



**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)

INFO CAPSULE

Series - 1

(1-25)



Happy
74th
Independence Day

Motto

सत्यं वद। धर्मं चर।

"इष्टं कुरु तेन त्वया धर्मं चरेत् तेन तेन"

From the President

श्लोकेन वा तदर्धेन तदर्धार्धक्षरेण वा।

अबन्ध्यं दिवसं कुर्याद्दानाध्ययनकर्मभिः॥

(ऐसा एक भी दिन नहीं जाना चाहिए जब आपने एक श्लोक, आधा श्लोक, चौथाई श्लोक, या श्लोक का केवल एक अक्षर नहीं सीखा, या आपने दान, अभ्यास या कोई पवित्र कार्य नहीं किया।)

Verse 2.13 of Chanakya Neeti says that “Let not a single day pass without your learning a verse, half a verse, or a fourth of it, or even one letter of it; or without attending to charity, study and other pious activity.” This clearly says that one should keep reading and the process of knowledge updation shall never stop in one’s life.

Friends, the winds of change blowing from one decade to another, from one era to another, bring new concepts to old theories and ideas. The professional community must keep themselves updated to pace on this path of change to implement new or modified methods of professional expertise to suit the requirements of the day.

In order to assist our members, students and other professionals in advancing their professional growth and abilities, the Institute had introduced the concept of *Info Capsule*. Right from Business and Economic News to the Reforms in policy and to judicial pronouncements, various heads of this Info Capsule contain a plethora of information relevant for the professionals in crisp, concise but self-explanatory form. Keeping up with the changing times and the altering dynamics of the profession, the same medium of knowledge and info updation was revamped and refurbished.

The new version of Info Capsule was released on July 01, 2020 and since then has completed 25 Issues on August 4, 2020. We are happy to present this first series of the consolidated file of these 25 Info Capsules for the larger benefit and interest of our stakeholders.

I am sure, that this Series and many more to follow would serve as Ready Reckoner of information, ensuring capacity building and knowledge updation of our professionals in true letter and spirit.

I commend the efforts of Directorate of Academics of ICSI for dedicatedly bringing out Info Capsules on daily basis.

“May we scale greater heights together.”

CS Ashish Garg
President, ICSI

Info Capsule

Wednesday, July 01, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Company Law

• Period/Days of extension for Names Reserved and Resubmission of Forms

MCA has provided the further extension of Names reserved and resubmission of forms up to **31st July, 2020**. Accordingly, Names expiring any day between **15th March to 31st July, 2020** will be extended in the manner as provided in the extension order.

For details visit

http://www.mca.gov.in/Ministry/pdf/Extension_22042020.pdf

• Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2020.

MCA vide notification dated 29th June, 2020, issued the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2020. Amended rules provide that a duly notarised indemnity bond in Form STK-3A shall be given by an authorised representative, not below the rank of Under Secretary or its equivalent, in the administrative Ministry or Department of the Government of India or the State Government, as the case may be, on behalf of the company.

For details visit:

http://www.mca.gov.in/Ministry/pdf/Rule_30062020.pdf

❖ Supreme Court

Standard Operating Procedure for LD. Advocate / Party - in- person and the registry for Listing and Hearing of matters through video Conferencing before the Hon'ble Judge-in-Chambers and Registrar's Court.

https://main.sci.gov.in/pdf/LU/14062020_072900.pdf



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❖ Securities Laws & Capital Market

CIRCULARS

• 'Guidelines for Portfolio Managers'- Extension of implementation timeline

Due to COVID-19 pandemic, SEBI has extended the timeline for applicability of SEBI 'Guidelines for Portfolio Managers' by further three months with effect from October 1, 2020.

(For more details, please click on : https://www.sebi.gov.in/legal/circulars/jun-2020/guidelines-for-portfolio-managers-extension-of-implementation-timeline_46959.html)

REPORTS

• Extension of Timeline for submission of public comments on the Report of the Working Group on Social Stock Exchange

SEBI had put up the report of the working group on Social Stock Exchange for public comments on its website on June 01, 2020 seeking comments by June 30, 2020. Owing to COVID-19 pandemic. The timeline for seeking public comment has been extended to July 15, 2020

(For more details, please click on : https://www.sebi.gov.in/reports-and-statistics/reports/jun-2020/extension-of-timeline-for-submission-of-public-comments-on-the-report-of-the-working-group-on-social-stock-exchange_46950.html)

SEBI ORDERS

- Ms. Priyanka Jain, compliance officer of Ambit Capital has settled the proceedings with SEBI upon payment of Rs. 15,30,000 in the matter of Manappuram Finance Limited (MFL). In the matter, MFL had selectively given guidance pertaining to quarterly results to certain analyst of Ambit Capital and the Compliance officer of Ambit Capital failed to implement the code of conduct in violation of regulations of SEBI Insider Trading Regulations.

(For more details, please click on:

https://www.sebi.gov.in/enforcement/orders/jun-2020/settlement-order-in-respect-of-priyanka-jain-in-the-matter-of-manappuram-finance-limited_46944.html)

❖ Direct Taxes

- CBDT has issued a Corrigendum to Notification No. 35/2020 dated 24.06.2020 regarding extension of time limits under the Income-tax Act, 1961 and related Acts vide Notification No. 39/2020 dated 29.06.2020

In the Notification No. 35 issued dated 24th June, 2020, the oversight is now rectified and it is stated that:

- i. In line 30, for "section 54 or 54GB" read "sections 54 to 54GB";
- ii. In line 35, for "sub-clause (i)" read "sub-clause (i) of clause (c)"

https://www.incometaxindia.gov.in/communications/notification/notification_39_2020.pdf

❖ **Direct Taxes**• **Income-tax (13th Amendment) Rules, 2020 [Notification No. 38/2020 Dated 26th June, 2020]**

The Central Board of Direct taxes vide its notification dated 26th June 2020 has notified the Income-tax (13th Amendment) Rules, 2020 which shall be in force from 1st April 2021 and shall accordingly apply in relation to the assessment year 2021-22 and subsequent assessment years.

Through this amendment, those who opting alternate tax regime under section 115BAC of the Income Tax Act are eligible to claim the exemption for Tour, Travel, and Conveyance Expenses incurred officially.

Therefore under the new income tax regime, employees can claim for tax exemption on conveyance allowance received from their employers, Provided that the exemption provided in the first proviso in respect of free food and non-alcoholic beverage provided by such employer through paid voucher shall not apply to an employee, being an assessee, who has exercised option under sub-section (5) of section 115BAC.

https://www.incometaxindia.gov.in/communications/notification/notification_38_2020.pdf

❖ **Banking and Insurance**• **IRDAI asks Insurers to launch standard COVID-19 health covers with same name and features**

In the wake of COVID-19, IRDAI has asked General Insurance and Health Insurance companies to launch short-term COVID Standard Policy by July 15, 2020 with specific name and features as per the issued guidelines by the IRDAI. It would be the first instance that all the insurance companies will launch a plan with the same name as the insurance regulator has directed that the nomenclature of the product shall be *Corona Rakshak Policy, succeeded by name of insurance company, (i.e. Corona Rakshak Policy, <name of insurer>)* and no other name is allowed in any of the documents.

<https://www.financialexpress.com/money/insurance/irdai-asks-insurers-to-launch-standard-covid-19-health-covers-with-same-name-features/2008027/>

• **Timelines for submission of Life operational returns in BAP Module**

IRDAI via a circular dated June 29, 2020 directed all the life insurers to adhere the timeliness for filing of life operational returns through BAP module. The timeliness is as below:

- i) Monthly returns : 8th of following month.
- ii) The timelines for all other returns remain unchanged, as follows:
 - (1) Unaudited quarterly returns: 30th day from the end of the quarter.
 - (2) Audited Annual Returns: 30th June.
 - (3) Yearly Outsourcing Return: 15th May.
 - (4) Other Yearly Returns: 30th June.

https://www.irdai.gov.in/ADMINCMS/cms/Circulars_Layout.aspx?page=PageNo4

❖ **Valuation****Investing in Distressed Assets in Mainland China : Outlook for 2020**

China's distressed asset pool is expected to grow in 2020. This owes various reasons like China - U.S. trade dispute, recent crackdown on shadow banking, more stringent regulation of financial institutions, increasing bond defaults and, the recent outbreak of COVID-19. While foreign investors have been allowed to invest in distressed assets in China on a cross-border basis for some time, the lack of an onshore licenced platform has limited foreign investors' interest and capability to further invest in this market.

For further reading, kindly access at : <https://www.linklaters.com/en/insights/publications/asia-news/asia-corporate/2020/investing-in-distressed-assets-in-mainland-china-outlook-for-2020>

❖ **International****A Crisis Like No Other, An Uncertain Recovery**

According to the World Economic Outlook, global growth is forecasted at 4.9 percent in 2020, 1.9 percentage points below the April 2020. The COVID-19 pandemic had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecasted. For 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020.

For further reading, kindly refer 'World Economic Outlook Update, June 2020 at: <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEUpdateJune2020>

❖ **Market Watch**

Capital Market			
S & P BSE Sensex	35414.45		
Nifty 50	10430.05		

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 100 JPY
75.22	92.72	84.46	70.00

❖ **Business and Economic News**

- Organizers of a Facebook Inc. advertising boycott campaign that has drawn support from a rapidly expanding list of major companies are now preparing to take the battle global to increase pressure on the social media company to remove hate speech.
https://economictimes.indiatimes.com/news/international/business/facebook-ad-boycott-campaign-to-go-global-organizers-say/articleshow/76697351.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- Reliance Industries nears deal to acquire retail businesses of Future Group
<https://economictimes.indiatimes.com/news/company/corporate-trends/reliance-industries-nears-deal-to-acquire-retail-businesses-of-future-group/articleshow/76704437.cms>

❖ **Goods and Service Tax**

- Nil Statement of GSTR 1 can be filed through SMS from 1st week of July, 2020**

In a major move towards GST taxpayers' facilitation, the Government has decided to provide the facility of SMS filing of NIL statement of FORM GSTR-1 from 1st week of July 2020.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1634831>

- Extension of due date of Compliance till 31st August, 2020**

Notification No. 55/2020 - Central Tax, dated 27th June, 2020

Notification to amend the notification no. 35/2020-Central Tax in order to extend due date of compliance which falls during the period from "20.03.2020 to 30.08.2020" till 31.08.2020.

<https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-55-central-tax-english-2020.pdf>

- Further Extension of due date of Compliance under Section 54(7) of CGST Act, 2017 till 31st August, 2020**

Notification No. 56/2020 - Central Tax, dated 27th June, 2020

Notification to amend the notification no. 46/2020-Central Tax in order to further extend period to pass order under Section 54(7) of CGST Act, 2017 till 31.08.2020 or in some cases upto fifteen days thereafter.

<https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-56-central-tax-english-2020.pdf>

❖ **Learning from Judicial Pronouncement**

- NCLAT in the matter of *Arpit Agarwal Vs. Skytech Constructions Pvt. Ltd. and ors.* wherein the Appellant argued and stressed that the Respondent had received advance/deposit as per Section 2(31) of the Companies Act, 2013 read with Rule 2(c)(xii)(b) of the Companies (Acceptance of Deposits) Rules, 2013 in consideration for immovable property (Flat) under an agreement or arrangement.
The NCLAT directed to NCLT to rehear the matter on the issue raised by the appellant related to 'deposit' in its Company Petition, which has not been determined by the NCLT and dispose of the petition as per law.
For details visit:
<https://nclat.nic.in/Useradmin/upload/9706011615ef308f54d3ab.pdf>
- NCLAT in the matter of *S.P. Velumani Vs. Magnum Spinning Mills India Pvt. Ltd.* opinion that the NCLT, Chennai has rightly held that the decision of the Board of Directors to write off the bad debt is a commercial decision, which does not warrant any judicial interference. NCLAT opined that allegations made by the Appellants are baseless.
In the same matter NCLAT also opined that to invoke provisions of Oppression and Mismanagement the acts of oppression must be harsh and wrongful. An isolated incident may not be enough for grant of relief and continuous course of oppressive conduct on the part of the majority shareholders is, thus, necessary to be proved.
For details visit <https://nclat.nic.in/Useradmin/upload/14447495005ef3094aa1df8.pdf>

Prepared by Directorate of Academics

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

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Info Capsule

Thursday, July 02, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

• Live Webinar on Life Management Skills for Success

Date : 3rd July, 2020 Time : 5.00 p.m.
Chief Guest : Swami Avdheshanand Giri Ji Maharaj, Acharya Mahamandaleswar of Juna Akhara
Credit Hours : 2 Credit Hours for Members

• Extension for payment of Annual Membership Fee

The last day for payment of Annual Membership Fee for the Year 2020-21 shall be 30th September, 2020.

For details visit-
<https://www.icsi.edu/media/webmodules/MemFile.jpg>

• Career Opportunities for Young Company Secretaries

ICSI has advertised the CRC Executives vacancies for deployment on contract at the "Central Registration Centre" for processing of Company "Name Availability" (RUN) and "Incorporation" (SPICE) forms.

• GST Day Celebration

On the 3rd anniversary of the Goods and Service Tax (GST), ICSI has organized an e-GST Day Celebration on 1st of July, 2020. The programme is celebrated in the presence of Chief Guest, Shri Piyush Goyal, Hon'ble Minister of Railways, Commerce & Industry, and Shri Sushil Kumar Modi, Hon'ble Deputy Chief Minister of Bihar & Member, GST Council.

For detailed press release visit:
https://www.icsi.edu/media/webmodules/PressRelease_GSTDAY.pdf



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❖ Ministry of Corporate Affairs

• MCA- Help Desk

MCA21 Ticketing and Voice Help Desk is functional and for MCA21 related issues stakeholders are advised to raise a service complaint/contact Help Desk.

❖ Securities Laws & Capital Market

SEBI ORDERS

- SEBI has imposed a penalty totalling Rs. 40 lakh on Maitreya Plotters and Structures Pvt. Ltd. and its directors for not complying with the SEBI's earlier orders/interim orders.

(For more details, please click on:

https://www.sebi.gov.in/enforcement/orders/jun-2020/adjudication-order-in-respect-of-maitreya-plotters-and-structures-pvt-ltd-varsha-madhusudan-satpalkar-and-janardan-arvind-parulekar-in-the-matter-of-maitreya-plotters-and-structures-pvt-ltd_46961.html)

- SEBI imposed a penalty totalling more than Rs. 3 crore on three persons where communication of Unpublished Price Sensitive Information (UPSI) pertaining to the public announcement of open offer is made and while in the possession of UPSI such persons had allegedly traded in the scrip of United Spirits Ltd. and made unfair gain. (July 1, 2020)

(For more details, please click on:

<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListingAll=yes>)

- SEBI imposed a fine of Rs. 25 lakh on nine directors of Sheen Agro & Plantation Ltd. for mobilizing fresh funds through unregistered collective investment scheme (CIS) even after filing winding up report with SEBI which is a serious violation affects interest of gullible investors at large as there is a scope of investors losing their hard earned money. (July 1, 2020)

(For more details, please click on : https://www.sebi.gov.in/enforcement/orders/jun-2020/adjudication-order-in-respect-of-15-entities-in-the-matter-of-sheen-agro-and-plantation-ltd_46960.html)

- Capital markets regulator SEBI has levied a total fine of Rs 1.39 crore on Finalysis Credit and Guarantee Co Ltd and 20 other entities alleged that the entities devised a scheme to defraud the original public shareholders by issuing forged consolidated share certificates and thereafter, fraudulently selling them, making the purchasers believe that the shares transferred to them were original. (June 30, 2020)

(For more details, please click

on: https://www.sebi.gov.in/enforcement/orders/jun-2020/adjudication-order-in-respect-of-21-entities-in-the-matter-of-finalysis-credit-and-guarantee-co-ltd_46969.html

SAT ORDERS

Setting aside SEBI's order against Dynamatic Technologies Managing Director and Chief Executive Officer Udayant Malhoutra in an insider trading case, the Securities Appellate Tribunal (SAT) has directed SEBI to decide matter after giving an opportunity of hearing to Udayant Malhoutra either through physical hearing or through video conference within six months.

(For more details, please click on : <http://sat.gov.in/scripts/search.asp>)

❖ **Goods and Service Tax****Waiver of Late Fees**

Notification No. 57/2020 - Central Tax, dated 30th June, 2020

Notification to amend notification no. 52/2020-Central Tax in order to provide conditional waiver of late fees for the period from July, 2017 to September, 2020.

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-57-central-tax-english-2020.pdf;jsessionid=6CED519235D1DE569EF2571BAE80EC50>

❖ **Direct Tax**

- **Income Tax (15th Amendment) Rules, 2020 [Notification No. 42/2020 Dated 30th June, 2020]**

The Section 50CA provides that consideration received for transfer of an unquoted share computed in prescribed manner shall be full consideration even if it is less than fair market value.

The Central Board of Direct Taxes has issued the Income-tax (15th Amendment) Rules, 2020 to add Rule 11UAD which provides that the provisions of Section 50CA shall not apply to transfer of any movable property, being unquoted shares, of a company and its subsidiary and the subsidiary of such subsidiary in certain situation.

https://www.incometaxindia.gov.in/communications/notification/notification_42_2020.pdf

- **Notification under proviso to section 9A(3) of the Income-tax Act, 1961 [Notification No. 41/2020 Dated 30th June, 2020]**

The Central Government hereby notifies that the conditions specified in clauses (e), (f) and (g) of the sub-section (3) of section 9A of the Income-tax Act, 1961 shall not apply in case of an investment fund set up by a Category-I foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, made under the Securities and Exchange Board of India Act, 1992

https://www.incometaxindia.gov.in/communications/notification/notification_41_2020.pdf

- **Income Tax (14th Amendment) Rules, 2020 [Notification No. 40/2020 Dated 29th June, 2020]**

The Central Board of Direct Taxes (CBDT) notify the Income Tax (14th Amendment) Rules, 2020, to further amend the Income Tax Rules, 1962 as per which Rule 11UAC has been substituted, which relates to the right of ownership for the purpose of mortgage along with all the documents, following class of persons shall be excluded from the provision for sub-section (2) the government regularised the transactions of such immovable property.

https://www.incometaxindia.gov.in/communications/notification/notification_40_2020.pdf

❖ **Banking and Insurance****Operational Guidelines of Floating Rate Savings Bonds, 2020 (Taxable) - FRSB 2020 (T)**

The Government of India has announced the launch of 100% risk free Floating Rate Savings Bonds, 2020 (Taxable) for tenure of 7 years on floating interest rate with a half yearly payout. The bonds will be available for subscription from July 1, 2020 onwards. The minimum investment amount is Rs 1000, while there will be no maximum limit for investments made in the Bonds. The maximum investment in cash can be made up to Rs. 20,000.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11924&Mode=0>

❖ **Restructuring and Insolvency**• **Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2020**

The Insolvency and Bankruptcy Board of India has issued a notification No. IBBI/2020-21/GN/REG061 to amend the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016. Through this amendment IBBI relaxes norms relating to IPEs allowing support services to all IPs who are not just partners or directors

<https://www.ibbi.gov.in/uploads/legalframework/9a2d4226b4155dd823be1053acf38c1c.pdf>

• **Invitation for comments on Discussion Paper on Restricting the number of assignments to be handled by IP**

The Insolvency and Bankruptcy Board of India has invited comments on discussion paper on Restricting the number of assignments to be handled by IP.

<https://www.ibbi.gov.in/uploads/whatsnew/2cb5d897dc8d1c27484bee8d7173776c.pdf>

• **Corporate Insolvency and Governance Act, 2020**

In UK, a major insolvency reform has come into force with the enactment of Corporate Insolvency and Governance Act, 2020 with effect from 26 June 2020 taking its inspiration from the U.S. Chapter 11 process. This major reform to the UK's insolvency procedures has been in the pipeline since 2018, but the draft bill was rushed through parliament in response to the COVID-19 crisis to help companies survive.

For details, please visit at

<https://www.jdsupra.com/legalnews/corporate-insolvency-and-governance-act-48623/>

❖ **Market Watch****Capital Market**

S & P BSE Sensex	35701.50
Nifty 50	10509.90

Reference Rate

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 100 JPY
75.20	93.42	84.50	70.00

❖ **Learning from Judicial Pronouncement**

- Karnataka Authority for Advance Ruling in the matter of M/s Anil Kumar Agarwal has clarified that Salary of Directors / Partners are not included in calculation of Aggregate Turnover, whereas Income from Commercial and Residential Property is included in calculation of Aggregate Turnover.

