

Info Capsule

Friday, July 24, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Ministry of Finance

India heading for massive bank consolidation. PSU banks included under new privatisation policy : DIPAM Secretary

The Centre's proposed new policy to have not more than four Public Sector Undertakings (PSUs) in each 'strategic sector' will likely apply to the banking space too, Department of Investment and Public Asset Management (DIPAM) Secretary Tuhin Kanta Pandey said on Wednesday. This will essentially mean that the number of public sector banks (PSBs) could be brought down to four from 12 now, via privatisation or consolidation.

<https://www.financialexpress.com/industry/banking-finance/india-heading-for-massive-bank-consolidation-psu-banks-included-under-new-privatisation-policy-dipam-secretary/2032379/>

❖ Banking & Insurance

Should you buy the new Corona-specific insurance policies?

In order to help persons to get financially secured against the high cost of treatment of Covid-19, the Insurance Regulator has introduced two standard insurance products. The first product, called Corona Kavach, is basically an indemnity policy which will indemnify the cost incurred by you for treatment of Covid-19. The second product is called Corona Rakshak and will work like a critical illness policy where you get a fixed sum irrespective of money spent by you in treatment.

<https://www.financialexpress.com/money/insurance/health-insurance-should-you-buy-the-new-corona-specific-insurance-policies-corona-rakshak-corona-kavach/2033613/>



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भारतीय कम्पनी सचिव संस्थान

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(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Consumer Affairs

● Establishment of Central Consumer Protection Authority

Establishment of Central Consumer Protection Authority (CCPA) is to promote, protect and enforce the rights of consumers. The CCPA will be empowered to conduct investigations into violations of consumer rights and institute complaints / prosecution, order recall of unsafe goods and services, order discontinuance of unfair trade practices and misleading advertisements, impose penalties on manufacturers / endorsers/ publishers of misleading advertisements. The Central Authority shall have its headquarter at New Delhi.

<http://egazette.nic.in/WriteReadData/2020/220659.pdf>

● Notification of Consumer Protection (E-Commerce) Rules, 2020

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) vide e-Gazette no. G.S. R. 462(E) dated July 23, 2020 has notified the Consumer Protection (E-Commerce) Rules, 2020 to prevent unfair trade practices in e-commerce, direct selling and also to protect the interest and rights of consumers.

Section 94 of the Consumer Protection Act, 2019 empowers the central government to take measures to prevent unfair trade practices in e-commerce, direct selling and also to protect the interest and rights of consumers. These rules have been framed in exercise of the powers conferred by Sub-clause (zg) of sub-section (1) of section 101 of the Act.

<http://egazette.nic.in/WriteReadData/2020/220661.pdf>

<https://www.livewlaw.in/news-updates/consumer-protection-e-commerce-rules-2020-160398>

● Effective dates of Provisions related to Consumer Protection Act, 2019

Ministry of Consumer Affairs, Food And Public Distribution (Department of Consumer Affairs) vide e-gazette notification no. S.O. 2421(E) dated July 23, 2020 appoints the 24th day of July, 2020 as the date on which the provisions related to Definition, Central Consumer Protection Authority, Consumer Disputes Redressal Commission, Offences and Penalties, Miscellaneous of the said Act shall come into force.

<http://egazette.nic.in/WriteReadData/2020/220657.pdf>

❖ Economic and General Law

Limit China FDI to 25%, says DEA

The Department of Economic Affairs has recommended that the beneficial ownership threshold for foreign direct investments should be set at 25% to determine if they need to go through an approval process amid government efforts to restrict Chinese investments in India.

Tarun Bajaj, Secretary DEA, said on July 23, 2020, Thursday that the department has recommended beneficial ownership could be set as per its definition under foreign portfolio investor (FPI) norms and Prevention of Money Laundering Act (PMLA). This recommendation has been made to the Department of Promotion of Industry and Internal Trade (DPIIT).

<https://www.hindustantimes.com/business-news/limit-china-fdi-to-25-says-dea/story-fdjXcNET6aKbtNUaBIPNil.html>

❖ **Securities Laws & Capital Market**

SEBI CIRCULARS

- **Reporting to Stock Exchanges regarding violations under SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) relating to the Code of Conduct (CoC). (July 23, 2020)**

The listed companies, intermediaries and fiduciaries shall inform the violations of PIT Regulations relating to CoC as per the revised format to the Stock Exchanges. Further, any amount collected by the listed companies, intermediaries and fiduciaries for violation of CoC under PIT Regulations shall be remitted to the SEBI for credit to the Investor Protection and Education Fund (IPEF) administered by the SEBI under the Securities and Exchange Board of India Act, 1992. Such amounts shall be credited to the IPEF through online mode or by way of a demand draft (DD) in favour of the SEBI payable at Mumbai.

