

Info Capsule

Wednesday, July 22, 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

❖ **Ministry of Finance**

A Memorandum of Understanding (MoU) was signed between the Central Board of Direct Taxes (CBDT) and the Central Board of Indirect Taxes and Customs (CBIC), for data exchange between the two organizations.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1640147>

❖ **International Business**

Stimulus Package breaks new ground in European Unity, 27 Nations to share Financial Burden

European leaders took a historic step towards sharing financial burdens among the EU's 27 countries by agreeing to borrow and spend together to pull the economy out of the deep recession caused by the virus outbreak.

Pushed by Germany's Angela Merkel and France's Emmanuel Macron, leaders agreed to borrow jointly by selling bonds, using the European Union's collective strong credit rating that keeps interest costs low. The money will fill in a 750 billion-euro (\$855 billion) recovery fund to be used to boost the hoped for economic rebound next year and restore the growth and jobs lost in this year's plunge.

<https://economictimes.indiatimes.com/news/international/business/stimulus-package-breaks-new-ground-in-european-unity-27-nations-to-share-financial-burden/articleshow/77089312.cms>

❖ **Securities Laws & Capital Market**

SEBI CIRCULAR

Review of Stress Testing Methodology for Positions with Early Pay-in (July 21, 2020)

SEBI reviewed Stress Testing Methodology for Commodity Derivatives to address the concern regarding High Stress Loss Figures on positions with early pay-in. While calculating the residual losses as per 'd' and 'f' in the circular, for positions on which early pay-in are given by the clients/brokers, and margin exemption are granted on such positions, CCs are permitted to consider the 'Margin Exemption Granted' or 'Value of Early Paid-in Goods', whichever is lower, as margins supporting those positions.

https://www.sebi.gov.in/legal/circulars/jul-2020/review-of-stress-testing-methodology-for-positions-with-early-pay-in_47103.html

SEBI PRESS RELEASE (July 21, 2020)

SEBI dated March 20, 2020 had come out with various regulatory measures keeping in view the objective of ensuring orderly trading and settlement, effective risk management, price discovery and maintenance of market integrity. On review of the COVID-19 pandemic related situation, SEBI has decided that the regulatory measures introduced dated March 20, 2020, shall continue to be in force till August 27, 2020.

https://www.sebi.gov.in/media/press-releases/jul-2020/regulatory-measures-to-continue_47108.html

SEBI ORDER (July 21, 2020)

In the matter of Filatex Fashions Limited, SEBI has imposed penalty of Rs. 2.5 lakh on Divya Fashion for failure on its part to comply with the relevant provisions of law. It was alleged that no disclosure was made by Divya Fashion under Regulation 29(2) read with Regulation 29(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

https://www.sebi.gov.in/enforcement/orders/jul-2020/adjudication-order-in-respect-of-divya-fashion-in-the-matter-of-filatex-fashions-limited_47107.html

❖ **Direct Tax**

A formal Memorandum of Understanding (MOU) was signed on July 20, 2020 between the Central Board of Direct Taxes (CBDT) and the Ministry of Micro, Small and Medium Enterprises, Government of India (MoMSME) for sharing of data by CBDT to MoMSME.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1639978>

❖ **Indirect Tax**

Customs Updates

Extension of levy of Anti-Dumping Duty on Fluoroelastomers (FKM) exported from China

(Notification No. 19/2020- Customs (ADD), dated July 21, 2020)

Via this Notification, the Authorities amends the Notification No. 6/2019 - Customs (ADD) dated January 28, 2019 and extends the levy of Anti-Dumping duty on Fluoroelastomers (FKM) originating in or exported from China for a further period of three months.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd19-2020.pdf>

❖ **Valuations**

COVID-19 and the Valuation Profession

As the global COVID-19 pandemic advances, governments, scientists, healthcare professionals, businesses and the public at large are required to respond in real time to new and often untested information and advice. The challenges ahead apply to every aspect of society. Economies are also facing enormous upheaval. Stock markets are being tested with huge daily volatility and businesses of all sizes have been affected in myriad ways.

For valuers, the uncertainty which permeates all markets will inevitably lead to challenges, not just in terms of carrying out valuations and determining value, but also in the reporting of those values in a way that is both helpful and informative to users.

❖ **Business and Economic News**

- Green shoots visible, Government open to taking more actions to boost growth
http://timesofindia.indiatimes.com/articleshow/77089401.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- Government to revamp Free Trade Agreements 'FTA' strategy to ensure economic benefits
<https://timesofindia.indiatimes.com/business/india-business/government-to-revamp-fta-strategy-to-ensure-economic-benefits/articleshow/77097882.cms>
- PMLA Court refuses bail to Yes Bank founder Rana Kapoor in multi-crore fraud case
<https://economictimes.indiatimes.com/industry/banking/finance/banking?from=mdr>
- Centre can fund deficit at lower rates through Direct Monetization'
<https://indianexpress.com/section/business/banking-and-finance/>
- Banking for Small Businesses: Now switch to Neo-Banking with Open
<https://www.financialexpress.com/industry/banking-finance/>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37871.52 (-58.81)
Nifty 50	11143.65 (-18.60)

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.40 (-0.29%)	94.53 (+0.52%)	85.37 (+0.02%)	0.69 (-0.12%)

❖ **Pronouncements**

- In the matter of *Arjun Panditrao Khotkar vs. Kailash Kushanrao Gorantyal and Others*, the Apex Court reaffirmed the mandatory nature of the certificate and held that the certificate is a 'Condition Precedent' to the admissibility of evidence by way of electronic record.

https://main.sci.gov.in/supremecourt/2017/39058/39058_2017_34_1501_22897_Judgement_14-Jul-2020.pdf

- The Delhi High Court has directed the Delhi University to consider the feasibility of making a special interface for providing degrees to students through an online mode with digital signatures.

The Single Bench of Justice Prathiba M Singh has directed the Computer Cell as well as Dean of Examinations of the Delhi University to look into the issue of making a special cell/online portal for distributing the degree certificates.

<https://www.livelaw.in/news-updates/can-degrees-be-given-to-students-online-with-digital-signatures-delhi-hc-asks-delhi-university-to-consider-160294>

Prepared by Directorate of Academics

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

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