

# Info Capsule

Tuesday, July 21, 2020

**President : CS Ashish Garg**

**Vice President : CS Nagendra D. Rao**

## ❖ Latest @ ICSI

- The Institute has announced the opening of new Examination Centres for Company Secretaries Examination w.e.f. December, 2020 session in Bhagalpur (Bihar), Bokaro (Jharkhand) and Karnal (Haryana).

<https://www.icsi.edu/media/webmodules/Notice-NewCentres.pdf>

- Regionwise List (Cities) of Examination Centres – CS Examinations December, 2020 has been placed on the ICSI Website.

[https://www.icsi.edu/media/webmodules/List\\_of\\_Examination\\_Centres\\_for\\_CS\\_Dec20.pdf](https://www.icsi.edu/media/webmodules/List_of_Examination_Centres_for_CS_Dec20.pdf)

## ❖ Banking and Insurance

### Indicative Rate Chart for Treatment of COVID-19 in Hospitals – General Insurance Council

The General Insurance Council (GI Council) has prepared a rate chart for COVID 19 treatment, taking into account the rates published by various state governments and also after discussions with health claims experts. The rates proposed by GIC are to be considered during treatments in hospitals. These rates are dynamic and will be revisited every month. These rates will be applicable to both cashless and reimbursement COVID-19 claims where any Government Authority has not published standard charges for COVID-19 treatment. Wherever COVID-19 treatment charges have been published by any Government Authority, those charges shall be applicable to insurance claims with member companies.

<https://www.financialexpress.com/money/insurance/covid-19-hospital-charges-delhi-mumbai-chennai-indicative-rate-chart-of-general-insurance-council/2029287/>



**THE INSTITUTE OF  
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**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

- Government of India announced the sale (Re-issue) of (i) '5.22% Government Stock, 2025' for a notified amount of Rs. 12,000 crore (nominal) through price based auction, (ii) '6.19 percent Government Stock, 2034' for a notified amount of Rs 11,000 crore (nominal) through price based auction, and (iii) '7.16 percent Government Stock, 2050' for a notified amount of Rs 7,000 crore (nominal) through price based auction.

<https://dea.gov.in/press-release>

## • Bharat Bond NFO Tranche II oversubscribed 3.7 times

Edelweiss Asset Management informed that the Bharat Bond NFO Tranche II has been a resounding success, receiving applications amounting to Rs 10,992 crores. The initial NFO issue size of Rs. 15,000 crores (base issue size of Rs. 3,000 crores with a Green Shoe Option of Rs. 12,000 crores) was oversubscribed by over 3.7 times.

Speaking on the huge response to the Bharat Bond NFO, Tuhin Kanta Pandey, the Secretary DIPAM, Ministry of Finance said, "The overwhelming response and over-subscription of the BHARAT Bond ETF tranche II issue shows that the product is well accepted and there is enough demand from investors for CPSE Bonds. The wide participation from investors during the current environment is very encouraging. This has helped participating CPSEs in raising long term resources that will aid their capex plans in the current financial year."

<https://www.zeebiz.com/india/news-bharat-bond-nfo-tranche-ii-oversubscribed-37-times-131633>

## ❖ Direct Tax

### • Notification No. 49/2020 Dated July 17, 2020

For the purposes of clause (46) of section 10 of the Income Tax Act, 1961, the Central Government hereby notifies, 'Real Estate Regulatory Authority' in respect of the specified income arising to that Authority subject to certain conditions.

[https://www.incometaxindia.gov.in/communications/notification/notification\\_49\\_2020.pdf](https://www.incometaxindia.gov.in/communications/notification/notification_49_2020.pdf)

### • Clarification in relation to notification issued under clause (v) of proviso to section 194N of the Income Tax Act, 1961 (the Act) prior to its amendment by Finance Act, 2020 (FA, 2020) [Circular No. 14/2020 Dated July 20, 2020]

CBDT vide Circular No. 14/2020 dated July 20, 2020 clarified that the Notifications so far issued under clause (v) of the proviso to section 194N as was introduced by the Finance (No. 2) Act, 2019 shall be read as Notifications issued under the fourth proviso to section 194N as amended by the Finance Act, 2020.

[https://www.incometaxindia.gov.in/communications/circular/circular\\_14\\_2020.pdf](https://www.incometaxindia.gov.in/communications/circular/circular_14_2020.pdf)

### ❖ **Securities Laws & Capital Market**

#### • **Framework to Enable Verification of Upfront Collection of Margins from Clients in Cash and Derivatives segments (July 20, 2020)**

For the purpose of 'Mechanism for Regular Monitoring of and Penalty for Short Collection/ Non-Collection of Margins from Clients' in Cash and Derivatives segments, SEBI has directed Stock Exchanges/ Clearing Corporations to adopt the framework to enable verification of upfront collection of margins from clients in cash and derivatives segments. SEBI has prescribed this framework with an objective to enable uniform verification of upfront collection of margins from clients by Trading Members / Clearing Members and levy of penalty across segments with effect from December 01, 2020.