Mr. Anil Kumar Agarwal, who is not a registered person under GST but in receipt of income from various sources, has applied for advance ruling under section 97 of the Central Goods & Service Tax Act, 2017 read with State Goods & Service Tax Act, 2017 with regard to certain points.

https://gst.kar.nic.in/Documents/General/AAR_Anil_30.pdf

• **Number of Directorships by a director – Minimum fine**

NCLAT in the matter of *Registrar of Companies, West Bengal vs. Karan Kishore Samtani*, wherein the NCLT has imposed compounding fees Rs. 50,000/- which is less than the minimum prescribed in Section 16 (6) of the Act and observed that NCLT has failed to notice the minimum fine prescribed under Sub-Section 6 of Section 165 of the Act which was applicable at relevant time i.e. before the amendment and imposed minimum fine at the rate of five thousand rupees for every day for the period 01.04.2015 to 21.02.2016 i.e. 272 days. NCLAT quantified penalty to Rs. 13,60,000/-.

• **Oppression and Mismanagement through brought down of the shareholding by subsequent issue of share.**

NCLAT in the matter of *Yamini Bipinchandra Shah and Ors. vs. Trimbak Estate Pvt. Ltd. and Ors.* observed that the question of oppression and mismanagement and maintainability is a mixed question of fact and law and when the Petition is filed alleging that the shareholding of the Applicant has been brought down below 1/10th of the total shareholding of a Company by oppression and mismanagement. The question of Oppression, and Mismanagement, Maintainability and Limitation in the present case are mixed question of law and fact. Therefore, the Tribunal was required to decide these questions at the time of final hearing of the Petition. The NCLAT set aside the order of tribunal and the matter is remanded to Tribunal that after hearing both the parties, Petition be decided afresh on merit.

Prepared by Directorate of Academics

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

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VISION
"To be a global leader in promoting
good corporate governance"

ICSI Motto
सत्यं वद। धर्मं चर। इष्टार्थं तेन मन्थतेऽयं विश्वः।

MISSION
"To develop high calibre professionals
facilitating good corporate governance"

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Info Capsule

Friday, July 03, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

• Student Month

ICSI is celebrating July, 2020 as student month, wherein various student related activities are being organised by the ICSI HQ, Regional offices and Chapters across India.

For Details visit:

https://icsi.edu/media/webmodules/student_month_july_2020.pdf

• Extension of time for obtaining mandatory PCH

In the wake of global pandemic and the lockdown imposed as a containment measures and with a view to enable members to make good the shortfall in PCH, the ICSI Council has further extended the time for obtaining the mandatory PCH for the block of 2017-2020 up to September 30, 2020.



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❖ NCLT/NCLAT

- In the matter of *Pankaj Aggarwal Vs. Union of India And Ors.* (Order Dated June 23, 2020), Delhi High Court has stayed the order passed by the National Company Law Tribunal, wherein the proceedings were initiated against a Micro, Small and Medium Enterprise (MSME) under section 9 of the Insolvency and Bankruptcy Code, 2016.

While holding that there is a *prime facie* case in favor of the petitioner, Honorable court relied upon the notification dated March 24, 2020 and observed that *the purpose of the notification under Sec. 4 of IBC, increasing limit to Rs. 1 cr. was to ensure that SMEs and MSMEs are not subjected to Insolvency proceedings during the lockdown or immediately thereafter.*

Detailed Judgment is available at:

<https://ibbi.gov.in/uploads/order/712b14aa4a7d7456bc85ecb7fc552809.pdf>

- In the matter of liquidation of Surana Power Limited, NCLAT observed that secured creditors do not have right to realise secured interest unless they have the requisite 60 percent value of secured interest as per section 13(9) of SARFAESI, as it would be detrimental for other creditors in liquidation of process. (*Surana Power Limited Vs. Bharat Heavy Electricals Limited*).

<https://nclat.nic.in/Useradmin/upload/2549036775eeb4253cba47.pdf>

Suspension of Court work (Virtual hearing) and filing etc. in the NCLAT

NCLAT has notified that the Court work (Virtual hearing) and filing etc. in the NCLAT will remain suspended till 10th July, 2020 due to a staff member was reported to have tested positive for Covid-19.

<https://nclat.nic.in/Useradmin/upload/8895179935efdd965c8e78.pdf>

❖ Economic and Business News

- According to draft ecommerce policy, Ecommerce companies that store or mirror Indian users data overseas will be subject to periodic audit.

https://economictimes.indiatimes.com/news/economy/policy/draft-ecommerce-policy-seeks-to-set-up-regulator-restrict-data-storage/articleshow/76760134.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- World's fifth-largest reserves buffer gives India some comfort

https://economictimes.indiatimes.com/news/economy/indicators/worlds-fifth-largest-reserves-buffer-gives-india-some-comfort/articleshow/76761478.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

❖ Securities Laws & Capital Market

SEBI (Substantial Acquisition of Shares and Takeovers) (Third Amendment) Regulations, 2020 (July 1, 2020)

SEBI further amended the provisions with respect to the escrow account in case of indirect acquisition towards the consideration payable under the open offer. SEBI further laid down other procedure in case, where the acquirer is unable to make payment to the shareholders who have accepted open offer within given time period.

(For more details, please click on: https://www.sebi.gov.in/legal/regulations/jul-2020/securities-and-exchange-board-of-india-substantial-acquisition-of-shares-and-takeovers-third-amendment-regulations-2020_46990.html)

❖ Securities Laws & Capital Market

SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2020 (July 1, 2020)

SEBI inserted new regulation 164B termed as “optional pricing in preferential issue” under pricing in preferential issue in case of frequently traded shares.

(For more details, please click on: https://www.sebi.gov.in/legal/regulations/jul-2020/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-third-amendment-regulations-2020_46991.html)

SEBI ORDERS

1. SEBI imposed monetary penalty of Rs. 1.2 crore on two directors of Beckons Industries Limited for employing fraudulent arrangement with regard to subscription of GDRs and acted in a manner which was fraudulent and deceptive, thereby detrimental to the interest of the investors. (June 30, 2020)

(For more details, please click on: https://www.sebi.gov.in/enforcement/orders/jun-2020/adjudication-order-in-respect-of-mr-gurmeet-singh-mr-i-s-sukhija-and-dr-h-s-anand-in-the-matter-of-issuance-of-gdr-by-beckons-industries-limited_46981.html)

2. SEBI released FAQs on stamp duty collection with the provisions of the amended Indian Stamp Act coming into effect. SEBI in the FAQ, inter alia, prescribed that the units of mutual funds schemes are to be considered as securities for the purpose of applicability of stamp duty whereas redemption of mutual fund units is not liable to duty as it is neither a transfer nor an issue nor a sale.

(For more details, please click on: https://www.sebi.gov.in/sebi_data/faqfiles/jun-2020/1593534237938.pdf)

Compliance requirement for July, 2020 under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Regulation No.	Compliance Particular	Compliance Period (Due Date)	Revised Due Date
Regulation 33	Quarterly / Annually Relating to Financial Results	Un audited Financial Results within 45 days & Audited finance within 60 days Q. 15.05.2020 A. 30.05.2020	31.07.2020

❖ Goods and Services Tax

GST updates

• Eighth Amendment (2020) to CGST Rules

Notification No. 58/2020- Central Tax, dated 1st July, 2020

Notification detailing the manner of furnishing of return or details of outward supplies by short messaging service facility for a registered person, who is required to furnish a **Nil** return under section 39 of the CGST Act, 2017 in **FORM GSTR-3B** or a **Nil** details of outward supplies under section 37 of the CGST Act, 2017 in **FORM GSTR-1** for a tax period.

<https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-58-central-tax-english-2020.pdf;jsessionid=E6757821D26285CA511D0D7F59EC577F>

Customs updates

• Exchange Rate Notification by Customs

Notification No. 55/2020- Customs (NT), dated 2nd July, 2020

Central Board of Indirect Taxes and Customs determined the rate of exchange of conversion of the foreign currencies.

<https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt55-2020.pdf;jsessionid=668341D52F78C828F1FCE665D8489187>

❖ Banking and Insurance

Credit flow to Micro, Small and Medium Enterprises Sector

After change in criteria of classification of MSME by the Government of India, vide Gazette Notification S.O. 2119 (E) dated June 26, 2020, the Reserve Bank of India has also issued a notification to initiate necessary action for reclassification of enterprises as per the new definition w.e.f. July 1, 2020 and issued necessary instructions to all Commercial Banks/FIs/NBFCs/UCBs/SCBs for their branches/controlling offices in this regard, at the earliest.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11934&Mode=0>

Cyber insurance: still at an emerging stage in India

India ranks 3rd amongst top 20 countries that are victims of cybercrimes, according to the Internet Crime Report for 2019, released by FBI's Internet Crime Complaint Centre. According to ICICI Lombard General Insurance, hackers based in China attempted over 40,300 cyber attacks on India in the third week of June, mostly Covid-19 based scams. Even as the cyber security threat growing large in India, cyber insurance covers have not picked up in a big way. While the non-life insurance industry received premiums of Rs 1.89 lakh crore in the last financial year, the share of cyber insurance was a paltry Rs 200-220 crore.

<https://www.financialexpress.com/money/insurance/cyber-insurance-still-at-a-nascent-stage-in-india-email-spoofing-phishing-attacks-icici-lombard-general-insurance-bharti-axa-general-insurance/2011732/>

❖ **Valuation****Valuing Valuers : Four recommendations that may standardise valuation practices**

The government constituted a committee of experts to examine the need for a comprehensive framework for regulation and development of valuation professionals in India. The Committee submitted its recommendations in April 2020 and proposed the Draft Valuers Bill, 2020 ("Bill"). The primary objectives of the proposed framework are the development and regulation of the valuation profession and a market for valuation services, and protection of interest of users of valuation services. The four recommendations focused upon the following key points: Regulatory Architecture; Development; Regulation and Regulating the market for valuation services.

<https://www.financialexpress.com/opinion/valuing-valuers-four-recommendations-that-may-standardise-valuation-practices/1957012/>

Other related links for further reading :

<https://taxguru.in/company-law/executive-summary-draft-valuers-bill-2020.html>

<https://www.deccanherald.com/opinion/panorama/professionalising-valuers-842959.html>

❖ **Restructuring and Insolvency****IBC Online Quiz**

To promote awareness and understanding of IBC among various stakeholders across the country, the IBBI has launched this online Quiz in collaboration with MyGov. The Quiz is open from 1 July, 2020 to 31 July, 2020. For details, please visit official notification at

<https://ibbi.gov.in/uploads/whatsnew/2020-06-17-192024-zh40x-00a5e0f6e25bd377be09d06020aa6e39.pdf>

❖ **Market Watch****Capital Market**

S & P BSE Sensex	36021.42
Nifty 50	10607.35

Reference Rate

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.68	93.22	84.06	0.69

❖ **Learning from Judicial Pronouncement**

In the matter of *Nahalchand Laloochand (P) Ltd. v/s DCIT [2020] ITAT Mumbai*, it is decided that Income from sub-leasing taxable as house property income though assessee was not real owner of premises

Where assessee had taken a premises on lease for a long period of time and further given it on lease to a bank for period of more than 12 years, assessee was to be considered as deemed owner of said premises for purpose of section 27(iiiib) read with section 269UA(f)(i) and, therefore, lease rental earned by assessee was taxable as income from house property.

<https://www.taxmann.com/topstories/101010000000193810/income-from-sub-leasing-taxable-as-house-property-income-though-assessee-was-not-real-owner-of-premises-caselaws.aspx>

Prepared by Directorate of Academics

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

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Info Capsule

Monday, July 06, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Supreme Court

In order to contain the spread of Corona Virus (COVID-19), in consonance with the suggestions received from various quarters and complying with the guidelines issued by the Government of India and Government of NCT of Delhi time and again, the Hon'ble Chief Justice of India has directed the constitution of the Hon'ble Bench (es) for hearing of matters through Virtual Courts. This direction has come to effect with July 06, 2020.

For details, please visit:

https://main.sci.gov.in/pdf/LU/04072020_153040.pdf

❖ Business and Economic News

- **Larger ITAT bench to hear Tax Demand on Tata Trust on July 06, 2020.**

https://economictimes.indiatimes.com/news/company/corporate-trends/larger-itat-bench-to-hear-tax-demand-on-tata-trust-today/articleshow/76803205.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Agriculture to Rack Up Gains as pandemic roils the economy**

https://economictimes.indiatimes.com/news/economy/agriculture/agriculture-to-rack-up-gains-as-pandemic-roils-the-economy/primeshow/76805197.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

- **ED moved to SC to challenge NCLAT's power to lift attachment order against Bhushan Power**

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/ed-moves-sc-to-challenge-nclats-power-to-lift-attachment-order-against-bhushan-power/articleshow/76741433.cms?from=mdr>



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❖ Securities Laws & Capital Market

SEBI notifies Amendments to SEBI (Investment Advisers) Regulations, 2013 (July 03, 2020)

SEBI vide its press release dated July 03, 2020 has notified the key regulatory changes which, inter alia, include the segregation of advisory and distribution activities at client level to avoid conflict of interest and the eligibility criteria for IAs. These amendments are intended to strengthen the regulatory framework for investment advisers. These amendments shall come into force on the Ninetieth Day from the date of their publication in the Official Gazette.

For more details, please click on: https://www.sebi.gov.in/media/press-releases/jul-2020/sebi-notifies-amendments-to-sebi-investment-advisers-regulations-2013_47006.html

SEBI ORDERS

SEBI vide its order dated July 1, 2020 has suspended the certificate of registration of stock broker Vishal Vijay Shah for a period of one year, alleging several irregularities in its working which were repetitive in nature and in violation of the stock broker regulations as well as SEBI circulars issued in this respect from time to time.

For more details, please click on:

https://www.sebi.gov.in/enforcement/orders/jul-2020/order-in-the-matter-of-inspection-of-vishal-vijay-shah_46988.html

Compliance Requirement *inter-alia* for July, 2020 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Regulation No.	Compliance Particular	Compliance Period (Due Date)	Revised Due Date
Regulation 24A read with SEBI circular No CIR/CFD/CMD1/27/2019 dated February 8, 2019	Annual Secretarial Compliance Report	within 60 days of the end of the financial year	31.07.2020

❖ **Direct Tax****1. The Income Tax (16th Amendment) Rules, 2020 [Notification No. 43/2020 Dated 3rd July, 2020]**

The Central Board of Direct Taxes has issued the Income-tax (16th Amendment) Rules, 2020. As per the amended rules, tax deductors while filing quarterly statements under Rule 31A has to furnish the following information also:

- Particulars of amount paid or credited on which tax was not deducted or deducted at lower rate in view of the notification issued under second proviso or exemption provided in third proviso or notification issued under fourth proviso to section 194N OR 194A(5).
- Particulars of amount paid or credited on which tax was not deducted under section 194LBA(2A) or 197A(1D)(a) or (b) or in view of the exemption provided to persons referred to in Board Circular No. 3 & 11 of 2002 or Board Circular No. 18 of 2017.

https://www.incometaxindia.gov.in/communications/notification/notification_43_2020.pdf

2. Income Tax Department Refunded Rs. 62,361 crore to more than 20 lakh taxpayers amid COVID-19 pandemic

In pursuance to the Government's decision vide Press Note dated April 8, 2020 to issue pending income tax refunds in order to help taxpayers in a COVID-19 pandemic situation, the Income Tax Department has issued tax refunds at a speed of 76 cases per minute from 8th April to 30th June, 2020. During this period of just 56 weekdays, the Central Board of Direct taxes (CBDT) has issued refunds in more than 20.44 lakh cases amounting to more than Rs. 62,361 crore.

For details, please visit at <https://pib.gov.in/PressReleasePage.aspx?PRID=1636095>

❖ **Labour Laws****ESI Return Due Date Extended till July 15, 2020**

As per the new circular, now the employers are allowed to file the return of their contribution up to 15th July, 2020 for the contribution period from October, 2019 to March, 2020.

Detailed Circular is available at: <https://www.esic.nic.in/attachments/circularfile/336e6f0398882f5e20b64b49982a9528.pdf>

❖ **Consumer Laws****Home Buyers to Lose only Booking Amount, if they decide to cancel, Rules NCDRC**

<https://www.moneylife.in/article/home-buyers-to-lose-only-booking-amount-if-they-decide-to-cancel-rules-ncdrc/60803.html>

Consumer Complaint against Passport Authorities for Delay in Issuance of Passport not Maintainable : Punjab SCDRC

<https://www.livelaw.in/news-updates/consumer-complaint-passport-authorities-not-maintainable-159283>

❖ **FEMA**

Submission of annual return on FLA through the web-based FLAIR portal for financial year 2019-20 has been started. Entities which are filing FLA return for the first time/ with revised UIN (Unique identification number) are required to register themselves first for generating login credentials and they can file FLA return. However, the entities which have already registered earlier may submit FLA-2020 using their login credentials. The last date for filing of annual return on FLA -2020 has been extended to July 31, 2020

For more details, please visit at <https://flair.rbi.org.in/>

❖ **Valuation****Distressed Assets – Opportunity for a Bargain but Pitfalls Abound**

Purchasing or investing in distressed businesses gives rise to complexities and considerations that are not typically present in 'good book' deals. Considerations for buyers and investors in such circumstances include the need to pay careful attention to structuring the transaction from the outset, the applicability of insolvency laws and the extent and duration of due diligence.

<https://www.reedsmith.com/en/perspectives/2020/07/distressed-assets-opportunity-for-a-bargain-but-pitfalls-abound>

❖ **Market Watch****Capital Market**

S & P BSE Sensex	36487.28
Nifty 50	10769.80

Reference Rate

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.34	92.66	83.55	.69

❖ **Learning from Judicial Pronouncement**

- In the matter of *Ficus Pax Private Limited vs. Union of India & Ors.*, W.P. (C) Diary No. 10983/2020, SC Directs Private Employers and Employees to Negotiate on Salary Payment for Lockdown. Justice Bhushan while pronouncing the order stated - "No industry can survive without the workers. Thus employers and employee need to negotiate and settle among themselves. If they are not able to settle it among themselves, they need to approach the concerned labour authorities to sort the issues out".

The Supreme Court clearly stated that State governments have to facilitate settlements between workers and employers for wages during the 54-day lockdown period. The apex court ordered the private firms to initiate negotiations with their employees on the issue of payment and decide at the earliest what resolution can be reached.

The Supreme Court also asked the employers and the employees to approach the labour commissioners for resolution of any disputes between the two.

For detailed information, please visit at:
<https://www.mondaq.com/india/employee-benefits-compensation/959246/supreme-court-order-on-payment-of-wages-during-the-lockdown-period>

- The West Bengal Authority of Advance Ruling (AAR) has ruled that the National Company Law Tribunal appointed liquidator must have the GST registration till all liabilities cease to exist.

