank may be trying to increase the attraction of sovereign debt by letting yields rise, according to PNB Gilts Ltd. The benchmark 10-year bond yield advanced to 5.97% on August 19, 2020, the highest since May.

<https://www.livemint.com/industry/banking/bond-yields-in-india-creeping-back-to-6-as-rbi-goes-silent-11597882600493.html>

● **Banks prefer to park funds in G-secs than give out 'risky' loans**

Expecting the credit growth slowdown to continue, banks are increasingly choosing to park funds in safer government securities over riskier credit bets. Bankers said that considering the weak credit demand and the effect of the COVID-19 pandemic yet to play out in full, they prefer to invest in safer government securities (G-secs). The cautious approach adopted by banks is despite the Reserve Bank of India's (RBI) and government's push to increase lending across sectors. Moreover, the economic package announced by the government earlier in May depends heavily on bank credit flow to revive the economy.

<https://www.livemint.com/industry/banking/banks-prefer-to-park-funds-in-g-secs-than-give-out-risky-loans-11597858078691.html>

● **Good demand for COVID-19 specific Health Insurance Policies**

The ongoing pandemic has led more individuals buying health insurance policies. The data from IRDAI shows that in the current financial year till July, health insurance have seen premiums of Rs 18,415.52 crore compared to Rs 16,674.72 crore in same period last year, a growth of 10.44%. The COVID-19 specific policies, which were launched by insurance companies on July 10, have seen high demand. Under 'Corona Kavach' insurers have sold around 7.5 lakh policies collecting premium of about Rs 215 crore, while 'Corona Rakshak' have received premiums worth Rs 29 crore by selling 1.83 lakh policies.

<https://www.financialexpress.com/money/insurance/covid-19-specific-health-insurance-policies-see-good-demand/2060248/>

❖ **Pronouncements**

- In the matter of *HUL vs. Emami*, Bombay High Court has granted a temporary injunction against Emami Ltd., restraining the Kolkata based conglomerate from using the mark 'Glow and Handsome' noting that the plaintiff Hindustan Unilever was prima facie prior adopter and user of said trademark.

<https://www.livelaw.in/news-updates/glow-handsome-trademark-dispute-bombay-hc-temporarily-restrains-emami-from-using-the-mark-glow-and-handsome-161660>

- In the matter of *M/s MTS Logistics Pvt. Ltd. & Ors. vs. Shri Brijesh Uppal & Ors.*, the Appellant contended that the Tribunal had no jurisdiction to inflict any damages against the alien Company, while deciding the inter-se dispute between two directors of another Company.

NCLAT held that both the Companies have close business relations having a common director. Hence, it cannot be said that the Tribunal had no jurisdiction to inflict any damages against the Appellant Company. Therefore the Tribunal rightly held that both the Appellants are jointly and severally liable to pay compensation to the Respondent.

<https://nclat.nic.in/Useradmin/upload/19348251445f1808f3ea475.pdf>

- Madras High Court in the matter of *Revenue Bar Association (RBA) vs. Union of India* restrained the Central Government from appointing technical members to the Goods and Services Tax Appellate Tribunals (GSTAT) until further orders.

<https://www.barandbench.com/news/litigation/government-restrained-from-appointing-technical-members-to-gstat-until-further-orders-madras-hc>

Prepared by Directorate of Academics

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

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