https://www.sebi.gov.in/legal/circulars/jul-2020/reporting-to-stock-exchanges-regarding-violations-under-securities-and-exchange-board-of-india-prohibition-of-insider-trading-regulations-2015-relating-to-the-code-of-conduct-coc_47121.html

- **Allowing Offer for Sale (OFS) and Rights Entitlements (RE) transactions during trading window closure period. (July 23, 2020)**

As per the SEBI's Circular, in addition to the transactions mentioned in Clause 4 (3) (b) of Schedule B read with Regulation 9 of PIT Regulations, trading window restrictions shall not apply in respect of OFS and RE transactions carried out in accordance with the framework specified by the SEBI from time to time.

https://www.sebi.gov.in/legal/circulars/jul-2020/allowing-offer-for-sale-ofs-and-rights-entitlements-re-transactions-during-trading-window-closure-period_47120.html

❖ **Direct Tax**

Notification u/s 138 of the Income-tax Act, 1961 in respect of Intelligence Bureau, Cabinet Secretariat, National Investigation Agency and Narcotics Control Bureau [Notification No. 52/2020 Dated July 21, 2020]

The Central Government hereby specifies the following bodies/agencies for the purposes of sub-clause (ii) of clause (a) of sub-section (1) of Section 138 of the Income-tax Act, 1961.

1. Cabinet Secretariat
2. Intelligence Bureau
3. Narcotics Control Bureau
4. National Investigation Agency

https://www.incometaxindia.gov.in/communications/notification/notification_no_52_2020.pdf

❖ **Indirect Tax**

Goods and Services Tax

- **GST and I-T mop up in 1st Quarter is very encouraging**

Tax mop up in first quarter of the current fiscal is very encouraging and indicates recovery of the Indian economy. Mr. Ajay Bhushan Pandey, the Finance and Revenue Secretary, stated that about 70 per cent of the Rs. 91,000 crore GST collected in June 2020 is on account of the transactions in conducted in May 2020.

<https://timesofindia.indiatimes.com/business/india-business/gst-i-t-mop-up-in-q1-very-encouraging-indicates-economic-recovery-finance-secy/articleshow/77133200.cms>

- **GST e-invoicing for businesses with Rs. 500 Crores turnover from 1st October, 2020**

The government will notify a new GST e-invoice scheme under which businesses with turnover of Rs. 500 crore and above will be required to generate all invoices on a centralised government portal starting October 1st, 2020.

The GST Network and the IT support of the GST regime, is working on the modification and improvement of the current returns, and will soon announce an advanced version of the existing system.

<https://www.businesstoday.in/current/economy-politics/govt-dumps-new-gst-return-system-to-continue-with-modified-version-of-existing-one/story/410796.html>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	38128.90 (-11.57)
Nifty 50	11197.75 (-17.70)

Reference Rate

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR/ 1 JPY
74.53 (+0.21%)	94.86 (+0.31%)	86.35 (+0.46%)	0.70 (+0.20%)

❖ **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. 60/2020 - Customs (NT), dated July 23, 2020)

In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient so to do, hereby made amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001 and new tariff is fixed in respect 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/csnt60-2020.pdf>

❖ **Business and Economic News**• **ED summons Rajasthan businessman Raman Kant Sharma in Yes Bank money laundering case**

The Enforcement Directorate (ED) has summoned Rajasthan-based businessman Raman Kant Sharma in connection with its money laundering probe in the Yes Bank case, officials said on Thursday.

<https://economictimes.indiatimes.com/news/politics-and-nation/ed-summons-rajasthan-businessman-raman-kant-sharma-in-yes-bank-money-laundering-case/articleshow/77128895.cms?from=mdr>

• **Reserve Bank of India seeks car loan probe details from HDFC Bank**

The Reserve Bank of India has asked HDFC Bank Ltd. to provide details of an internal investigation into allegations of improper lending practices in its vehicle-financing operation, according to people familiar with the matter.

<https://www.livemint.com/industry/banking/reserve-bank-of-india-seeks-car-loan-probe-details-from-hdfc-bank-11595488072065.html>

❖ **Pronouncement**

NCLT, Delhi in the matter of *Naval Kishore Prasad vs. Hospital Management Consultant Private Limited*, while considering the contention raised by the Corporate Debtor, that IRP/RP is not entitled to get the fee and expenses for the lockdown period, has opined that when a person is engaged to perform the duty then he is entitled to get the fee and accordingly, the fee and expenses of the IRP/ RP was approved by the committee of creditor, therefore only on the ground that during lock down period no work has been done by the IRP/ RP the person cannot be debarred from claiming the fee.

Prepared by Directorate of Academics

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