For detailed information, please visit at
<https://economictimes.indiatimes.com/news/economy/policy/west-bengal-authority-of-advance-ruling-has-ordered-that-a-liquidator-must-pay-gst-on-sale-of-assets-of-a-defunct-company/articleshow/76716980.cms?from=mdr>

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Info Capsule

Tuesday, July 07, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Business and Economic News

- Reliance, Sterlite, TechM set to power next-gen 5G telecom networks. The move entails moving from the current hardware-dependent networks to ones that will be software-centric with hardly any dependency on the underlying hardware.
https://www.business-standard.com/article/companies/reliance-sterlite-techm-set-to-power-next-gen-5g-telecom-networks-120070601662_1.html
- Your registered financial advisor can either advise or sell mutual funds; not both**
<https://www.moneycontrol.com/news/business/personal-finance/your-registered-financial-advisor-can-either-advise-or-sell-mutual-funds-not-both-5506871.html>
- Bank Fraud : ED slaps biggest ever FEMA notice of Rs 7,220 crore on Kolkata firm**
[https://economictimes.indiatimes.com/news/politics-and-nation/bank-fraud-ed-slaps-biggest-ever-fema-notice-of-rs-7220-crore-on-kolkata-firm/articleshow/76816935.cms#:~:text=The%20Enforcement%20Directorate%20\(ED\)%20has,loan%20fraud%20case%2C%20they%20said.](https://economictimes.indiatimes.com/news/politics-and-nation/bank-fraud-ed-slaps-biggest-ever-fema-notice-of-rs-7220-crore-on-kolkata-firm/articleshow/76816935.cms#:~:text=The%20Enforcement%20Directorate%20(ED)%20has,loan%20fraud%20case%2C%20they%20said.)
- Ex-Corporate Affairs Secretary to head IFSCA**
Injeti Srinivas has been appointed as the Chairman of newly created International Financial Services Centre Authority (IFSCA) for three years.
<https://www.thehindubusinessline.com/economy/policy/injeti-srinivas-appointed-as-ifsc-authority-chairman/article32009170.ece#:~:text=The%20government%20on%20Monday%20appointe,according%20to%20an%20official%20order.>
- Race for next SEBI Chief heats up again as Tyagi teure ends next month**
https://www.business-standard.com/article/markets/race-for-next-sebi-chief-heats-up-again-as-tyagi-tenure-ends-next-month-120070601020_1.html
- India ranks 34th in JLL's Global Realty Transparency Index**
<https://economictimes.indiatimes.com/industry/services/property/-construction/india-ranks-34th-in-jlls-global-realty-transparency-index/articleshow/76828712.cms>
- GIFT SEZ provides approval to 28 entities**
<https://economictimes.indiatimes.com/news/economy/infrastructure/gift-sez-provides-approval-to-28-entities/articleshow/76822108.cms>



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❖ Securities Laws & Capital Market

SEBI ORDER

SEBI directed Fourth Dimension Solutions Limited (FDSL) Managing Director Amalendu Mukherjee to disgorge an amount worth over Rs 2.3 crore for insider trading in the scrip of Ricoh India Ltd. The amount has to be paid along with 12 per cent interest within 45 days. In addition, Amalendu Mukherjee has been restrained from accessing securities markets for a period of seven years. (July 6, 2020)

For more details, please click on: https://www.sebi.gov.in/enforcement/orders/jul-2020/order-in-respect-of-mr-amalendu-mukherjee-in-the-matter-of-ricoh-india-limited_47010.html

SAT ORDER

The SAT has refused to stay the proceedings initiated by SEBI seeking to impose a higher penalty of Rs. 25 lakh on India Ratings and Research Pvt. Ltd. The penalty was imposed by SEBI on rating agency for violating the code of conduct to the Credit Rating Agencies Regulations while granting credit rating to IL&FS. The tribunal directed the rating agency to deposit the amount with SEBI within four weeks, which would be subject to the result of the appeal. (Held, the Hon'ble SAT in its order dated July 1, 2020 in the matter of India Ratings and Research Pvt. Ltd. vs. SEBI.)

(or more details, please click on : http://sat.gov.in/english/pdf/E2020_J02020103.PDF)

❖ Indirect Taxes

Goods and Services Tax – Compliance for the Month of July, 2020

GSTR 1			
Late Fees Waiver if GSTR 1 return is furnished by	Tax Period	Actual Due Date	Extended Due Date
	March 2020	11 th April, 2020	10 th July, 2020
	April 2020	11 th May, 2020	24 th July, 2020
	May 2020	11 th June, 2020	28 th July, 2020
Quarter ending March 20			17 th July, 2020

GSTR 3B	Tax Period	Actual Due Date	Extended Due Date
Aggregate Turnover in the preceeding FY More than Rs. 5 Crore (> Rs 5 Cr)	June 2020	20 th July 2020	20 th July, 2020 No late fees and no interest
If the Aggregate Turnover in the preceeding FY upto Rs. 5 Crore and GSTR 3B having Tax Liability. (State 1) (Chhattisgarh, MP, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the UT of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep)	March 2020	22 nd April 2020	3 rd July, 2020 No late fees and no interest
	April 2020	22 nd May 2020	6 th July, 2020 No late fees and no interest
If the Aggregate Turnover in the preceeding FY upto Rs.5 Crore and GSTR 3B having Tax Liability. (State 2) (HP, Punjab, Uttarakhand, Haryana, Rajasthan, UP, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the UT of J&K, Ladakh, Chandigarh or Delhi)	March 2020	24 th April 2020	5 th July, 2020 No late fees and no interest
	April 2020	24 th May 2020	9 th July, 2020 No late fees and no interest

Source : CBIC Notification No. 53/2020 – Central Tax Dated 24th June, 2020

❖ **Customs****Bilateral Safeguard Measures Rules, 2017**

(Notification No. 29/2020- Customs, dated 6th July, 2020)

In view of the fact, that the domestic industry has suffered serious injury due to duty concessions granted to Korean imports resulting into an increase in the import of Phthalic Anhydride from Korea at low prices, the rate of customs duty on imports of the mentioned goods has been increased.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs29-2020.pdf>

❖ **Direct Taxes****Income Tax Compliances for July 2020**

Due date for deposit of Tax deducted/collected for the month of June, 2020. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan*	7th July, 2020
Due date for deposit of TDS for the period April 2020 to June 2020 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H*	
Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of February 2020, March 2020 & June, 2020 has been paid without the production of a challans.	15th July, 2020
Quarterly statement of TDS/TCS deposited for the quarter ending March 31, 2020	31st July, 2020
Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, section 194-IB and section 194M in the months of February 2020 and March, 2020	
Return of Income for the Assessment Year 2019-20 for all assessee	

* Note: The due date has been extended to 31/03/2021 by The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No. 35 /2020, dated 24-06-2020. However, the benefit of extended due date shall not be available in respect of payment of taxes.

❖ **Banking and Insurance****Extension of timeline for finalization of audited accounts of NBFCs**

(Notification no. RBI/2020-21/11DoR (NBFC) (PD) CC. No. 114/03.10.001/2020-21 dated July 06, 2020)

Due to COVID-19 pandemic, it has been decided that every applicable NBFCs that are required to finalise their Balance Sheet within 3 months from the date to which it pertains, shall finalise its Balance sheet within a period of 3 months from the date to which it pertains or any date as notified by SEBI for submission of financial results by listed entities.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11935&Mode=0>

❖ **Valuation****Government mulls setting up National Institute of Valuers**

The Ministry of Corporate Affairs (MCA) proposed to establish the National Institute of Valuers (NIV) as the regulatory body for the valuation profession as per the recommendations of a committee of experts.

<https://economictimes.indiatimes.com/news/economy/policy/government-mulls-setting-up-national-institute-of-valuers-on-the-lines-of-icai/articleshow/75187112.cms>

<https://timesofindia.indiatimes.com/business/international-business/tiktok-says-it-will-exit-hong-kong-market-within-days/articleshow/76824972.cms>

❖ *Market Watch*

Capital Market	
S & P BSE Sensex	36674.52
Nifty 50	10799.65

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR/ 1 JPY
74.31	92.83	83.96	0.69

❖ *Learning from Judicial Pronouncement*

NCLAT stated that the order passed by the NCLT or NCLAT will not come in the way of SEBI or any competent authority taking steps against erstwhile promoters, directors or officers or others, if any or all of them had violated any of the provisions under the SEBI Act or Rules framed there under or any other law.

<https://nclat.nic.in/Useradmin/upload/8279700145d68bd9d5392b.pdf>

Prepared by Directorate of Academics

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

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Info Capsule

Wednesday, July 08, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao



**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)

❖ **Company Law**

- The last date for submission of suggestions / comments on Decriminalization of Compoundable offences under Limited Liability Partnership (LLP) Act, 2008 has been extended by MCA up to 19 July, 2020.
- **Extension of the last date of filing of Form NFRA-2**

The time limit for filing of Form NFRA-2, for the reporting period FY 2018-19, will be 270 days from the date of deployment of Form NFRA-2 on the website of National Financial Reporting Authority (NFRA).

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.26_06072020.pdf

❖ **Securities Laws & Capital Market**

SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (July 7, 2020)

SEBI has further extended the deadline for issuers of municipal debt securities to comply with certain regulatory norms by July 31 in view of the COVID-19 crisis. The relaxation pertains to submission of investor grievance report, financial results and accounts maintained by issuers under these Regulations.

For more details, please click on: https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-issue-and-listing-of-municipal-debt-securities-regulations-2015-ildm-regulations-and-certain-sebi-circulars-due-to-the-covid-19-vir-_47015.html

SEBI ORDER

The promoter/ persons acting in concert (PACs) after acquiring shares in the Target Company beyond the threshold of initial/creeping acquisition have failed to make an open offer under SAST Regulations. SEBI directed the promoter/(PACs) to make public announcement of a combined open offer for acquiring shares of Sungold Capital Limited under SAST Regulations within 45 days from the end of the lockdown period. In addition, the acquirers along with the offer price pay interest at the rate of 10% for delay in making of open offer. **(July 7, 2020)**

For more details, please click on:

https://www.sebi.gov.in/enforcement/orders/jul-2020/final-order-in-the-matter-of-sungold-capital-ltd-_47016.html

❖ **Direct Taxes**

Notification of Harmonised Master List of Infrastructure Sub-sectors for the purposes of section 10(23FE) of the Income-tax Act, 1961 [Notification No. 44/2020 Dated 6th July, 2020]

The Central Government hereby specifies business, for the purposes of item (b) of sub-clause (iii) of clause (23FE) of section 10 of the Income-tax Act, 1961, to be the business which is engaged in the infrastructure sub-sectors mentioned in Updated Harmonised Master List of Infrastructure Sub-sectors in the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs, published in Gazette of India, dated 13th August, 2018.

The reference to the infrastructure sub-sectors in the said Harmonised Master List of Infrastructure Sub-sectors shall not include the business already provided in the said item (b).

This notification shall come into force from the 1st day of April, 2021 and shall be applicable for assessment year 2021-22 and subsequent assessment years.

https://www.incometaxindia.gov.in/communications/notification/notification_44_2020.pdf

❖ **Banking and Insurance****Arogya Sanjeevani Policy : Limits relaxed by IRDAI**

IRDAI has modified the guidelines on standard health insurance product wherein general and health insurers are allowed to offer sum insured options ranging from minimum Rs. 1,00,000/- to maximum of Rs. 5,00,000/- (in the multiples of 50,000/-) for "Arogya Sanjeevani Policy". To further facilitate the general public, IRDAI vide circular IRDAI/HLT/REG/CIR/172/07/2020 dated 07.07.2020 allowed the insurers to offer minimum sum insured less than Rs.1,00,000/- and maximum sum insured greater than Rs. 5,00,000/- subject to the underwriting policy of the Insurers. The Sum insured options shall be offered in the multiples of Rs. 50,000/- (fifty thousand) only.

https://www.irdai.gov.in/ADMINCMS/cms/Circulars_Layout.aspx?page=PageNo4177

❖ **Governance****SEC statement on public company disclosure during COVID 19**

In an effort to facilitate robust disclosure and engagement, SEC urges companies to provide as much information as is practicable regarding their current financial and operating status, as well as their future operational and financial planning.

<https://www.sec.gov/news/public-statement/statement-clayton-hinman>

❖ **Business and Economic News**

- **99% businesses in India now in MSME category**

A change in definition of micro, small and medium enterprises (MSME) has turned India into a country of small businesses as nearly 99% of the entities now fall under the category based on the twin parameters of investment and turnover. An entity can be classified as a micro enterprise if investment is up to Rs. 1 crore and turnover does not exceed Rs. 5 Crore.

http://timesofindia.indiatimes.com/articleshow/76844933.cms?from=mdr&utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Udyam Registration Portal**

Except this portal of Government of India and Government's Single Window Systems, no other private online or offline system, service, agency or person is authorized or entitled to do MSME Registration or undertake any of the activity related with the process.

<https://udyogaadhaar.gov.in/Important.aspx>

- **The call for Aatmanirbharta is not about reverting to economic isolationism. Its essential aim is to ensure India's position as a key participant in global supply chains.**

https://economictimes.indiatimes.com/news/politics-and-nation/aatmanirbharta-to-strengthen-indias-position-in-global-supply-chains-foreign-secretary/articleshow/76846003.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **The 15th Finance Commission's (FC) high level group on health will work with the World Bank to assist the FC in its recommendations for the health sector**

https://economictimes.indiatimes.com/news/economy/finance/fifteenth-finance-commissions-high-level-group-on-health-to-work-with-world-bank-on-recommendations-for-health-sector/articleshow/76837594.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **National Pension System: Basics of NPS, eligibility, benefits, nomination, contribution limit**

<https://www.financialexpress.com/money/national-pension-system-basics-of-nps-eligibility-benefits-nomination-contribution-limit-all-you-wanted-to-know/2016958/>

- **High Court of Karnataka notice to IRDAI on plea for insurance for senior citizens at affordable rate**

<https://www.thehindu.com/news/national/karnataka/hc-notice-to-irdai-on-plea-for-insurance-for-senior-citizens-at-affordable-rates/article32015696.ece>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	36329.01
Nifty 50	10705.75

Reference Rate

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.53	93.34	84.16	0.69

❖ **Learning from Judicial Pronouncement**

- The Supreme Court of India on 06.07.2020 in the matter of *Aruna Oswal Vs. Pankaj Oswal & Ors* (Civil Appeal No.9340 of 2019 with Civil Appeal No.9399 of 2019) has opined that the proceedings before the NCLT filed under section 241 and 242 of the Companies Act, 2013 (dealing with application to Tribunal for relief in case of Oppression and Mismanagement and Powers of Tribunal) should not be entertained because of the pending civil dispute.

https://main.sci.gov.in/supremecourt/2019/44291/44291_2019_33_1501_22741_Judgement_06-Jul-2020.pdf

- In the matter of Ritu Rastogi, Resolution Professional, *Benlon India Ltd. v. Riyal Packers, NCLAT*, considering the interest of all stakeholders extended CIRP time limit beyond 330 days (extending by 10 days) exercising Rule 11 of NCLAT Rules, since the hardship encountered by the 'Resolution Professional' is not on account of any lapse on his part but due to certain statutory compliances to be made, which are mandatory or without adhering to which the 'resolution plan' could not be placed before the Adjudicating Authority. It directed adjudicating authority to consider the application for approval of resolution plan under section 31 of IBC.

<https://nclat.nic.in/Useradmin/upload/11370048975eec866c3c09d.pdf>

- The Gujarat Authority of Advance Ruling (AAR) ruled that product namely J.J.'s Popcorn of M/s Jay Jalaram Enterprises manufactured from raw corn/maize grains, by heating turn into puffed corns/popcorns. Further other ingredients like salt and turmeric powder along with oil added to make them palatable. There is no separate heading is given for puffed popcorn but puffed popcorn fits in the description of 'Prepared foods obtained by the roasting of cereal'. Hence the said product falls under entry at Sr. No. 15 of Schedule III of Notification No.1/2017 CENTRAL TAX (Rate) Dated 28-6-2017 and attracts 9% CGST and 9% SGST or 18% IGST.

http://gstcouncil.gov.in/sites/default/files/ruling-new/GUJ_AAR_03_2020_11.03.2020_JJE.pdf

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Info Capsule

Thursday, July 09, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Labour Laws

Government Notifies Draft Rules for Code on Wages 2019 - Inviting Objections/Suggestions within 45 days

The Central Government has published a draft of Code on Wages (Central) Rules, 2020, inviting objections and suggestions from the public. Objections and suggestions, in this regard, can be sent to Shri M. A. Khan, Deputy Director (ma.khan15@nic.in), and Smt. Rachana Bolimera, Assistant Director (r.bolimera@nic.in), Government of India, Ministry of Labour and Employment, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001, within forty five days from the date of publication, which is July 08, 2020.

Draft Rules can be accessed at

[http://egazette.nic.in/\(S\(3nibci1fsbeqebcqqguseyzvc\)\)/default.aspx?AcceptsCookies=yes](http://egazette.nic.in/(S(3nibci1fsbeqebcqqguseyzvc))/default.aspx?AcceptsCookies=yes)

or at

https://www.livelaw.in/pdf_upload/pdf_upload-377947.pdf



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❖ Securities Laws & Capital Market

SEBI ORDER

SEBI has barred the share transfer agent Sharepro Services Pvt. Ltd., its senior officials and over 20 other entities from accessing the securities market. They are further prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever. They facilitated diversion of assets (securities and dividends) belonging to genuine and rightful shareholders to entities related to management of Sharepro in violation of SEBI regulations. (July 8, 2020)

https://www.sebi.gov.in/enforcement/orders/jul-2020/order-in-the-matter-of-sharepro-services-i-pvt-ltd-_47022.html

SEBI SETTLEMENT ORDER

Manappuram Finance Limited (MFL), its directors and compliance officer have settled the proceedings with SEBI, without admitting or denying the findings of facts and conclusions of law, upon the payment of Rs. 5.25 crore towards settlement charges. They allegedly communicated unpublished price sensitive information to market participants before the same was disclosed to the exchange and failed to supervise the implementation of code of conduct under Insider Trading Regulations.

<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListingAll=yes>

❖ Banking and Insurance

• **Finance ministry asks States to ensure Safety of Bankers and to take Stern Action against Unruly**

<https://m.economictimes.com/industry/banking/finance/banking/finance-ministry-asks-states-to-ensure-safety-of-bankers-and-stern-action-against-unruly/articleshow/76860891.cms>

• **Merger halted of the Three Major Insurance Companies**

The Union Cabinet on July 08, 2020 decided to halt the merger process of three state-owned general insurance companies, National Insurance, Oriental Insurance and United India Insurance, for the moment and approved fund infusion of Rs 12,450 crore to improve their financial health. It was also decided to increase the authorised share capital of National Insurance Company Limited (NICL) to Rs 7,500 crore and that of United India Insurance Company Limited (UIICL) and Oriental Insurance Company Limited (OICL) to Rs 5,000 crore each to give effect to the capital infusion decision.

<https://www.financialexpress.com/money/insurance/national-insurance-oriental-insurance-united-insurance-merger-halted-by-modi-govt/2017829/>

• **IRDA constitutes Working Group to explore a Pandemic Risk Pool**

<https://m.economictimes.com/industry/banking/finance/insure/irda-constitutes-working-group-to-explore-a-pandemic-risk-pool/articleshow/76859316.cms>

❖ **Valuation and International Business**

• **Are Fair Values Appropriately Determined ?**

The COVID-19 pandemic has significantly affected financial markets in the first quarter of 2020. Stock markets have declined sharply and volatility has increased. Treasury bond yields have reached record lows and credit-default-swap indices have been surging while reflecting concerns of increased corporate defaults. For several assets and liabilities, fair values may have changed significantly, reflecting changes in cash flow forecasts, higher uncertainty and increased risks.

<https://home.kpmg/xx/en/home/insights/2020/03/covid-19-assets-1b.html>

• **Air Asia's future in doubt due to virus; Share Price Tumbles**

The future of top regional budget carrier Air Asia is in significant doubt after the collapse in travel demand caused by corona virus. Its auditor warned, resulting into tumbling of share price of the airline.