[https://www.sebi.gov.in/legal/circulars/jul-2020/framework-to-enable-verification-of-upfront-collection-of-margins-from-clients-in-cash-and-derivatives-segments\\_47101.html](https://www.sebi.gov.in/legal/circulars/jul-2020/framework-to-enable-verification-of-upfront-collection-of-margins-from-clients-in-cash-and-derivatives-segments_47101.html)

#### • **Eligibility Criteria for Selection of Underlying Commodity Futures for Options on Commodity Futures (July 20, 2020)**

SEBI vide circular SEBI/HO/CDMRD/DMP/CIR/P/2017/55 dated June 13, 2017 regarding "Options on Commodity Futures - Product Design and Risk Management Framework" under Clause '3a', had prescribed the eligibility criteria for selection of commodity futures as underlying for options. SEBI with this recent circular, based on representations received from stock exchanges and deliberations with the stakeholders, has decided to repeal above mentioned eligibility criteria. Whereas, other provisions of above mentioned circular dated June 13, 2017 shall continue to prevail.

[https://www.sebi.gov.in/legal/circulars/jul-2020/eligibility-criteria-for-selection-of-underlying-commodity-futures-for-options-on-commodity-futures\\_47100.html](https://www.sebi.gov.in/legal/circulars/jul-2020/eligibility-criteria-for-selection-of-underlying-commodity-futures-for-options-on-commodity-futures_47100.html)

### ❖ **International Business**

#### **Further Extension of Consultation Cycles Due To Covid-19 Pandemic, and Suspension of Framework to Address Excessive Delays in Article IV Consultations and Mandatory Financial Stability Assessments.**

Notwithstanding the ongoing intensive policy dialogue with the membership during the COVID-19 pandemic, there is growing need for resuming Article IV consultations and mandatory Financial Stability Assessments (FSAs). However, the resumption of Article IV consultations over the coming months will need to be gradual, remain focused on the crisis and related challenges, and be undertaken flexibly. Staff recommends a further extension of consultation cycles to accommodate the gradual nature of the restart. Staff also recommends that the application of the framework to address excessive delays in the completion of Article IV consultations and mandatory FSAs be temporarily suspended.

<https://www.imf.org/en/Publications/Policy-Papers/Issues/2020/07/17/Further-Extension-of-Consultation-Cycles-Due-To-Covid-19-Pandemic-and-Suspension-of-49579>

### ❖ **Market Watch**

<b>Capital Market</b>	
S & P BSE Sensex	37961.93 (+542.94)
Nifty 50	11170.20 (+148.00)

<b>Reference Rate</b>			
<b>INR / 1 USD</b>	<b>INR / 1 GBP</b>	<b>INR / 1 EUR</b>	<b>INR / 1 JPY</b>
74.61 (-0.22%)	94.04 (+0.17%)	85.35 (+0.01%)	0.70 (-0.32%)

### ❖ **Business and Economic News**

- New e-Commerce Rules to Strengthen Consumer Rights  
<https://timesofindia.indiatimes.com/business/india-business/new-e-commerce-rules-to-strengthen-consumer-rights/articleshow/77071205.cms>
- Government is looking to privatize more than half of its state owned banks to reduce the number of government owned lenders to just five as part of an overhaul of the banking industry  
[http://timesofindia.indiatimes.com/articleshow/77069820.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/77069820.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)
- The Income Tax department has disposed of 7,116 cases under the first phase of faceless assessment system  
<https://timesofindia.indiatimes.com/business/india-business/i-t-dept-disposes-7116-assessments-under-first-phase-of-faceless-scrutiny/articleshow/77049267.cms>
- Automobile companies are ready to offer up to 1% of vehicle prices as discount or incentive if customers scrap old vehicles and buy new ones. The government is yet to take a final call on whether it would also give any incentive to encourage phasing out of old vehicles.  
[http://timesofindia.indiatimes.com/articleshow/77057320.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/77057320.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)
- MSME promoters undergoing insolvency proceedings may be able to retain control of company  
<https://indianexpress.com/article/business/companies/msme-promoters-undergoing-insolvency-proceedings-may-be-able-to-retain-control-of-company-6512555/>
- CAG Principal Director dismissed from service on corruption charges  
[https://economictimes.indiatimes.com/news/politics-and-nation/cag-senior-officer-sharada-subramaniam-dismissed-from-service-on-corruption-charges/articleshow/77049167.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/politics-and-nation/cag-senior-officer-sharada-subramaniam-dismissed-from-service-on-corruption-charges/articleshow/77049167.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ❖ **Pronouncement**

#### **Supreme Court confirms the Government Calculation on Telcos' AGR dues. Airtel and Vodafone Idea offer to pay dues over 15 years**

The Apex Court, on October 24, 2019, had ordered that non-telcom revenues should be included in the AGR for calculating statutory dues such as license fee and spectrum charges. The DoT calculated that Bharti Airtel, Vodafone Idea and others owe as much as Rs 1.47 lakh crore in past dues, including penalties and interest, while non-telcom firms, who had taken some licence from it, owed another Rs 2.65 lakh crore. On January 16, 2020, a bench dismissed petitions of telcom firms seeking review of that order saying it did not find any "Justifiable Reason" to entertain them. On July 20, 2020, the Supreme Court confirmed the government assessment of adjusted gross revenue (AGR) dues that telecom companies such as Bharti Airtel and Vodafone Idea need to pay and reserved its order on how much time they will get to do so. The two companies offered to pay the money in 15 years. This affirmed the government's calculations and rejected lower assessments made by the companies themselves.

<https://in.news.yahoo.com/sc-bench-slams-telcos-seeking-143819880.html>

### **Prepared by Directorate of Academics**

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082269

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