<https://timesofindia.indiatimes.com/business/international-business/airasias-future-in-doubt-due-to-virus-share-price-tumbles/articleshow/76858464.cms>

❖ **Governance**

• **SEBI signs MOU with CBDT**

A Memorandum of Understanding (MoU) is signed between SEBI and CBDT (Central Board of Direct Taxes) to facilitate the data exchange between the two organizations. The MoU will facilitate the sharing of data and information between CBDT and SEBI on an automatic and regular basis. In addition to regular exchange of data, CBDT and SEBI will also exchange with each other, on request and *suo moto* basis, any information available in their databases, for the purpose of carrying out scrutiny, inspection, investigation and prosecution.

https://www.sebi.gov.in/media/press-releases/jul-2020/sebi-signs-mou-with-cbdt_47030.html

• **The Food Safety and Standards Authority of India has issued Standard Operating Procedures for reactivation of rejected applications and change in a user profile including new login credentials, Email id etc.**

The Food Business Operators shall apply to concerned regional officers of FSSAI for reactivation of license application within 6 months from the date of rejection and the application may be rejected automatically by the system due to non-furnishing of information/documents by FBO within 30 days. The FBOs intending to change their user profile shall submit a representation in this regard to the Joint Director, Regulatory Compliance Division. The application should be on the letterhead of the firm/company duly signed by the authorized person and a copy of photo identity card and a copy of an existing license shall be enclosed along with the application. In case, FBOs want new login credential, they have to create a new login ID and Password and the same would be indicated in their application so that the IT team can validate and map the licenses or registrations in new login credentials.

https://fssai.gov.in/upload/advisories/2020/07/5f0431c7922e6Letter_SOP_Reactivation_Rejected_Applications_07_07_2020.pdf

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	36737.69
Nifty 50	10813.45

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.69	93.89	84.41	0.69

❖ **Learning from Judicial Pronouncement**

- NCLAT in its order dated 11.06.2020 in the matter of *Mrs Arti Meenakshi Muthiah Vs. MCTM Global Investments Pvt. Ltd and Ors*, opined that merely adding an additional signatory to a bank account cannot be claimed to be an act of oppression especially when the appellant is one of the signatories.
<https://nclat.nic.in/Useradmin/upload/6552594855ee2218acdf4c.pdf>
- NCLT Ahmedabad Bench, in the matter of the application for approval of resolution plan in the CIRP of Digjam Ltd. and the Resolution Applicant (Finquest Financial Solutions Pvt. Ltd.), has asked for certain relaxations in the Resolution Plan with regard to payment to be made to Financial Creditors/Operational Creditors and other stakeholders arising out of the current ongoing pandemic due to COVID-19. NCLT vide order dated 27.05.2020, allowed the application with modifications to timeline for payment to the Financial Creditors/Operational Creditors and/or other stakeholders.

<https://ibbi.gov.in/uploads/order/c0aac745e2444452ee c0ceacb7016b22.pdf>

❖ **Business and Economic News**

- The Government has asked e-commerce platforms such as Amazon and Flipkart to display the country of origin on new products listed by sellers on their sites by 1st August, 2020 and legacy items by 1st October, 2020 without stipulating a deadline.

https://economictimes.indiatimes.com/news/economy/foreign-trade/display-country-of-origin-by-aug-1-govt-to-ecomm/articleshow/76864214.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- The Government will continue to pay the Employees' Provident Fund (EPF) contributions of both employers and employees for another three months, i.e., till August 2020.

<https://economictimes.indiatimes.com/wealth/personal-finance-news/government-to-pay-epf-contributions-of-employees-and-employers-till-aug-2020/articleshow/76853025.cms>

- Finance Ministry notifies National Pension Scheme Tier II- Tax Saver Scheme, 2020

<https://www.taxscan.in/finance-ministry-notifies-national-pension-scheme-tier-ii-tax-saver-scheme-2020/63844/>

- Atmanirbhar MSMEs : How Modi Govt's Make in India 2.0 is gateway to self-reliance for small businesses
<https://www.financialexpress.com/industry/sme/cafe-sme/msme-eodb-atmanirbhar-msmes-how-modi-govts-make-in-india-2-0-is-gateway-to-self-reliance-for-small-businesses/2017162/>

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Info Capsule

Friday, July 10, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Ministry of Corporate Affairs

The Ministry of Corporate Affairs has updated the Contact Number of Helpdesk from July 17, 2020 onwards for stakeholders Queries.

- For queries related to company name availability and company incorporation, Stakeholders may contact at CRC Helpdesk: 0120-4832500 (Extension - 1) and drop an email at CRC.Escalation@Mca.Gov.In
- For queries related to company or LLP e-filings, payments or View Public Document (VPD), Stakeholders may contact Corporate Seva Kendra : 0120-4832500 (Extension - 2) and drop an email at Appl.Helpdesk@Mca.Gov.In



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❖ Ministry of Finance

• Updates from Department of Investment and Public Asset Management

Substantial numbers of Central Public Sector Enterprises (CPSEs) have been disinvested during the financial year 2019-20. The details related to the list of CPSEs disinvested, percentage of government ownership disinvested, method of disinvestment, receipts from disinvestment and Government of India shareholdings post disinvestment, may be accessed at :

<https://dipam.gov.in/en/disinvestments/recent>

• Updates from Department of Economic Affairs

Government of India has 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 per cent Government Stock, 2050" for a notified amount of Rs. 7,000 crore (nominal) through price based auction. The Government will have the option to retain additional subscription up to Rs. 2,000 crore each against any one or more of the above securities. The auctions will be conducted by the Reserve Bank of India, Mumbai Office, Fort, Mumbai on July 10, 2020 (Friday) using multiple price method.

<https://dea.gov.in/sites/default/files/Press%20Release%20for%20auction%20of%20G-Sec-6-7-2020.pdf>

❖ Securities Laws & Capital Market

SEBI CIRCULAR

• SEBI (International Financial Services Centres) Guidelines, 2015 (July 09, 2020)

In order to further streamline the operations at IFSC, the market regulator SEBI has amended clause 4(1) of SEBI IFSC Guidelines, which deals with 'Eligibility and shareholding limit for stock exchange desirous of operating in IFSC'. The amended guidelines, *inter alia*, provide that any Indian recognized stock exchange or any stock exchange of a foreign jurisdiction may form a subsidiary to provide the services of stock exchange in IFSC.

https://www.sebi.gov.in/legal/circulars/jul-2020/securities-and-exchange-board-of-india-international-financial-services-centres-guidelines-2015-amendments_47034.html

SETTLEMENT ORDER

- Northward Financial Planners (NFP) and its partners have settled with SEBI, a case related to alleged violation of Investment Advisers regulations upon the payment of Rs. 21.67 lakh towards settlement charge. NFP and partners were carrying on investment advisory activities since F.Y. 2013-14 without seeking SEBI registration and filed the application for registration after a delay of over 4 years. **(July 09, 2020)**

https://www.sebi.gov.in/enforcement/orders/jul-2020/settlement-order-in-respect-of-1-northward-financial-planners-2-mr-thejus-palathingal-3-ms-diya-thommy-and-4-ms-vidya-krishnamoorthy-in-the-matter-of-northward-financial-planners_47035.html

❖ **Goods and Service Tax****Customs**• **Anti-Dumping Duty on Imports of Specified Goods from People's Republic of China**

(Notification No. 17/2020 - Customs (ADD), dated 8th July, 2020)

The domestic industry's performance has improved but remains vulnerable to dumping and consequent injury. This Notification seeks to levy definitive anti-dumping duty on imports of '*Steel and Fibre Glass Measuring tapes and their parts and components*', originating in, or exported from, *People's Republic of China* for a period of *five years*, in pursuance of final findings of sunset review investigations issued by DGTR.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd17-2020.pdf>

❖ **Banking and Insurance**• **Exempt Current Accounts held by Traders from Minimum Balance Norms, demands Traders' Body**

The Federation of All India Vyapar Mandal (FAIVM) wrote a letter to RBI Governor to instruct the banks to exempt the minimum balance requirement for current account held by small businesses. The economic activities were at grassroots level during the lockdown period, and therefore penalties imposed by the banks during that period should also be refunded.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/exempt-current-a/c-held-by-traders-from-minimum-balance-norm-demands-traders-body/articleshow/76879129.cms>

• **IRDAI constituted panel on 'Indian Pandemic Risk Pool'**

The COVID-19 pandemic has led to the significant disruption in economic activity mainly due to the measures taken to limit the spread of the disease. Along with the health of the people, it has affected all sectors of the economy. Therefore, there is a need to explore the possibility of addressing these risks and any other related risks arising out of a Pandemic through the mechanism of a "Pandemic Risk Pool". In this background, IRDAI has constituted a working group under the chairmanship of Shri Suresh Mathur, Executive Director (IRDAI) to study the need for setting up a Pandemic Risk Pool, giving rationale for the same, recommend the Structure and Operating model for the Pool and examine any other matter relevant to the subject. The panel will submit its report within eight week from the date of its constitution.

https://www.irdai.gov.in/ADMINCMS/cms/frmOrders_Layout.aspx?page=PageNo4181

❖ **Valuation****COVID 19 Impact on Accounting and Valuation for Impairments**

In an exceptionally short period of time, COVID-19 had a major impact across both the "real" economy as well as in the financial and credit markets. With such uncertainty as to when the dislocations will resolve themselves, companies need to begin proactively assessing what it means for the value of their assets, with impairment considerations being a focal point.

<https://www.pwc.com/us/en/services/audit-assurance/accounting-advisory/COVID-19-impact-on-accounting-and-valuation-for-impairments.html>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	36594.33
Nifty 50	10768.05

Reference Rate

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.76	94.38	84.63	.70

❖ Business and Economic News

• IBC faces test again as top court hears Bhushan Power & Steel case

Although the Essar Steel judgment provided some clarity about eligibility and Section 29A, the BPSL case will test the applicability of the newly formulated Section 32A, which provides immunity to the corporate debtor.

For details, please visit at https://www.business-standard.com/article/companies/ibc-to-face-another-litmus-test-in-the-bhushan-power-steel-case-120070700450_1.html

• PIL in Madras high court challenges ordinance banning insolvency petitions under IBC

A Chennai based financier has moved to Madras High Court challenging an Ordinance amending IBC (Insolvency and Bankruptcy Code) banning applications for corporate insolvency during COVID 19 lockdown.

For details, please visit at <https://timesofindia.indiatimes.com/city/chennai/pil-in-madras-high-court-challenges-ordinance-banning-insolvency-petitions-under-ibc/articleshow/76857127.cms>

• 58 Indian-origin executives employ over 3.6 million globally, account for \$1 trillion in revenue

According to a list released by a US-based top Indian Diaspora Organisation, a group of 58 Indian-origin executives heading various companies across 11 different countries, including US, Canada and Singapore, collectively employ more than 3.6 million people and account for a combined \$1 trillion in revenue, along with \$4 trillion in market capitalisation,

<https://timesofindia.indiatimes.com/business/international-business/58-indian-origin-executives-employ-over-3-6-million-globally-account-for-1-trillion-in-revenue/articleshow/76867461.cms>

• In order to make industry more competitive globally, India Inc has suggested policy measures pertaining to approvals for starting a business, dispute resolution and logistics infrastructure.

<https://economictimes.indiatimes.com/news/economy/policy/india-inc-seeks-government-aid-to-compete-globally/primeshow/76882186.cms>

• India's digital payments volumes across all channels increased 46% in last fiscal year, with banks recording a record 45.72 billion transactions and exceeding the state-set target.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/digital-payments-grew-46-in-fy20-beats-state-set-target-meity-to-banks/primeshow/76878914.cms>

• Amazon, Flipkart, other e-commerce firms agree to display 'Country of Origin' on products

<https://www.dnaindia.com/business/report-amazon-flipkart-other-e-commerce-firms-agree-to-display-country-of-origin-on-products-2831476>

• RERA authorities to approach RBI to prevent bad loans and make the developers eligible for fresh borrowings

<https://www.newshour.press/real-estate/rera-authorities-to-approach-rbi-to-prevent-bad-loans/>

❖ Learning from Judicial Pronouncement

• In the matter of *Velankani Information Systems Ltd vs. Union of India and others* (July 08, 2020), Karnataka High Court ruled that a Writ Petition under Article 226 of the Constitution of India is maintainable against private banks as regards the implementation of loan moratorium by the Reserve Bank of India in the wake of lockdown.

For details, please visit at <https://www.livelaw.in/news-updates/writ-petition-maintainable-against-private-bank-for-enforcement-of-rbi-circular-on-loan-moratorium-karnataka-hc-159677>

• In the matter of *M C Mehta vs. Union of India and others*, Supreme Court has recalled its March 27, 2020 order that allowed the sale of BS4 vehicles after the lockdown. The apex court has slammed the Federation of Automobile Dealers' Association of India (FADA) for committing "fraud". Justice Arun Mishra said, "Please do not take advantage of this court by playing fraud. You have told us no sales have taken place. You are understating your values." Honourable Supreme Court has also clarified that it will protect only those vehicles which have been registered with the VAHAN portal. **SC has directed FADA to furnish the data of BS4 sales and has directed the government to corroborate the sales data with the information available on the VAHAN portal.** The apex court noted that over 17,000 vehicles sold were not registered with the VAHAN portal.

For details, please visit at <https://www.cnbctv18.com/auto/supreme-court-recalls-order-allowing-bs4-vehicle-sales-post-lockdown-says-only-vehicles-registered-with-vahan-will-be-protected-6286271.htm>

Prepared by Directorate of Academics

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

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Info Capsule

Monday, July 13, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Supreme Court of India

Supreme Court of India on 10th July, 2020, while considering Special Leave to Appeal (C) No(s). 8139/2020 has mentioned that "Doors of Justice cannot be closed". Therefore, Honourable Supreme Court of India requested NCLAT to hear urgent matters and to find out a way for online hearing.

https://main.sci.gov.in/supremecourt/2020/13759/13759_2020_33_13_22758_Order_10-Jul-2020.pdf

❖ Direct Tax

CBDT provides Utility to ascertain TDS Applicability Rates on Cash Withdrawals

The Income Tax Department has facilitated a new functionality for Banks and Post offices through which they can ascertain the TDS applicability rates on cash withdrawal above Rs. 20 lakh in case of a non-filer of the income-tax return and that of above Rs. 1 Crore in case of a filer of the income-tax return. So far, more than 53,000 verification requests have been executed successfully on this facility.

For more details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1638215>



**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

• Department of Expenditure

Government notifies changes in rules Disallowing Global Tender for Procurement up to Rs. 200 crore

In a move which will benefit MSMEs, the Government of India has notified amendments to General Financial Rules (GFR), 2017 to ensure that goods and services valued less than Rs. 200 crore are being procured from domestic firms. With these notified amendments, henceforth the global tenders will be disallowed in government procurement up to Rs. 200 crore, as announced in the Aatmanirbhar Bharat Package.

Amending the GFR, the Department of Expenditure under Ministry of Finance mentioned that no Global Tender Enquiry (GTE), however, shall be invited for tenders up to Rs. 200 crore or such limit as may be prescribed by the Department of Expenditure from time to time.

For more details, please refer:

<https://economictimes.indiatimes.com/news/economy/policy/govt-notifies-changes-in-rules-disallowing-global-tender-for-procurement-up-to-rs-200-cr/articleshow/75867265.cms?from=mdr>

• Department of Economic Affairs

In order to comprehend the amount raised under various components of Central Government Borrowings, the data pertaining to the Central Government Borrowings comprising of Public debt, External debt, Internal debt, and other liabilities etc. for various quarters, may be accessed from <https://dea.gov.in/central-government-borrowings>

❖ Securities Laws & Capital Market

• Master Circular for Commodity Derivatives Market

SEBI has been issuing various circulars/directions from time to time for commodity derivatives market. In a bid to further streamline, SEBI has issued this Master Circular which is a compilation of the circulars issued by Commodity Derivatives Market Regulation Department (CDMRD) pertaining to domestic commodity derivatives segment, which have been issued till the date of this circular. Further, references in the circular to the Statutes/Regulations which now stand repealed have been suitably updated.

https://www.sebi.gov.in/legal/master-circulars/jul-2020/master-circular-for-commodity-derivatives-market_47045.html

- SEBI invites Expression of Interest (EOI) from established, reputed and reliable Solution Providers (Bidders) for "Revamp of IT Network, IP Telephony and Video Conferencing setup of SEBI". Besides, SEBI is planning to have a centralised control over its network and IP (internet protocol) telephony infrastructure. As per the requirement, the proposed solution should be robust, secure, stable, efficient and easy to manage and should also have latest collaborative features. The interested bidders have been asked to submit their applications by July 29, 2020. <https://www.sebi.gov.in/sebiweb/about/AboutAction.do?doTender=yes>

❖ Goods and Service Tax

More trouble for Gutkha King; Additional GST Evasion Rs. 105 Cr. detected

The Directorate General of GST Intelligence (DGGI) has said that it has traced an additional amount of Rs. 105 crore in GST evasion against Gutkha king's firm Ellora Tobacco Company. The agency said that he invested tax evasion amount in his other ventures.

<https://www.freepressjournal.in/indore/indore-more-trouble-for-gutkha-king-additional-rs-105-cr-gst-evasion-detected>

❖ Customs Updates

• Anti-Dumping Duty on Import of Phenol

Notification No. 18/2020- Customs (ADD), dated 9th July, 2020

This Notification seeks to extend Anti-Dumping Duty on import of Phenol originating in or exported from South Africa, imposed vide Notification No. 32/2015-Customs (ADD) dated 10.07.2015, up to and inclusive of 9th January, 2021.

<https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/ntfns-2020/cs-add2020/csadd18-2020.pdf;jsessionid=F6663947473F8DE811D9F66BBA3B9A17>

• 3 Months Extension for Re import of Cut and Polished Diamonds

Notification No. 30/2020- Customs, dated 10th July, 2020

In view of COVID-19 pandemic situation, the Government has extended the relief to gems and jewellery sector by relaxing the requirement of re-import of cut and polished diamonds, which have been sent abroad for certification and grading, by three months. This Notification has amended the notification No. 09/2012-Customs dated 09.03.2012, providing for extension of last date of re-import by three months, for those cases where the last date of such re-import falls between 01.02.2020 and 31.07.2020 due to the outbreak of COVID-19 pandemic.

<https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/ntfns-2020/cs-tarr2020/cs30-2020.pdf;jsessionid=BA8276F31D7BD783C7729BDA146549A5>

❖ Banking and Insurance

• Exemption from Registration as NBFC – Alternative Investment Fund (AIF)

Any Venture Capital Fund Companies, which is not holding and accepting public deposits and do not hold certificate of registration under section 12 of the Securities and Exchange Board of India Act, 1992 are exempted from the provisions of section 45-IA and 45-IC of the RBI Act, 1934 and related applicable guidelines. The “Venture Capital Fund Companies” is substituted with “Alternative Investment Fund Companies”, after Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and enactment of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 has repealed.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11936&Mode=0>

• RBI governor Shaktikanta Das addresses SBI Conclave

RBI Governor addressed the seventh SBI Banking & Economic Conclave in the middle of ongoing Covid-19 crisis. He said that the outbreak of COVID-19 pandemic is unambiguously the worst health and economic crisis in the last 100 years during peace time with unprecedented negative consequences for output, jobs and well-being.

https://www.rbi.org.in/Scripts/BS_SpeechesView.aspx?Id=1097

❖ Valuation

Cambodia Tax Update : VAT on the Disposal of Tangible Fixed Asset

On the May 5th 2020, the General Department of Taxation (“GDT”) issued Instruction No. 11581 which provided guidelines on the implementation of VAT for those enterprises in Cambodia that dispose of tangible fixed assets.

<https://www.dfdl.com/resources/legal-and-tax-updates/cambodia-vat-on-the-disposal-of-tangible-fixed-assets/>

❖ Consumer Laws

NCDRC : Usage of pre-printed form for ‘Informed Consent cum Undertaking’ by hospitals is amount to Unfair Trade Practice.

<https://www.moneylife.in/article/ncdrc-usage-of-pre-printed-form-for-informed-consent-cum-undertaking-by-hospitals-is-amount-to-unfair-trade-practice/60871.html>

❖ Governance

• Independent Directors, the Governance-Guardians of the Board, need to Revitalize their Role.

<https://m.economictimes.com/small-biz/legal/independent-directors-the-governance-guardians-of-the-board-need-to-revitalise-their-role/articleshow/76904950.cms>

• The Swiss Parliament has adopted a motion requiring the Swiss government to propose a new regulation addressing the conflicts of proxy advisers. The primary focus seems to be on ISS and to a lesser extent on Glass Lewis for their potential dual role in advising institutional investors on voting recommendations and listed companies on corporate governance and compensation. In the absence of a physical presence of these proxy advisers in Switzerland, it remains unclear how the required legislation could be effectively enacted.

<https://www.mondaq.com/corporate-governance/963936/a-new-proxy-adviser-regulation-in-switzerland>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	36693.69 (+99.36)
Nifty 50	10802.70 (+34.65)

Reference Rate

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.92 (+0.21%)	94.47 (+0.10%)	84.58 (-0.06%)	0.70 (+0.55%)

❖ **Business and Economic News**

- The global public debt is expected to exceed 100 percent of the GDP (gross domestic product) in 2020-21, and the average overall fiscal deficit is expected to soar to 14 per cent of the GDP in 2020 pointing out that never have public debt and deficits risen so high and so fast
http://timesofindia.indiatimes.com/articleshow/76895102.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- India has started trade talks with the European Union [EU] and is open to dialogue with the United Kingdom for a Free trade agreement, commerce and Industry.
http://timesofindia.indiatimes.com/articleshow/76913428.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- The Punjab National Bank (PNB) has reported a fraud of Rs. 3,688.58 crore in the non-performing asset (NPA) account of NBFC Dewan Housing Finance Ltd (DHFL) which is in bankruptcy proceedings.
<http://www.businessworld.in/article/PNB-reports-Rs-3-689-crore-exposure-to-DHFL-as-fraud/10-07-2020-295876/>
- Electricity Bills During Lockdown Are Not a Shocker
<https://www.moneylife.in/article/electricity-bills-during-lockdown-are-not-a-shocker/60874.html>
- Man seeks Rs 1.5k refund from e-commerce site, loses Rs. 5.4 lakh instead.
<https://www.newindianexpress.com/cities/bengaluru/2020/jul/11/man-seeks-rs-15k-refund-from-e-commerce-site-loses-rs-54-lakh-instead-2168174.html>
- Mukesh Ambani surpasses Warren Buffet to become 8th richest in the world.
<https://m.republicworld.com/business-news/india-business/mukesh-ambani-surpasses-warren-buffets-wealth.html>

❖ **Learning from Judicial Pronouncement**

NCLAT in the matter of *Tata Consultancy Services Limited Vs. Vishal Ghisulal Jain*, has considered, whether the order passed by the Adjudicating Authority staying the termination notice of Facilities Agreement is legal or not. In this matter, NCLAT held that as the termination notice is subsequent to the admission of the initiation of the CIRP and it is the duty of the Resolution Professional to keep the Corporate Debtor as a going concern. Accordingly, NCLAT dismissed the appeal stating that the Adjudicating Authority rightly stayed the termination of notice and there is no illegality.

<https://nclat.nic.in/Useradmin/upload/6158491475ef4310a40c33.pdf>

Prepared by Directorate of Academics

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

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Info Capsule

Tuesday, July 14, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

ICSI has requested MCA to extend the benefit of Companies Fresh Start Scheme, 2020 with respect to documents filed prior to coming into force of the said scheme, so as to provide protection from penalty and prosecution.

https://www.icsi.edu/media/webmodules/relef_under_the_Companies-Fresh-Start-Scheme_2020.pdf

❖ Securities Laws & Capital Market

Valuation of Market Linked Debentures (MLDs) shall be carried out by an agency appointed by Association of Mutual Funds in India (AMFI) for the purpose of carrying out valuation ("hereinafter referred as AMFI appointed valuation agency"). It shall be mandatory for the issuer to appoint a Third Party Valuation Agency duly indicated and appointed by AMFI. The regulator has made these changes owing to the amendment done in rating agencies regulations.

For more details, please click on:

https://www.sebi.gov.in/legal/circulars/jul-2020/guidelines-for-issue-and-listing-of-structured-products-market-linked-debentures-amendments_47053.html

SAT ORDER

The Hon'ble SAT in the matter of *ICICI Bank Limited vs. SEBI* (Dated July 8, 2020) has set aside SEBI's order that imposed Rs. 10 lakh penalty on ICICI Bank for delayed disclosure about a binding agreement signed by the ICICI Bank with Bank of Rajasthan back in 2010. In September 2019, SEBI imposed a penalty of Rs. 10 lakh on ICICI Bank for disclosure lapses, including delayed disclosure of binding agreement signed with Bank of Rajasthan, in violation of Listing Agreement.

For more details, please click on:

http://sat.gov.in/english/pdf/E2020_J02019583.PDF



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❖ Direct Tax

One Time Relaxation for Verification of Income Tax Returns

A one time relaxation for verification of Income Tax Returns has been provided for the Assessment years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20, which are pending due to non-filing of ITRV form, either by sending a duly signed physical copy of ITR-V to CPC, Bangalore through speed post or through EVC/OTP modes by 30.09.2020.

However, this relaxation shall not apply in those cases, where during the intervening period; Income Tax Department has already taken recourse to any other measure as specified in the Act for ensuring filing of tax return by the taxpayer concerned after declaring the return as Non-est.

CBDT also relaxed the time frame for issuing the intimation and directs that such returns shall be processed by 31.12.2020 and intimation of processing of such returns shall be sent to the taxpayer concerned as per the procedure. In refund cases, while determining the interest, provision of section 244A (2) of the Act would apply.

https://www.incometaxindia.gov.in/communications/circular/circular_13_2020.pdf

❖ Indirect Tax

• Goods and Services Tax

Extension of due date for Form GSTR – 4

(Notification No. 59/2020- Central Tax, dated 13th July, 2020)

This Notification seeks to extend the due date for furnishing the return in Form GSTR – 4 for the financial year ending 31st March, 2020 till 31st August, 2020.

<https://www.a2ztaxcorp.com/wp-content/uploads/2020/07/220496.pdf>

• Customs Updates

Increase in the rate of Customs' Duty on imports of "Polybutadiene Rubber" originating in Korea RP

(Notification No. 31/2020- Customs, dated 13th July, 2020)

This Notification seeks to further amend notification no. 152/2009 dated 31.12.2009, to increase the rate of duty of customs on imports of "Polybutadiene Rubber" originating in Korea RP and imported under the India-Korea Comprehensive Economic Partnership Agreement. It has been notified on recommendation of preliminary findings of Directorate General of Trade Remedies under India-Korea Comprehensive Economic Partnership Agreement (Bilateral Safeguard Measures) Rules, 2017.

<https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs31-2020.pdf>

❖ **Valuation****COVID-19 Impact on SaaS Valuations**

COVID-19 has created fear and panic globally. Stock markets have uncertainty. As a result, the dramatic selling off is pushing valuation multiples lower as well. The median EV/Revenue multiple of the SEG SaaS Index was 7.9x at the end of 4Q19 (SEG SaaS Index) and 6.5x as of 4/9/2020, accounting a drop of 22%.

<https://softwareequity.com/covid19-impact-on-public-saas-valuations/>

❖ **Governance****Government invites feedback on Draft Report on Non-Personal Data Governance**

In order to deliberate on framing rules for Non-Personal Data Governance, the government has invited feedback from the public on a Draft Report prepared by an expert panel set up under Infosys co-founder and angel investor Kris Gopalakrishnan. The panel duly set up in September, 2019, worked on the major objective of 'studying various issues relating to non-personal data and to make specific suggestions for consideration of the central government on the regulation of non-personal data.' It has recently submitted the draft report to the government. It is to be noted that Report has provided a detailed categorization of Data along with the examples of Non-Personal Data like training data and e-commerce data.

The consultation floated on MyGov says that *"The Expert Committee on Non-Personal Data Governance Framework seeks feedback on the report. The feedback will help the committee finalise its report."*

The government has fixed August 13, 2020 as the last date for submission of the feedback. Submissions to the current draft can be made through the government's crowd sourcing portal MyGov.

<https://www.mygov.in/task/share-your-inputs-draft-non-personal-data-governance-framework/>

❖ **Business and Economic News**

- **Launch of new DGFT platform and Digital delivery of IEC related Services**

As part of Digital India programme and for Ease of Doing Business, DGFT has undertaken an initiative to revamp its services delivery mechanisms to promote and facilitate foreign trade. As a step in that direction, the first phase of a new digital platform of DGFT is scheduled to Go-Live on 13th July 2020. The platform will become accessible through the existing website : <https://www.dgft.gov.in>

- Google will invest \$10 billion (Rs. 75,000 crore) in India over the next five to seven years
http://timesofindia.indiatimes.com/articleshow/76936235.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- Global super-rich call for wealthy to face Corona Virus Tax
http://timesofindia.indiatimes.com/articleshow/76938527.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- How e-commerce marketers can turn the current situation to their advantage?
<https://www.financialexpress.com/brandwagon/how-e-commerce-marketers-can-turn-the-current-situation-to-their-advantage/2021310/lite/>

- Corona Kavach Health Insurance Policy for COVID 19: Premium, Benefits, other Details
<https://www.livemint.com/insurance/news/corona-kavach-health-insurance-policy-for-covid-premium-benefits-other-details-11594430898473.html>

- Atal Pension Yojana Money-making Tip! Transform your Rs. 210 pm into a Rs. 60,000 pension; do it this way
<https://www.zeebiz.com/personal-finance/news-atal-pension-yojana-money-making-tip-transform-your-rs-210-pm-into-a-rs-60000-pension-do-it-this-way-130979>

- NCLT approves Amtek Auto Resolution Plan
<https://m.economictimes.com/news/politics-and-nation/nclt-approves-amtek-auto-resolution-plan/articleshow/76882571.cms>

- Govt. did its part, now you invest'; local investment will woo foreign firms too : Anurag Thakur tells Industry
<https://www.financialexpress.com/economy/govt-did-its-part-now-you-invest-local-investment-will-woo-foreign-firms-too-anurag-thakur-tells-industry/2020148/lite/>

- Developing Asia to 'Barely Grow' in 2020; India's GDP to contract by 4% this fiscal: ADB (Asian Development Bank)
<https://www.hindustantimes.com/business-news/developing-asia-to-barely-grow-in-2020-india-s-gdp-to-contract-by-4-this-fiscal-adb/story-AG2FHOPBdXMVUyVbd1zeMN.html>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	36033.06 (-660.63)
Nifty 50	10607.35 (-195.35)

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.91 (-0.01%)	94.46 (-0.01%)	84.92 (+0.41%)	0.70 (-0.19%)

❖ **Pronouncement**

NCLAT in its order dated 29 May 2020, in the matter of liquidation of Lanco Intratech Limited, observed that it is duty of the liquidator to institute or defend any suit, prosecution or other legal proceedings, civil or criminal in the name of on behalf of Corporate Debtor. Compounding of offence is a process whereby the person/entity committing default will file an Application to the compounding authority accepting that it has committed an offence and so that same should be condoned. In the instant case, Corporate Debtor has committed the offence under Section 276-B read with Section 278-B of the Income Tax Act, therefore, he has filed the Application before the compounding authority. Liquidator has not committed the alleged offence therefore, he is not required to file Application before compounding authority accepting that he has committed an alleged offence. However it is true that the liquidator has to defend the Company once he has taken the charge of the Company.

Prepared by Directorate of Academics

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

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इष्टार्थं कुरु। श्रेयार्थं कुरु।

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"To develop high calibre professionals
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Info Capsule

Wednesday, July 15, 2020



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Statutory body under an Act of Parliament
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President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Ministry of Corporate Affairs

- Form PAS-6 [Form for Reconciliation of Share Capital Audit Report (Half-yearly)] is available for filing as e-Form from 15th July 2020.
http://www.mca.gov.in/MCA21/dca/downloaddeforms/eformTemplates/NCA/Form_PAS-6_help.zip
- The Central Government has appointed new Chairperson and Members to the Investor Education and Protection Fund Authority with effect from the 8th July, 2020.
http://www.mca.gov.in/Ministry/pdf/1EPFMember_14072020.pdf

❖ NCLAT

With regard to issue of certified copies of applications/ petitions/ documents and resolutions plan etc. to the parties (party or third party) on pending/ disposed matters, NCLAT has ordered that such matters should be mentioned before the Chairperson in Court or in Chamber.
<https://nclat.nic.in/Useradmin/upload/3947669995e63697930041.pdf>

❖ International Business

Apple's fight against \$15 billion EU tax order heats up; Ireland finds itself in a tight spot
Apple's clash with EU competition regulators comes to a head on as the Europe's second-highest court rules on whether it has to pay 13 billion euros (\$15 billion) in Irish back taxes, a key part of the EU's crackdown against tax deals.
<https://economictimes.indiatimes.com/news/international/business/apples-fight-against-15-billion-eu-tax-order-heats-up-ireland-finds-itself-in-a-tight-spot/articleshow/76970830.cms>

❖ Ministry of Finance

Finance Ministry lists 14 indicators of economic recovery

The government heralded the "Early Green Shoots of Economic Revival" in May and June, 2020, pointing towards higher electricity and fuel consumption, greater movement of goods and an increase in financial transactions.

The finance ministry listed as many as 14 separate indicators across manufacturing, services, finance and agriculture to back this up in a statement entitled 'Increase in Economic Activity-Improvement in Economic Indicators'.

<https://economictimes.indiatimes.com/news/economy/indicators/govt-rbis-prompt-policy-measures-helped-reinvigorate-economy-with-minimal-damage-finance-ministry-report/articleshow/76527633.cms>

❖ Securities Laws & Capital Market

Extension of Timeline for submission of public comments on the Report of the Working Group on Social Stock Exchange (July 14, 2020)

On June 01, 2020, SEBI had put up the report of the working group on Social Stock Exchange for public consultation on its website seeking comments by June 30, 2020. At first the timeline was extended to July 15, 2020. In view of the representations received for seeking further extension of the timeline for submission of comments due to COVID-19 pandemic, SEBI has further extended the timeline for seeking public comments to August 15, 2020.

For more details, please click on:

https://www.sebi.gov.in/reports-and-statistics/reports/jul-2020/extension-of-timeline-for-submission-of-public-comments-on-the-report-of-the-working-group-on-social-stock-exchange_46950.html

SEBI ORDER

In the matter of Farmax India Ltd. (FIL), involving alleged diversion of GDR proceeds from the FIL's EURAM Bank (where GDR proceeds were deposited) to Farmax International, FZE (its UAE subsidiary) and thereafter to other entities, SEBI has directed FIL that it shall continue to pursue the measures to bring back the outstanding amount of USD 72.20 million into its bank account in India.

In this matter, SEBI restrained 11 entities including FIL from accessing the securities market and further prohibited from buying, selling or dealing in securities or being associated with the securities market in any manner. SEBI has further directed 4 entities to disgorge illegal gains of Rs. 51.74 crore and Rs. 2.57 lakh jointly or severally along with 12 per cent interest within a period of 45 days.

For more details, please click on:

https://www.sebi.gov.in/enforcement/orders/jul-2020/order-passed-by-sebi-in-the-matter-of-gdr-issue-of-farmax-india-ltd_47061.html

❖ **Direct Tax****Income Tax Department carries out search and survey operations in Rajasthan, Delhi and Mumbai**

The Income Tax Department carried out search and survey operations on three groups on 13.07.2020. These operations are being carried out at 20 premises in Jaipur, 6 in Kota, 8 in Delhi and 9 in Mumbai.

<https://pib.nic.in/PressReleasePage.aspx?PRID=1638450>

❖ **Indirect Tax****Customs Updates****Amendment in All Industry Rates of Duty Drawback (Notification No. 56/2020- Customs (Non-Tariff), dated 13th July, 2020)**

The Central Government has amended the Notification No. 7/2020-Customs (N.T.) dated 28th January, 2020 relating to All Industry Rates (AIRs) of Duty Drawback.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt56-2020.pdf>

❖ **Valuation****Musings on Markets**

A Viral Market Update IX: A Do-it-Yourself S&P 500 Valuations

<http://aswathdamodaran.blogspot.com/2020/06/a-viral-market-update-ix-do-it-yourself.html>

❖ **Governance****Draft Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020- Public Comments/Views Invited by PNGRB**

PNGRB (Petroleum and Natural Gas Board) has invited public comments/views on the draft regulation hosted on the website of PNGRB.

Purpose of Draft Regulation : It is an attempt to build a regulatory framework for a gas exchange that would trade physical contracts. The draft lays out detailed regulations regarding the setting up and operation of an exchange, membership, shareholding and settlement of trades.

Few Highlights:

- Anybody wanting to set up an exchange would require an approval from the PNGRB, which would have the power to regulate an exchange, call for information, order investigation and cancel authorisation if needed.
- No person, other than a member of an authorised gas exchange, shall at any time, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than fifteen (15) percent of the paid-up equity share capital in an authorised gas exchange.
- At least 51% equity capital of an authorised clearing corporation shall always be held by one or more gas exchanges. But no clearing corporation can hold any stake or interest of any nature in the gas exchange.
- Every clearing corporation or gas exchange shall establish and maintain a settlement fund for each category of product authorized by the regulator to guarantee the settlement of trades executed.
- A compliance officer shall be appointed who shall be responsible for monitoring the compliance of the Act, regulations, or directions issued thereunder and for redressal of members' grievances.
- The disclosure requirements and corporate governance norms as specified for listed companies shall mutatis mutandis apply to an authorized gas exchange and an authorized clearing corporation.

<https://economictimes.indiatimes.com/markets/stocks/news/pngrb-draft-regulation-caps-individual-stake-in-gas-exchange-to-15/articleshow/76942800.cms?from=mdr>

The detailed draft regulation can be accessed from the below link:

<https://www.pngrb.gov.in/pdf/public-notice/DraftGasExchangeRegulation.pdf>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	36051.81 (+18.75)
Nifty 50	10618.20 (+10.85)

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
75.13 (+0.30%)	94.22 (-0.26%)	85.43 (+0.60%)	0.70 (+0.14%)

❖ **Business and Economic News**

- SBI to institute work-from-anywhere infrastructure, hopes to save Rs 1,000 crore
http://timesofindia.indiatimes.com/articleshow/7696326.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- Government's fuel-tax hikes are putting brakes on India's recovery
http://timesofindia.indiatimes.com/articleshow/76957017.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- Fate Of Unpaid Tax Liability Under The Insolvency And Bankruptcy Code
<https://www.livelaw.in/columns/fate-of-unpaid-tax-liability-under-the-insolvency-and-bankruptcy-code-159871>
- PNGRB draft regulation caps individual stake in gas exchange to 15%
<https://m.economictimes.com/markets/stocks/news/pngrb-draft-regulation-caps-individual-stake-in-gas-exchange-to-15/articleshow/76942800.cms>
- Corona Rakshak – Benefit of 100% of sum insured to the Insured**

Corona Rakshak Policy is the standard benefit-based health policy which IRDAI has asked all insurers to launch preferably before July 10, 2020. However, the actual launch is awaited. Corona Rakshak Policy is different from Corona Kavach Policy as the latter can be launched only by general and health insurers and is a reimbursement based policy. In Corona Kavach Policy only the hospital bill gets reimbursed as it is an indemnity-based plan but in Corona Rakshak Policy, the 100 per cent of the sum insured is to be paid to the policyholder as it a benefit-based plan. COVID Standard benefit-based health policy will be offered on an individual basis only and hence no Family Floater option is available in it. The COVID Standard benefit-based health policy will be available in three tenure – 3 ½ months, 6 ½ months, and 9 ½ months including waiting period.

<https://www.financialexpress.com/money/insurance/get-100-of-sum-insured-with-corona-rakshak-a-covid-19-standard-benefit-based-health-policy/2022170/>

Prepared by Directorate of Academics

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

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Info Capsule

Thursday, July 16, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Ministry of Finance

Fifteenth Finance Commission's High Level Group on Health to Work with World Bank on Recommendations for Health Sector

The 15th Finance Commission's (FC) High Level Group (HLG) on Health will work with the World Bank (WB) to assist the FC in its recommendations for the health sector. Given its importance in the context of the pandemic, Chairman of the Finance Commission said that for the first time commission's final report would contain an entire chapter devoted to healthcare financing.

<https://economictimes.indiatimes.com/news/economy/finance/fifteenth-finance-commissions-high-level-group-on-health-to-work-with-world-bank-on-recommendations-for-health-sector/articleshow/76837594.cms>



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❖ Securities Laws & Capital Market

SEBI has permitted Listed Issuers who have issued Non-Convertible Debentures (NCDs)/Non-Convertible Redeemable Preference Shares (NCRPS)/Commercial Paper(s) (CPs), on or after July 01, 2020 and intend/propose to list such issued NCDs/NCRPS/CPs, on or before July 31, 2020, to use available financials as on December 31, 2019. The decision has been taken after SEBI received representations from listed entities seeking extension of time for listing their debt securities pending finalisation of their annual accounts for the financial year ended March 31, 2020.

For more details, please click on:

<https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-from-compliance-with-provisions-of-the-sebi-issue-and-listing-of-debt-securities-regulations-2008-ilds-regulation-sebi-non-convertible-redeemable-preference-shares-regulations-20-47071.html>

Settlement Order

JHS Svendgaard Laboratories promoter Nikhil Nanda settled with SEBI a case of alleged violation of takeover norms by paying an amount of Rs. 37.42 lakh towards settlement charges. Nikhil Nanda has submitted that the conversion of warrants into equity shares resulted in the alleged default of Regulation 3(2) of the SEBI (SAST) Regulations 2011. Subsequently, he has filed a *suo motu* settlement application.

For more details, please click on:

https://www.sebi.gov.in/enforcement/orders/jul-2020/settlement-order-in-respect-of-mr-nikhil-nanda-in-the-matter-of-jhs-svendgaard-laboratories-limited_47064.html

❖ Indirect Tax

Clarification on issue of GST rate on alcohol based hand sanitizers

Lower GST rates help imports by making them cheaper. This is against the nation's policy on Atmanirbhar Bharat. Consumers would also eventually not benefit from the lower GST rate if domestic manufacturing suffers on account of inverted duty structure. Sanitizers are disinfectants like soaps, anti-bacterial liquids, dettol etc., which attract duty at the standard rate of 18% under the GST regime

<https://pib.gov.in/PressReleasePage.aspx?PRID=1638769>

❖ **International Business****15th EU-India Summit**

The 15th Summit between India and the European Union (EU) was held in virtual format on July 15, 2020. India was represented by Hon'ble Prime Minister Shri Narendra Modi. EU was represented by Mr. Charles Michel, President of the European Council and Ms. Ursula von der Leyen, President of the European Commission.

With the aim at delivering concrete benefits for the people in the EU and India, the leaders decided to strengthen the EU-India Strategic Partnership, based on shared principles and values of democracy, freedom, rule of law, and respect for human rights.

<https://www.consilium.europa.eu/en/press/press-releases/2020/07/15/joint-statement-15th-eu-india-summit-15-july-2020/>

❖ **Insurance****Cashless Treatment for COVID-19**

Insurance Regulatory and Development Authority of India (IRDAI) advised insurance companies to ensure that policyholders get cashless treatment facility at hospitals where it is applicable.

https://www.irdai.gov.in/ADMINCMS/cms/Circulars_Layout.aspx?page=PageNo4188

Job loss Insurance in India – Government seeks suggestions from IRDAI, and other agencies

The government plans to introduce Job Loss Insurance in India, which is known as Unemployment Insurance in the US and EU countries. It has sought suggestions from IRDAI and the General Insurance Council of India on how the scheme can be developed for working class Indians.

<https://www.financialexpress.com/money/insurance/time-has-come-for-job-loss-insurance-in-india-govt-seeks-suggestions-from-irdai-other-agencies/2024029/>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	36471.68 (+419.87)
Nifty 50	10739.95 (+121.75)

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.99 (-0.19%)	94.44 (+0.24%)	85.61 (+0.21%)	0.70 (0.05%)

❖ **Business and Economic News**

- Banks to increase cash handling charges from August 1, 2020
http://timesofindia.indiatimes.com/articleshow/76987258.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- Amazon India has now made it mandatory to add 'country of origin' for new and existing product listings by Indian sellers from next week
<https://timesofindia.indiatimes.com/business/india-business/amazon-india-makes-it-mandatory-for-sellers-to-display-country-of-origin-for-all-products/articleshow/76979498.cms>
- NCLAT asks Airtel firms to pay Rupees 112 crore adjusted dues to Aircel
<https://www.thehindu.com/business/Industry/nclat-asks-airtel-firms-to-pay-112-crore-adjusted-dues-to-aircel/article32078642.ece>
- CCI directs 10 Enterprises, Officials to Cease and Desist from Anti-Competitive Ways
<https://www.thehindu.com/business/Industry/cci-directs-10-enterprises-officials-to-cess-desist-from-anti-competitive-ways/article32075446.ece>
- Government to finalize Specific Bankruptcy Settlement for MSMEs under IBC
<https://www.goodreturns.in/msme/government-to-finalize-specific-bankruptcy-settlement-for-msmes-under-ibc-1162308.html>
- Supreme Court holds first 'Virtual' Constitution Bench hearing
<https://m.hindustantimes.com/india-news/supreme-court-holds-first-virtual-constitution-bench-hearing/story-60IJDbbzpliuJLFjz1z3mI.html>
- 4 years on, RERA rules still patchy, need rework
<https://m.economictimes.com/wealth/real-estate/four-years-on-rera-rules-still-patchy-need-rework-experts/articleshow/76972946.cms>
- Corporate Affairs Ministry challenges NCLT order in Delhi Gymkhana Club case
<https://www.outlookindia.com/newscroll/corp-affairs-min-challenges-nclt-order-in-delhi-gymkhana-club-case/1896111>
- Government gives go ahead to Electricity Derivatives and Forward Contracts
https://economictimes.indiatimes.com/markets/commodities/news/govt-gives-go-ahead-to-electricity-derivatives-forward-contracts/articleshow/76973408.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

❖ **Pronouncements**

- Hon'ble Supreme Court of India in the matter of *State of Maharashtra v. Rashid B. Mulani* held that "Certificate of posting" is of little assistance where serious allegations are made and where the dispatch of such communications is disputed. Apex court also mentioned that a certificate of posting obtained by a sender is not comparable to a receipt for sending a communication by registered post.
<https://main.sci.gov.in/jonew/judis/27412.pdf>
- Bombay High Court further extended the life of all interim orders until August 31.
<https://bombayhighcourt.nic.in/writereaddata/notifications/PDF/noticebom20200715191818.pdf>
- Hon'ble Supreme Court of India in the matter of *Arjun Panditrao Khotkar vs. Kailash Kushanrao Gorantyal & Ors.* held that the certificate required under Section 65B(4) of the Indian Evidence Act, 1872 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

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MISSION
"To develop high calibre professionals
facilitating good corporate governance"

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Info Capsule

Friday, July 17, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

Merging of CS June, 2020 Examinations with December, 2020 Examinations

With a view to protect the interest of all the stakeholders and of students/candidates in specific along with their well-being, the ICSI has decided to merge the June, 2020 session examinations for Foundation Programme, Executive Programme (Old and New Syllabus), Professional Programme (Old and New Syllabus) and Post Membership Qualification (PMQ) Course examinations with that of December, 2020 Examinations.

https://www.icsi.edu/media/webmodules/Announcement_160720.pdf

Time Table of December, 2020 Examinations

ICSI announced the time table for Foundation Programme, Executive Programme (Old and New Syllabus), Professional Programme (Old and New Syllabus) and Post Membership Qualification (PMQ) Course examinations for December, 2020 examinations.

https://www.icsi.edu/whats_new_icsi/



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❖ Consumer Law

Most Provisions of Consumer Protection Act, 2019 to come into Force on July 20, 2020

The Central Government has issued a notification by which it appoints the 20th day of July, 2020 as the date on which the many provisions of the Consumer Protection Act, 2019 shall come into force. The following provisions will be coming into force with effect from the aforesaid date:

- Section 2 [Except clauses (4), (13), (14), (16), (40)] [DEFINITIONS]
- Sections 3 to 9 (both inclusive); [CONSUMER PROTECTION COUNCILS]
- Sections 28 to 73 (both inclusive); [Except sub-clause (iv) of clause (a) of sub-section (1) of section 58.] [CONSUMER DISPUTES REDRESSAL COMMISSION]
- Sections 74 to 81 (both inclusive); [MEDIATION]
- Sections 82 to 87 (both inclusive); [PRODUCT LIABILITY]
- Sections 90 and 91; [Except sections 88, 89, 92 & 93] [OFFENCES AND PENALTIES]
- Sections 95, 98, 100, [MISCELLANEOUS]
- Section 101 [Except clauses (f) to (m) and clauses (zg), (zh) and (zi) of sub-section 2]. [MISCELLANEOUS]
- Sections 102, 103, 105, 106, 107 [Except sections 94, 96, 97, 99, 104] [MISCELLANEOUS]

<https://www.livelaw.in/news-updates/most-provisions-of-consumer-protection-act-to-come-into-force-160003>

• **Consumer Protection (Central Consumer Protection Council) Rules, 2020**

The provisions relating to constitution and powers of Central Consumer Protection Council are not included in the notification. However, the Rules on Composition of Central Council, their term etc. has been notified.

<http://egazette.nic.in/WriteReadData/2020/220550.pdf>

• **Consumer Protection (Qualification for appointment, method of recruitment, procedure of appointment, term of office, resignation and removal of the President and members of the State Commission and District Commission) Rules, 2020.**

<http://egazette.nic.in/WriteReadData/2020/220551.pdf>

• **Consumer Protection (Mediation) Rules, 2020**

In exercise of the powers conferred by sub-section (1) and clauses (r) and (zf) of sub-section (2) of section 101 of the Consumer Protection Act, 2019 (35 of 2019), the Central Government via a notification dated July 15, 2020 has notified Consumer Protection (Mediation) Rules, 2020.

<http://egazette.nic.in/WriteReadData/2020/220548.pdf>

❖ **Ministry of Finance**

Government of India (GoI) has announced the Sale (Re-issue) of (i) 5.09 per cent Government Stock, 2022 for a notified amount of Rs.3,000 crore (nominal) through price based auction, (ii) 5.79 per cent Government Stock, 2030 for a notified amount of Rs. 18,000 crore (nominal) through price based auction, (iii) GoI Floating Rate Bonds, 2033 for a notified amount of Rs. 4,000 crore (nominal) through price based auction, and (iv) 7.19 per cent Government Stock, 2060 for a notified amount of Rs. 5,000 crore (nominal) through price based auction. GoI will have the option to retain additional subscription up to Rs. 2,000 crore against each of the above securities. The auctions will be conducted by the Reserve Bank of India, Mumbai Office, Fort, Mumbai on July 17, 2020 (Friday) using multiple price method.

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

❖ **Securities Laws & Capital Market**

SEBI imposed monetary penalty of Rs. 5 Lakh on Compliance Officer and Company Secretary of Edelweiss Financial Services Ltd. for failing to close trading windows during the existence of the Unpublished Price-Sensitive Information. There were repeated instances wherein compliance officer had failed to close the trading window and violated the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

https://www.sebi.gov.in/enforcement/orders/jul-2020/adjudication-order-in-respect-of-b-renganathan-in-the-matter-of-edelweiss-financial-services-ltd_47075.html

SETTLEMENT ORDER

JM Financial Ltd's former Vice President Atul Saraogi has settled an alleged insider trading case with SEBI by paying an amount of Rs. 15 lakh towards settlement charges. During the span of investigation, SEBI observed that Saraogi had entered into two off-market trades in shares of JMFL and had not obtained pre-clearance from JMFL for the two off-market trades. Besides, he had entered the off-market transaction when the trading window was closed.

https://www.sebi.gov.in/enforcement/orders/jul-2020/settlement-order-in-respect-of-mr-atul-saraogi-in-the-matter-of-jm-financial-limited_47074.html

❖ **Indirect Tax**

Customs

Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver

Notification No. 57/2020- Customs (Non-Tariff), dated 15th July, 2020

The Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient to do so, has 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, for Fixation of Tariff Value 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/csnt57-2020.pdf>

Appointment of CAA in case of M/s Sony India (P) Limited

Notification No. 58/2020- Customs (Non-Tariff), dated 16th July, 2020

The Central Board of Indirect Taxes & Customs appointed Common Adjudicating Authority (CAA) for adjudication of Show Cause Notices to M/s Sony India (P) Ltd.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt58-2020.pdf>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37020.14 (+548.46)
Nifty 50	10901.70 (+161.75)

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.97 (-.03%)	94.17 (-.29%)	85.47 (-.16%)	0.70 (-.12%)

❖ **Banking and Insurance****Fair Practices Code for Asset Reconstruction Companies**

In the backdrop of likely rise in Non Performing Assets due to the pandemic, the Reserve Bank of India has announced guidelines for “Fair Practices Code” for Asset Reconstruction Companies (ARCs) to ensure highest standards of transparency and fairness while dealing with their stakeholders. ARCs shall release all securities on repayment of dues or on realisation of the outstanding amount of loan, subject to any legitimate right or lien for any other claim they may have against the borrower.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11937&Mode=0>

Health Insurance : Now Premium can be paid in Installments

In view of the increasing financial stress due to job losses, pay cuts and lower revenue due to Covid-19, faced by most of the salaried professionals and businessmen, the Insurance Regulatory and Development Authority of India (IRDAI) has come out with a circular for modifications in policies filed by general and standalone health insurers. IRDAI has allowed the payment of health insurance premiums in instalments. Now there is option to pay the health insurance premiums on a monthly, quarterly or half-yearly basis in addition to the current option of paying premiums on an annual basis. Each insurer, though, can decide whether or not to offer this facility to the consumers.

<https://www.financialexpress.com/money/insurance/health-insurance-you-can-now-pay-premium-in-instalments/2026393/>

❖ **Business and Economic News**

PM Modi taking inputs from Top 50 Officials to Revive Economy

http://timesofindia.indiatimes.com/articleshow/76997584.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

A \$20 billion fund raising spree may take Reliance closer to its dream of becoming a digital giant, further threatening the ambitious plans US companies like Amazon, Walmart and Zoom have for India.

<https://timesofindia.indiatimes.com/business/india-business/reliance-seen-emerging-as-bigger-threat-for-us-firms-like-amazon-walmart/articleshow/76999087.cms>

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Info Capsule

Monday, July 20, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

ICSI has published various decisions taken in the council meeting held on June 29, 2020 and July 13, 2020.

https://www.icsi.edu/media/webmodules/269_important_decisions.pdf

❖ COVID - 19 Regulatory Update : Volume - 3

The Institute has published Volume 3 of 'COVID 19- Regulatory Updates', covering the initiatives of Judiciary, Ministries and Regulators during the course of this pandemic.

https://www.icsi.edu/media/webmodules/COVID19-REGULATORYUPDATES_VOL3.pdf

❖ Ministry of Finance

Finance Commission starts looking into Disaster Management Laws in view of Pandemic

In a bid to ensure that the states are better prepared to face future health emergencies, the Fifteenth Finance commission has started looking into the scope and need for expanding the ambit of the country's laws related to disaster management. It is studying the existing laws to see if they can cover pandemic situations more comprehensively, while making it clear that if new legislation is required, it is up to the home ministry to come up with it and Parliament to take the decision.

<https://economictimes.indiatimes.com/news/economy/policy/finance-panel-weighs-need-to-reshape-disaster-management-act-laws-to-fight-pandemics/articleshow/76881292.cms>



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❖ Securities Laws & Capital Market

SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020 (July 17, 2020)

SEBI amends the provisions of Prohibition of Insider Trading Regulations which inter alia provides that the board of directors or head of the organisation of every person required to handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation.

[http://egazette.nic.in/\(S\(xw3ncep1azgyvdij333apbfw\)\)/SearchNotificationDate.aspx](http://egazette.nic.in/(S(xw3ncep1azgyvdij333apbfw))/SearchNotificationDate.aspx)

SEBI Circulars

• **SEBI (Real Estate Investment Trusts) Regulations, 2014 (July 17, 2020)**

The provisions of regulation 22(6A) and Regulation 22(8) of SEBI (REIT) Regulations provide for exit option to be given to dissenting unit holders of Real Estate Investment Trusts (REITs). In this regard, SEBI has issued guidelines with respect to conditions, manner and mechanism of exit option to be provided to dissenting unit holders. SEBI further mandated that the acquirer providing exit option must appoint one or more SEBI registered merchant bankers (as a lead manager) to facilitate the exit option/offer and ensure compliance with the provisions of SEBI (REIT) Regulations and circulars.

https://www.sebi.gov.in/legal/circulars/jul-2020/manner-and-mechanism-of-providing-exit-option-to-dissenting-unit-holders-pursuant-to-regulation-22-6a-and-regulation-22-8-of-sebi-real-estate-investment-trusts-regulations-2014_47084.html

• **SEBI (Infrastructure Investment Trusts) Regulations, 2014 (July 17, 2020)**

The provisions of regulation 22(5C) and Regulation 22(7) of SEBI (InvIT) Regulations provide for exit option to be given to dissenting unit holders of Infrastructure Investment Trust (InvITs). In this regard, SEBI has issued guidelines with respect to conditions, manner and mechanism of exit option to be provided to dissenting unit holders. SEBI further mandated that the acquirer providing exit option must appoint one or more SEBI registered merchant bankers (as a lead manager), to facilitate the exit option/offer and ensure compliance with the provisions of SEBI (InvIT) Regulations and circulars.

https://www.sebi.gov.in/legal/circulars/jul-2020/manner-and-mechanism-of-providing-exit-option-to-dissenting-unit-holders-pursuant-to-regulation-22-5c-and-regulation-22-7-of-sebi-infrastructure-investment-trusts-regulations-2014_47083.html

SEBI Order

In the matter of L.N. Industries India Ltd., two entities allegedly entered into synchronized and reversal trades that created a misleading appearance of trading and manipulated the price of the scrip. SEBI with this order warned these entities to discontinue any similar arrangement/agreement entered into by them with the stock broker for placing orders on their behalf and are advised to be careful and cautious as regards their conduct of trades in the securities markets henceforth. (July 17, 2020)

https://www.sebi.gov.in/enforcement/orders/jul-2020/final-order-in-the-matter-of-l-n-industries-india-ltd_47081.html

❖ **Direct Tax**• **CBDT to start e-Campaign on Voluntary Compliance of Income Tax for FY 2018-19 from July 20, 2020**

The objective of the e-campaign is to facilitate taxpayers to validate online their tax/financial transaction information available with the IT Department, especially for the assessee(s) for FY 2018-19 and promote voluntary compliance, so that they do not get into notice and scrutiny process etc.

<https://pib.nic.in/PressReleasePage.aspx?PRID=1639664>

• **New Form 26AS is the Faceless hand-holding of the Taxpayers**

The new Form 26AS is the faceless hand-holding of the taxpayers to e-file their income tax returns quickly and correctly. From this Assessment Year, taxpayers will see an improved Form 26AS which would carry some additional details on taxpayers' financial transactions as specified in the Statement of Financial Transactions (SFTs) in various categories.

<https://pib.nic.in/PressReleasePage.aspx?PRID=1639593>

❖ **Banking and Insurance****Guidelines on Settlement of Claims on Treatment at 'Make-Shift or Temporary Hospitals' as permitted by Government**

In order to ensure that the costs of treatment of COVID – 19 are covered as per the terms and conditions of policy contract, a make-shift or temporary hospital permitted by Central / State government shall be regarded as a hospital or network provider and insurers shall settle the claims as per the following norms.

- Where a policyholder who is diagnosed as COVID-19 positive is admitted into any such make-shift or temporary hospital on the advice of a medical practitioner or appropriate Government authorities, notwithstanding the definition of hospital specified in the terms and conditions of policy contract, the treatment costs shall be settled by insurers.
- Where any network provider has set up any such make-shift or temporary hospital, such make-shift or temporary hospital shall be regarded as the extension of the network provider and cashless facility shall be made available.

https://www.irdai.gov.in/ADMINCMS/cms/Circulars_Layout.aspx?page=PageNo4189

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37418.99 (+398.85)
Nifty 50	11022.20 (+120.50)

Reference Rate

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.78 (-0.26%)	93.88 (-0.30%)	85.34 (-0.15%)	0.70 (-0.28%)

❖ **News Related to Data Protection**• **Data Protection Authority should be sole Data Regulator in India : CUTS**

As per the Deputy Executive Director of CUTS International, The Data Protection Authority should be the *Sole Data Regulator* in the country. He further added that there was a need to adopt a 'whole government system approach' towards data regulation.

<https://telecom.economictimes.indiatimes.com/news/data-protection-authority-should-be-sole-data-regulator-in-india-cuts/76997738>

• **Start-ups will play a vital role in Data Protection and Privacy : IT Minister Ravi Shankar Prasad**

With the country talking about becoming Atmanirbhar, or self-reliant, the Minister for Electronics and IT spoke about data privacy and what the new data privacy bill offers. He said that entrepreneurs in India should be encouraged to make India a data and digital powerhouse.

<https://yourstory.com/2020/07/startups-data-protection-privacy-ravi-shankar-prasad>

• **Work from Home: Cyber Security, Contact-Tracing Apps are Serious Threats. What's the way forward?**

As the world settles into the work-from-home mode, there's been a new challenge to contend with: cyber security. Add to these contact-tracing apps, which can lead to breach of privacy, and the scenario becomes even grimmer. This makes the world and regulator to find a way forward.

<https://www.financialexpress.com/industry/technology/work-from-home-cyber-security-contact-tracing-apps-are-serious-threats-whats-the-way-forward/2028260/>

• **Parliamentary Committee on Data Protection Bill to now meet on July 27**

The Joint Parliamentary Committee on the Personal Data Protection Bill will meet on July 27, 2020. Virtual meetings are still not allowed. Representatives from the Ministry of Home Affairs, Ministry of Electronics and Information Technology, UIDAI, National Crime Records Bureau (NCRB), National Investigation Agency (NIA) and Narcotics Control Board (NCB) are scheduled to depose before the members in the first meeting after a break of four months caused by the COVID-19 pandemic.

<https://www.medianama.com/2020/07/223-jpc-pdp-bill-july-27/>

• **With release of e-commerce guidelines, level playing field for e-shoppers**

The Ministry of Consumer Affairs has drafted comprehensive guidelines to govern the consumer engagement of e-commerce companies, and any grievance can be taken to the consumer protection commissions.

<https://www.theweek.in/news/biz-tech/2020/07/19/with-release-of-e-commerce-guidelines-level-playing-field-for-e-shoppers.html>

❖ **Pronouncements**

- NCLAT in the matter of *Monotrone Leasing Private Limited vs. PM Cold Storage Private Limited*, wherein the Adjudicating Authority has rejected the Application on the ground that the Adjudicating Authority cannot act as a Recovery Tribunal, has allowed the appeal and directed to the Adjudicating Authority to pass the order of admission within 7 days from the date of order.

<https://nclat.nic.in/Useradmin/upload/16912820575f10377c41cad.pdf>

- NCLAT in the matter of *Vivek Bansal vs. Burda Druck India Pvt. Ltd. & Another* allowed exit from the 'Corporate Insolvency Resolution Process' upon execution of the 'Settlement Agreement' between the parties. However, NCLAT permitted to the Operational Creditor to seek revival/restoration of the 'corporate insolvency resolution process' proceedings before the Adjudicating Authority in the event of default not adhering to the terms of 'Settlement Agreement' as regards the payment of the outstanding instalments.

<https://nclat.nic.in/Useradmin/upload/981366145f0fe06f9f132.pdf>

Prepared by Directorate of Academics

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

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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

❖ 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
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

- 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

• 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

❖ **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

• **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

❖ **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**

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

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
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
- 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
- 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

❖ **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>

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MISSION
"To develop high calibre professionals
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Info Capsule

Wednesday, July 22, 2020



**THE INSTITUTE OF
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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>

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Info Capsule

Thursday, July 23, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

- International Live Webinar on Empowerment of the Company Secretary Profession - International view is scheduled to be held on July 24, 2020 @ 7.30 PM (IST) & 10 AM (EST). The live webinar can be accessed at <http://ecpl.live/icsi/24072020/>
- Extension in the period of compulsory switchover from old to New Training Structure https://twitter.com/icsi_cs/status/1285976679861481472/photo/1

❖ Restructuring & Insolvency

IBBI has Published the Panel of IPs prepared in accordance with 'Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2020' for the period from July 1, 2020 to November 25, 2020.

<https://www.ibbi.gov.in/uploads/whatsnew/d01493e1629eb59927b84ab8d776f5b6.pdf>



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❖ Securities Laws & Capital Market

SEBI CIRCULAR

Transaction in Corporate Bonds/Commercial Papers through Request for Quote (RFQ) platform and enhancing transparency pertaining to debt schemes (July 22, 2020)

In order to increase the liquidity on exchange platform, SEBI, based on the recommendation of Mutual Fund Advisory Committee (MFAC), has decided that the mutual funds will undertake at least 10 per cent of their total secondary markets trades by value in the corporate bonds by placing/seeking quotes through one-to-many mode on the RFQ from October 1, 2020. This move will enhance the transparency and disclosure pertaining to debt schemes and investments by mutual funds in corporate bonds and commercial papers.

https://www.sebi.gov.in/legal/circulars/jul-2020/circular-on-transaction-in-corporate-bonds-commercial-papers-through-rfq-platform-and-enhancing-transparency-pertaining-to-debt-schemes_47116.html

SEBI Chairman's speech on "Atmanirbhar Bharat: Role of Capital Markets" at the FICCI Capital Market Conference – CAPAM 2020 (July 22, 2020)

Speaking at the industry body FICCI's Annual Capital Market Conference CAPAM, Ajay Tyagi, Chairman, SEBI said, "Retail participation in the equity market in the last few months has increased. The fact that there is also a surge in opening up of demat accounts suggests that many of these retail investors are perhaps first-time investors in the stock market. Increased retail participation is a sign that investors are putting a trust in corporates and they should ensure that the trust is not broken."

https://www.sebi.gov.in/media/speeches/jul-2020/chairman-s-speech-dated-july-22-2020-on-atmanirbhar-bharat-role-of-capital-markets-at-the-ficci-capital-market-conference-capam-2020_47111.html

❖ Banking & Insurance

The Reserve Bank of India has invited comments / suggestions on the "Report of the Committee for Analysis of QR (Quick Response) Code" from all stakeholders and members of public which may be forwarded on or before August 10, 2020.

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50115

❖ **Direct Tax**

- **Notification of Sovereign Wealth Fund 'SWF' under section 10(23FE) of the Income Tax Act, 1961 [Circular No. 15/2020 Dated July 22, 2020]**

In order to facilitate the process of notification of the SWF, the CBDT specifies that the SWF shall file application in the Form I with the Member (Legislation), (CBDT), during the financial year 2020-21 and thereafter to the Member, CBDT having supervision and control over the work of Foreign Tax and Tax Research Division. Further, the SWF shall be required to file return of income along with audit report and also be required to file a quarterly statement within one month from the end of the quarter electronically in Form II in respect of each investment made during the quarter.

https://www.incometaxindia.gov.in/communications/circular/circular_15_2020.pdf

- **Notification No. 50/2020 Dated July 21, 2020**

The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Tamil Nadu e-Governance Agency' in respect of the specified income arising to that Agency subject to certain conditions.

https://www.incometaxindia.gov.in/communications/notification/notification_50_2020.pdf

❖ **Indirect Tax****Goods and Services Tax**

- **Filing Form GSTR-4 Annual Return by Composition Taxpayers on GST Portal**

Complete details of Form GSTR – 4 and its filing are shared by Goods and Services Tax Network.

<https://www.gst.gov.in/newsandupdates/read/391>

- **Tax evasion of more than Rs. 72 crore of Clandestine Clearance of Cigarettes in Kota**

Directorate General of Goods and Service Tax Intelligence (DGGI) busted a racket for tax evasion worth more than Rs. 72 crore of clandestine clearance of cigarettes through a factory in Kota. One person in this regard has been arrested on July 20, 2020 under the provisions of CGST Act, 2017.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1640390>

- **Delay in payment of GST Compensation to states due to decline in GST Collection**

Lower GST revenues have translated into delayed and pending compensation payments to states, an issue which will be discussed in GST Council meeting to be held in July, 2020.

<https://indianexpress.com/article/explained/how-lower-mop-up-has-translated-into-delayed-gst-compensation-6518926/>

❖ **Market Watch****Capital Market**

S & P BSE Sensex	38140.47 (+268.95)
Nifty 50	11215.45 (+82.85)

Reference Rate

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.37 (-0.04%)	94.57 (+0.04%)	85.95 (+0.68%)	0.69 (0.00%)

❖ Business and Economic News

- **Gold prices in India rose above the psychologically important Rs 50,000 level for the first time on July 22, 2020, as expectations of more stimulus to resuscitate pandemic-hit economies lifted the metal's appeal as an inflation-hedge.**
http://timesofindia.indiatimes.com/articleshow/77115454.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- **India is emerging as a land of opportunities and is contributing towards a prosperous and resilient world through the clarion call of 'Atmanirbhar Bharat'.**
http://timesofindia.indiatimes.com/articleshow/77113396.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- **Financial Watchdog Imposes 7-Year Ban on Former Deloitte Partner Over IL&FS Unit Audit**
<https://www.ndtv.com/business/financial-watchdog-imposes-7-year-ban-on-former-deloitte-partner-over-il-fs-unit-audit-2267322>
- **U.S. banks given regulatory green light to safe keep crypto currencies**
<https://www.firstpost.com/business/u-s-banks-given-regulatory-green-light-to-safekeep-cryptocurrencies-8629371.html>
- **NSE-backed CAMS gets SEBI nod to float IPO**
<https://m.economictimes.com/markets/ipos/fpos/nse-backed-cams-gets-sebi-nod-to-float-ipo/articleshow/77068629.cms>
- **DHFL moves SAT against SEBI for action during resolution process**
<https://www.financialexpress.com/industry/dhfl-moves-sat-against-sebi-for-action-during-resolution-process/2030164/>
- **Drug approval : High-level government panel suggests single-window system for new drug approvals**
<https://m.economictimes.com/industry/healthcare/biotech/pharmaceuticals/high-level-govt-panel-suggests-single-window-system-for-new-drug-approvals/articleshow/77073907.cms>
- **Two Labour Codes finalised by Labour Ministry may be tabled in Monsoon Session**
<https://m.economictimes.com/news/politics-and-nation/two-labour-codes-finalised-by-labour-ministry-may-be-tabled-in-monsoon-session/articleshow/77073665.cms>
- **NCDEX to launch 'Options on Goods' contracts of 3 commodities from July 27, 2020**
https://economictimes.indiatimes.com/markets/stocks/news/ncdex-to-launch-options-on-goods-contracts-of-3-commodities-from-july-27/articleshow/77094117.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

❖ Pronouncement

Time Limit for Availing Transitional Input Tax Credit under GST Mandatory: Madras HC

In the matter of *P.R. Mani Electronics vs. Union of India*, the Madras High Court held that Transitional Input Tax Credit is eligible only when claimed within time. The Court observed that the ITC is a form of concession not a property, in which right can be vested. Rule 117 specifies that the return in Form GST TRAN – 1 is required to be filed electronically on the common portal. The time limit prescribed to avail such a concession under Rule 117 must be followed in a mandatory nature.

<http://164.100.79.153/judis/chennai/index.php/casestatus/party>
https://www.livelaw.in/pdf_upload/pdf_upload-378528.pdf

Prepared by Directorate of Academics

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

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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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❖ 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

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

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Info Capsule

Monday, July 27, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

- ICSI has issued Examination Enrolment Guidelines, which is to be followed by all the students eligible for appearing in December 2020 Session of Examinations of Foundation, Executive and Professional Programme

<https://www.icsi.edu/media/webmodules/Announcement-Relaxation.pdf>

- In view of unprecedented crisis in the country due to corona virus outbreak, ICSI has provided relaxation for complying with the requirement of Pre-Examination Test and One Day Orientation Programme for enrolment to Company Secretaries examinations, December 2020 session. Now the students are required to comply with the said requisites on or before November 20, 2020.

❖ Supreme Court of India

Hon'ble Chief Justice of India has released the iOS version of Official Mobile App of the Supreme Court of India.

https://main.sci.gov.in/pdf/LU/25072020_131732.pdf

❖ Ministry of Finance

1474 Risky Exporters to face Stern Action

Stern action is proposed against the risky exporters who have been claiming IGST Refund worth Rs. 2,020 crore and were found untraceable, said Finance Ministry. Sources in this matter stated, that the number of such untraceable risky exporters has gone up to 1474 as on date. It is further said that the IGST refund is suspended in all such cases where there is an adverse report post verification about the exporter or his supplier/s. However, Customs officials have been sensitized to expedite refunds to genuine exporters in these difficult COVID-19 days.

Source : CNBC TV 18



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❖ Ministry of Corporate Affairs

Companies (Indian Accounting Standards) Amendment Rules, 2020

The Ministry of Corporate Affairs vide a notification dated July 24, 2020 and in consultation with the National Financial Reporting Authority, has notified Companies (Indian Accounting Standards) Amendment Rules, 2020 to further amend the Companies (Indian Accounting Standards) Rules, 2015.

Highlights of Companies (Indian Accounting Standards) Amendment Rules, 2020

The entities must apply these amendments to business combinations, whose acquisition date is on or after the start of the first annual reporting period beginning on April 1, 2020 and to asset acquisitions that take place on or after that period. The amendment introduces following changes to the Rules :

IND AS 107	Indian Accounting Standards 107 relates to disclosures to be made in respect of financial instruments. Amendment has been made by introducing a provision specifying the disclosures to be made where there is uncertainty due to Interest Rate Benchmark Reform.
IND AS 109	Indian Accounting Standards 109 relates to financial reporting of financial assets and financial liabilities. Amendment has been made by providing detailed provisions for temporary exceptions from applying specific hedge accounting requirements and transition for hedge accounting. These must be applied by entities for annual periods starting on or after 1st April, 2020.
IND AS 116	Indian Accounting Standards 116 relates to Accounting for Leases. Amendment has been made to provide that subject to specified conditions, any rent concession due to COVID-19 may, if the lessee so elects, not be assessed as a lease modification. This is subject to disclosures to be made by the lessee and shall apply to annual reporting periods on or after 1st April, 2020 or where the lessee has not approved the financial statements prior to this amendment, it may be applied for such periods from 1st April, 2019
IND AS 1 & 8	In Indian Accounting Standards 1 and 8, changes have been made to the definition of material in relation to material information.
IND AS 10	Indian Accounting Standards 10 relates to Events after the Reporting Period. Amendment has been made which requires that apart from disclosure of non-adjusting event, the disclosure of an estimate of its financial effect should be made, or a statement that such an estimate cannot be made.
IND AS 37	Indian Accounting Standards 37 relates to Provisions, Contingent Liabilities and Contingent Assets. Amendment has been made with respect to clarification on accounting for restructuring plans.

For details: http://www.mca.gov.in/Ministry/pdf/Rule_24072020.pdf

❖ **Central Board of Direct Tax****Income Tax (17th Amendment) Rules, 2020 [Dated July 24, 2020]**

CBDT notified Income Tax (17th Amendment) Rules, 2020 which shall come into force with effect from the 1st day of October, 2020 and thereby amending Tax Collected at Source (TCS) Rules. The following amendment has been made in the Income-tax Rules, 1962.

1. Rule 31AA [Statement of collection of tax u/s 206C (3)] : The amount received or debited on which TCS was not collected from the buyer is to be reported.
2. Rule 37BC [Relaxation from deduction of tax at higher rate under section 206AA] : In the case of a non-resident, not being a company, or a foreign company (hereafter referred to as 'deductee') and not having permanent account number the provisions of section 206AA shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, if the deductee furnishes the details and the documents specified in sub-rule (2) to the deductor.

In sub-rule (1), after the words "fees for technical services", the words, "dividend" shall be inserted.

3. Rule 37-I [Credit for tax collected at source for the purposes of section 206C (4)], after sub-rule (2), the sub-rule 2A shall be inserted as follow:

"(2A) Notwithstanding anything contained in sub-rule (2), for the purposes of sub - section (1F) or, sub-section (1G) or, sub-section (1H) of section 206C, credit for tax collected at source shall be given to the person from whose account tax is collected and paid to the Central Government account for the assessment year relevant to the previous year in which such tax collection is made".

4. Appendix II, in Form 27EQ, for the "Annexure", the following "Party wise Break Up of TCS" Annexure shall be substituted

For details: <https://abcaus.in/wp-content/uploads/2020/07/cbdt-notification-2.pdf>

❖ **International Business****UN Chief appoints new Executive Director of International Trade Centre**

For the development of trade and international business, United Nations Secretary-General Antonio Guterres announced the appointment of Pamela Coke-Hamilton of Jamaica as Executive Director of the International Trade Centre (ITC), the joint agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO). Coke-Hamilton succeeds Arancha Gonzalez Laya of Spain to whom the secretary-general has expressed appreciation for her dedicated service to the organization. This information is based upon a press note issued by the Secretary-General's office on July 25, 2020.

<https://www.5dariyanews.com/news/299620-UN-chief-appoints-new-executive-director-of-International-Trade-Centre>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37934.73 (-194.17)
Nifty 50	11131.80 (-62.35)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.58 (+0.07%)	86.66 (+0.36%)	95.18 (+0.33%)	0.70 (+0.85%)

❖ **Banking & Insurance**• **Personal Accident Insurance for 2nd Hand Two-Wheeler Owners**

CredR is an omni - channel consumer brand for buying and selling used two-wheelers. The used two-wheeler brand CredR has joined hands with Digit Insurance, one of the fastest-growing insurance companies, to offer relevant and affordable personal accident group insurance cover to second-hand vehicle owners. This insurance will be made available to all customers who purchased a used two-wheeler from CredR.

<https://www.financialexpress.com/money/insurance/personal-accident-insurance-for-2nd-hand-two-wheeler-owners-digit-insurance-join-hands-with-credr/2035560/>

• **RBI releases the Financial Stability Report, July 2020**

In accordance with the 21st issue of Financial Stability Report (FSR), July 2020 released by Reserve Bank of India (RBI) on July 24, 2020, the gross nonperforming assets (GNPA) ratio of all scheduled commercial banks (SCBs) may increase from 8.5% in March 2020 to 12.5% by March 2021 under the baseline scenario; the ratio may escalate to 14.7% under a very severely stressed scenario.

While Public sector banks' (PSBs) gross bad loans ratio of 11.3% at the end of March, 2020 may increase to 15.2% by March 2021 under the baseline scenario, on the other hand, Private banks may see an increase from 4.2% to 7.3%.

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50122

• **NPA's set to rise sharply on COVID impact, financial system remains sound, says RBI**

According to the RBI, nearly 50 per cent of the customers, accounting for around half of outstanding bank loans, opted to avail the benefit of the relief measures — loan moratorium — to tackle the lockdown impact. The moratorium will end on August 31.

<https://indianexpress.com/article/business/banking-and-finance/npas-set-to-rise-sharply-on-covid-impact-financial-system-remains-sound-says-rbi-6522155/>

❖ **Business and Economic News**• **Mistry family in talks with Investors to raise Rs. 4K cr, Aims to cut Debt**

https://www.business-standard.com/article/companies/mistry-family-in-talks-with-investors-to-raise-rs-4k-cr-aims-to-cut-debt-120072700048_1.html

• **Market will decide price of value added Non-Personal Data : Kris Gopalakrishnan, Infosys**

<https://economictimes.indiatimes.com/news/economy/policy/market-will-decide-price-of-value-added-non-personal-data-kris-gopalakrishnan-infosys/articleshow/77189074.cms?from=mdr>

• **After ban on 59 Chinese apps, 275 more on radar; list includes PubG, Resso**

https://economictimes.indiatimes.com/tech/internet/after-ban-on-59-chinese-apps-275-more-on-radar/articleshow/77188360.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

❖ **Pronouncement**

NCLAT deliberated the matter of *C R Badrinath vs. Eight Capital India (M) Limited and Ors*, wherein an order of Adjudicating Authority admitting the application of the Respondent/Financial Creditor under section 7 of the Code has been challenged in front of Appellate Authority. NCLAT observed that impugned order is assailed mainly on the ground of limitation. However, the Adjudicating Authority has not given any finding concerning the issue of limitation. NCLAT opined that the Adjudicating Authority erred in admitting the application filed under Section 7 of the Insolvency and Bankruptcy Code, even though it was time-barred.

<https://nclat.nic.in/Useradmin/upload/1783350455f1ab2844ad3a.pdf>

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इष्टार्थं कुरु। अर्थो भवति।

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"To develop high calibre professionals
facilitating good corporate governance"

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Info Capsule

Tuesday, July 28, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Supreme Court of India

- The Supreme Court of India vide circular dated July 27, 2020 has issued directions that henceforth Advocate on-Record and Party-in-Person shall file soft copy of the petition as well as the accompanying documents, which were previously filed in physical form at the filing counter of the Registry. The circular also provide the Standard Operating Procedure (SOP) for the same.
https://main.sci.gov.in/pdf/LU/27072020_124229.pdf
- The Supreme Court of India has reduced the printing charges from Rs.1.50 per page (Rs.6/- for four copies) to 0.75 paise per page (Rs.3 for four copies) in the cases filed through e-filing mode.
https://main.sci.gov.in/pdf/LU/27072020_123805.pdf

❖ Ministry of Finance

Industries should spend funds on CSR Activities to help building a Better India

Minister of State for Finance and Corporate Affairs Anurag Thakur said that the industry should not shy away from spending its CSR fund as it would help make India a better place for present and future generations. He also said that the government has made several changes in law relating to Corporate Social Responsibility (CSR) to de-criminalize certain provisions.

<https://economictimes.indiatimes.com/news/company/corporate-trends/industries-should-spend-funds-on-csr-activities-to-help-build-a-better-india-says-mos-thakur/articleshow/77197731.cms>



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❖ Securities Laws & Capital Market

SEBI CIRCULAR

Relaxations relating to Procedural Matters – Takeovers and Buy-Back (July 27, 2020)

SEBI vide Circular no. SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020 granted one time relaxations from strict enforcement of certain regulations of SEBI (SAST) Regulations, 2011 and SEBI (Buy-back of Securities) Regulations, 2018 pertaining to open offers and buy-back through tender offers opening upto July 31, 2020. Based on the representations received from the market participants, the validity of relaxations, as provided by said Circular dated May 14, 2020 is further extended and shall be applicable for open offers and buy-back through tender offers opening upto December 31, 2020.

https://www.sebi.gov.in/legal/circulars/jul-2020/relaxations-relating-to-procedural-matters-takeover-and-buy-back_47152.html

PUBLIC NOTICE

SEBI Settlement Scheme 2020 (July 27, 2020)

SEBI has introduced a Settlement Scheme ("the Scheme") in terms of Regulation 26 of SEBI (Settlement Proceedings) Regulations 2018. The Scheme proposes to provide a onetime settlement opportunity to the entities that have executed trade reversals in the stock options segment of BSE during the period from April 1, 2014 to September 30, 2015 and against whom any proceedings are pending. The one-time settlement period will commence on August 1, 2020 and end on October 31, 2020. After the expiry of the scheme, entities who do not avail the one-time opportunity will be liable for action.

https://www.sebi.gov.in/media/public-notices/jul-2020/public-notice-in-respect-of-sebi-settlement-scheme-2020_47150.html

SEBI ORDER

In the matter of Reliance Communication Limited (RCL), SEBI imposed a penalty of Rs. 1 crore on CARE Ratings Limited (CRL) for due diligence lapses and negligence in discharging its statutory duties as a Credit Rating Agencies. It was alleged that CRL had failed to monitor the factors affecting the creditworthiness of RCL in a timely manner, resulting in significant delay in conducting the rating process and downgrading the rating. (July 27, 2020)

https://www.sebi.gov.in/enforcement/orders/jul-2020/adjudication-order-in-respect-of-care-ratings-limited-in-the-matter-of-reliance-communication-limited_47145.html

❖ **Indirect Taxes****Goods and Services Tax Updates**• **Central Government released Rs. 1.65 Lakh Crores as GST Compensation**

The Central Government released Rs. 1,65,302 Crore as GST Compensation to States/UTs for the FY 2019-20. Taking this amount into account, entire compensation up to 2019-20 has been released to States. The total amount of compensation released for the year 2019-20 is Rs. 1,65,302 crore whereas the amount of cess collected during the year 2019-20 was Rs. 95,444 crore.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1641537>

• **DGGI books 3 firms for Tax Evasion**

A case was registered against M/s. Fortune Graphics Limited, M/s. Reema Polychem Pvt. Ltd. & M/s. Ganpati Enterprises, who were found involved in issuance of invoices without any actual supply of goods. During the investigations conducted by the DGGI, it has emerged that the aforesaid three Companies/Firms have issued invoices worth more than Rs. 4,100 Crore wherein tax amount of more than Rs. 600 Crore has been fraudulently passed on as ITC credit to different entities.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1641510>

❖ **Customs Updates**• **Amendment in Earlier Notifications****Notification No. 61/2020- Customs (Non-Tariff), dated July 27, 2020**

The Central Board of Indirect Taxes and Customs hereby made amendment in the notification of the Government of India, Ministry of Finance, Department of Revenue No. 66/2016-Customs (N.T), dated May 14, 2016.

In the said notification, for clause (1), the following clause shall be substituted, namely: –

“(1) gold, silver, other precious metals and articles thereof;”.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt61-2020.pdf>

• **Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seed, Areca nut, Gold & Silver****Notification No. 62/2020- Customs (Non-Tariff), dated July 27, 2020**

The Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient so to do, made the following 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 fixed the Tariff value of Edible Oils, Brass Scrap, Poppy Seed, Areca nut, Gold and Silver.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt62-2020.pdf>

❖ **Business and Economic News**• **Reserve Bank of India (RBI) governor remained non-committal on both moratorium and a loan-restructuring scheme despite conflicting demands from lenders and industry**

<https://timesofindia.indiatimes.com/business/india-business/rbi-governor-remains-non-committal-on-moratorium/articleshow/77210964.cms>

• **Flipkart-Walmart India deal : Online seller lobby AIOVA moves CCI against mega acquisition**

<https://www.financialexpress.com/industry/sme/flipkart-walmart-india-deal-online-seller-lobby-aiova-moves-cci-against-mega-acquisition/2036703/>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	38472.56 (+537.83)
Nifty 50	11292.45 (+160.65)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
74.53 (-0.07%)	87.40 (+0.85%)	95.80 (+0.66%)	0.71 (+0.64%)

❖ **Banking & Insurance**

• **Are Dynamic Shifts Underway in the Indian Economy? Shri Shaktikanta Das, Governor, Reserve Bank of India Addressed to CII National Council, Mumbai**

The RBI Governor, in his interaction with the CII, focussed on five areas where India can leverage its strengths and position itself as a leader in the league of global players.

The five major dynamic shifts that the governor talked about are: (i) fortunes shifting in favour of the farm sector; (ii) changing energy mix in favour of renewables; (iii) leveraging information and communication technology (ICT), and start-ups to power growth; (iv) shifts in supply/value chains, both domestic and global; and (v) infrastructure as the force multiplier of growth.

<https://economictimes.indiatimes.com/news/economy/policy/dynamic-shifts-underway-that-will-shape-the-future-of-indias-economy-rbi-governor/articleshow/77192413.cms>

• **Srei explores Merger with Bank if RBI policy permits**

Srei, which has more than ₹45,000 crore of consolidated assets under management, may explore the possibility of a merger with a bank if the Reserve Bank of India's (RBI) policy permits. The merger will combine the reach and distribution capabilities of Srei with the bank's low-cost funds. This will provide a long-term solution to the current liquidity conundrum for NBFCs and will help in expanding the reach of banking services to larger number of micro, small and medium enterprises (MSMEs).

https://www.thehindubusinessline.com/companies/srei-explores-merger-with-bank-if-rbi-policy-permits/article32201185.ece?utm_campaign=amp_article_share&utm_medium=referral&utm_source=whatsapp.com

• **Government needs to Recap PSU Banks: FIN Panel Chief**

While accelerating reforms to combat the impact of COVID-19, the 15th Finance Commission Chief N K Singh underlined the need for a significant government outlay for recapitalization of public sector banks over the next five years in addition to higher defense spending, along with certainty in their flow.

<https://timesofindia.indiatimes.com/business/india-business/government-needs-to-recap-psu-banks-fin-panel-chief/articleshow/77211073.cms>

❖ **Pronouncements**

- Supreme Court in the matter of Modi Xerox Ltd. (MXL) has held that for proceeding against a Director of a company for contravention of provisions of Foreign Exchange Regulation Act, 1973, the necessary ingredient for proceeding shall be "that at the time offence was committed, the Director was in charge of and was responsible to the Company for the conduct of the business of the Company." Hon'ble Court observed that "The liability to be proceeded with for offence under Section 69 of FERA, 1973 depends on the role one plays in the affairs of the company and not on mere designation or status."

<https://www.livelaw.in/top-stories/section-68-fera-liability-for-offence-depends-on-role-one-plays-in-company-affairs-160587>

- NCLAT in the matter of *Palogix Infrastructure Private Limited vs. ICICI Bank Limited* held that 'Power of Attorney Holder' is not empowered to file application under section 7 of the 'I&B Code' and also hold that an authorized person has power to do so. While considering the same the NCLAT mentioned that the 'I&B Code' is a complete Code by itself. The provision of the Power of Attorney Act, 1882 cannot override the specific provision of a statute which requires that a particular act should be done by a person in the manner as prescribed there under.

<https://nclat.nic.in/Useradmin/upload/4569758135b6d78db6ea4e.pdf>

Prepared by Directorate of Academics

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

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Info Capsule

Wednesday, July 29, 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

• FAQ for December 2020 Session of Examination

ICSI has issued FAQ's for December 2020 Session of Examination on Merging of June, 2020 Examination with that of December, 2020 examination.

https://www.icsi.edu/media/webmodules/FAQ_Merging_June20_to_Dec2020_examsession.docx

• Academic Collaborations of ICSI with Universities & Academic Institutions

ICSI has called its members to initiate the process of signing of MOU with universities & academic institutions for the benefit to its student and members.

<https://www.icsi.edu/media/webmodules/ICSI-AcademicConnect-2020.pdf>

• Online Endorsement of Member verification under ICSI-ICSA MOU

ICSI has enabled the system of Online Endorsement of Member Verification under ICSI- ICSA MoU. Members can access the same through their online account at the ICSI website.

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

❖ Union Cabinet

New National Education Policy 2020 gets Cabinet Approval and MHRD is now Ministry of Education

The New Education Policy, NEP has been approved by the Union Cabinet on July 29, 2020. The announcement has been made by HRD Minister and Union Minister Prakash Javedkar. It is also to be noted that the Ministry of Human Resource Management, (MHRD) has been renamed as Education Ministry.

<https://www.timesnownews.com/education/article/new-national-education-policy-2020-gets-cabinet-approval-mhrd-now-ministry-of-education-live-updates/628872>

❖ Ministry of Finance

Government notifies changes in FDI norms allowing NRIs to acquire up to 100% in Air India

The Ministry of Finance has notified changes in Foreign Direct Investment (FDI) Rules which permit Non-Resident Indians (NRIs) to acquire upto 100% in Air India. The amendment in FDI policy will permit foreign investment in Air India Ltd at par with other Scheduled Airline Operators.

Further in a notification, Department of Economic Affairs (DEA) said that "Substantial ownership and effective control of M/s Air India Limited shall continue to be vested in Indian Nationals as stipulated in Aircraft Rules, 1937,"

<https://economictimes.indiatimes.com/news/economy/policy/govt-notifies-changes-in-fdi-norms-allowing-nris-to-acquire-upto-100-in-air-india/articleshow/77215654.cms>

❖ Securities Laws & Capital Market

SEBI ORDERS

- SEBI imposed a penalty of Rs. 12 lakh on Finquest Securities Pvt Ltd. ("Finquest"), a registered Broker, for multiple lapses, including mis-utilisation of client funds and failure to settle accounts of clients within the stipulated time. It has also been established that the Finquest provided incorrect information to the exchanges on its net worth and on risk based supervision. (July 29, 2020)

https://www.sebi.gov.in/enforcement/orders/jul-2020/adjudication-order-in-respect-of-m-s-finquest-securities-private-limited_47176.html

- SEBI imposed monetary penalty of Rs. 11.45 crore on Maars Software International Limited ("MSIL") and its directors. It is alleged that the process of GDR issuance by MSIL was devised and structured in a manner to the detriment of the Indian investors. Further, MSIL had also failed to disclose the details of outstanding GDRs in its quarterly disclosures of shareholding pattern to BSE and thus violated listing agreement. (July 29, 2020)

https://www.sebi.gov.in/enforcement/orders/jul-2020/adjudication-order-in-respect-of-maars-software-international-limited-pravin-champalal-jain-harshawardhan-s-rathore-and-nikunj-babulal-choradiya-in-the-matter-of-maars-software-international-limited_47175.html

❖ **Indirect Tax**

Goods and Services Tax updates

- **Central Government unable to pay GST dues to States**

The Central Government had promised to make good for any loss in revenue of states for 5 years at the time of GST rollout in July 2017. This amount is to be paid to states in bi-monthly installments. However, Central Government can defer compensation payment if GST collections fall short. Tax collections have plunged due to COVID 19 pandemic.

<https://www.thehindu.com/business/Economy/centre-unable-to-pay-gst-dues-to-states-union-finance-secretary/article32216329.ece>

- **Recommendations by Auto Sector for relief in GST**

In light of the ongoing difficulties being faced by the Indian Auto Industry, the Government is in the process of formulating a policy that would drive demand.

<https://www.zeebiz.com/automobile/news-exclusive-relief-likely-for-auto-sector-on-gst-road-tax-cess-move-to-cut-cost-of-vehicle-ownership-132263>

❖ **Banking & Insurance**

PM to meet Top Bankers Today : Discuss Credit Flow

At the meeting, to be held via video conference, Hon'ble Prime Minister is likely to take stock of the state of the economy and credit flow during the pandemic.

"The topics on agenda include credit products and efficient models for delivery, financial empowerment through technology, prudential practices for stability and sustainability of financial sector," PMO said.

<https://www.livemint.com/industry/banking/pm-modi-will-hold-meeting-with-top-bank-nbfc-chiefs-tomorrow-11595938777232.html>

❖ **International Business**

International Air Travel remains Grounded, Cargo demand faltering : AAPA

The preliminary June traffic figures released on July 28, 2020 by the Association of Asia Pacific Airlines (AAPA) showed that widespread travel restrictions almost completely suppressed International Air Travel in Asia during the second quarter of 2020. Asian Airlines carried just 724,000 international passengers in June 2020, which is 98 per cent decline compared to the 31.8 million recorded in the same month in 2019. Air cargo demand in freight tonne-kilometre terms was 20.3 per cent lower year-on-year as demand for exports continued to falter on the back of economic weakness aggravated by disruptions to global supply chains.

https://www.business-standard.com/article/international/international-air-travel-remains-grounded-cargo-demand-faltering-aapa-120072800408_1.html

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	38071.13 (-421.82)
Nifty 50	11198.45 (-102.10)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.60 (+0.10%)	87.50 (+0.11%)	96.22 (+0.44%)	0.71 (+0.28%)

❖ **Business and Economic News**

- Global forecasting firm Oxford Economics expects India's GDP (gross domestic product) growth to lose momentum from late third quarter (October-December) of the current fiscal as the push from the initial reopening fades

http://timesofindia.indiatimes.com/articleshow/77225160.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- Worried over the flow of credit to the Corporate Sector, Prime Minister Narendra Modi will brainstorm with the Country's Top Bankers

http://timesofindia.indiatimes.com/articleshow/77232433.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- Government to go ahead with Divestment of 23 PSUs cleared by Cabinet

<https://timesofindia.indiatimes.com/business/india-business/government-to-go-ahead-with-divestment-of-23-psus-cleared-by-cabinet-nirmala-sitharaman/articleshow/77205368.cms>

- DGGI books 3 firms for Tax evasion of more than Rs. 600 Crore

<https://pib.nic.in/PressReleasePage.aspx?PRID=1641510>

- Indian Banks' Bad Loans Could Rise To Highest In 20 Years: RBI Financial Stability Report

https://thelogicalindian.com/news/indian-bank-loans-bad-loans-22552#.Xx_BQQ2VsJA.whatsapp

Prepared by Directorate of Academics

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Info Capsule

Thursday, July 30, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

ICSI has sent a representation to SEBI to issue further clarification regarding the use of digital signatures w.r.t. authentication / certification of any filing/submission made to stock exchanges under the SEBI Listing Obligation and Disclosure Requirements, 2015 until October 31, 2020.

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

❖ Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) vide notification dated July 24, 2020 has designated the Court of Chief Judicial Magistrate, Kamrup (M) at Guwahati as Special Court for the purposes of providing speedy trial of offenses under clause (b) of sub-section (2) of section 435 of the Companies Act, 2013.

http://www.mca.gov.in/Ministry/pdf/NotificationCompAct_28072020.pdf

❖ Central Board of Direct Tax

CBDT extends FY 2018-19 Income Tax Return Filing Deadline from July 31, 2020 to September 30, 2020.

In view of the constraints due to the COVID pandemic & to further ease compliances for taxpayers, CBDT extends the due date for filing of Income Tax Returns for FY 2018-19 (AY 2019-20) from July 31, 2020 to September 30, 2020. This is the third extension given by the government for taxpayers to file both original and revised tax returns for 2018-19. In March 2020, the due date was extended from March 31, 2020 to June 30, 2020. Later in June 2020, it was again extended by a month till July 31, 2020.

<http://www.egazette.nic.in/WriteReadData/2020/220749.pdf>



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❖ Union Cabinet

New Education Policy : Highlights

With a view of changing the educational landscape of India, Union Cabinet approved a New Education Policy on July 29, 2020, reflecting the needs of 21st-Century. Highlights of New Education Policy are as discussed as below:

- Universalization of ECCE to Secondary Education by 2034, aligning with SDG4
- Attaining Foundational Learning and Numeracy Skills through National Mission by 2025
- 100% GER in Pre-School to Secondary Level by 2030
- New Curricular and Pedagogical Structure
- Making India a Global Study Destination
- Education in Local Language
- National Research Foundation
- Rashtriya Shiksha Aayog
- Strengthening the technological aspect in studies, e-courses will be introduced in regional languages, virtual labs will be developed and a National Educational Technology Forum (NETF) will also be created.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1642061>

❖ Indirect Tax

Goods and Services Tax Updates

1. GST Council can Take Call on borrowing from Market to Compensate States

The Central Government revenues have taken a hit due to COVID. The Attorney General has said the GST Council can decide whether a market borrowing mechanism can be established to compensate states for revenue loss due to implementation of GST.

<https://economictimes.indiatimes.com/news/economy/policy/gst-council-can-take-call-on-borrowing-from-market-to-compensate-states-attorney-general/articleshow/77252359.cms>

2. States face fresh pressure for GST Rate Rationalisation

States are under fresh pressure to agree to rationalisation of GST rates by reworking slabs and raising the levy on garments and footwear as the Centre has got legal opinion to back its claim that it does not have a liability of paying compensation to the states that fail to increase collections by 14%.

<https://timesofindia.indiatimes.com/business/india-business/states-face-fresh-pressure-for-gst-rate-rationalisation/articleshow/77253036.cms>

❖ **Securities Laws & Capital Market**

Extension of time for submission of financial results for the quarter/half year/ financial year ended 30th June 2020 (July 29, 2020)

SEBI has extended the timeline for submission of financial results under Regulation 33 of the LODR Regulations, for the quarter/half year/financial year ended 30th June 2020, to September 15, 2020. The extension is granted due to the shortened time gap between the extended deadline for submission of financial results for the period ended March 31, 2020 (31st July) and the quarter/half year ended June 30, 2020 (14th August).

https://www.sebi.gov.in/legal/circulars/jul-2020/extension-of-time-for-submission-of-financial-results-for-the-quarter-half-year-financial-year-ended-30th-june-2020_47183.html

Implementation of SEBI Circular on 'Margin Obligations to be given by way of Pledge / Re-pledge in the Depository System' (July 29, 2020)

In view of the prevailing situation due to Covid-19 pandemic, partial lockdowns in various areas of the country, representations received from the stock brokers and stock broker associations and that the changes to the systems and software development still under progress, SEBI has decided that-

- Trading member (TM) / Clearing member (CM) shall endeavour to align their systems and accept client collateral and margin funded stocks by way of creation of pledge / re-pledge in the Depository system.
- The system of parallel acceptance of the client securities by way of title transfer shall be available only up to August 31, 2020 and no further extension shall be granted.
- TM / CM may continue to hold funded stocks in respect of margin funding in 'Client Margin Trading Securities Account' till August 31, 2020 by which date all such accounts shall be closed.

https://www.sebi.gov.in/legal/circulars/jul-2020/implementation-of-sebi-circular-on-margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system_47190.html

Relaxation in Timelines for Compliance with Regulatory Requirements (July 29, 2020)

- In view of the prevailing situation due to COVID-19 pandemic, SEBI has further extended the timelines for compliance with the regulatory requirements by Depository Participants / Registrars to an Issue & Share Transfer Agents / KYC Registration Agency till September 30, 2020. Further, a 15-day time period after September 30, 2020 is allowed to Depository / DPs, to clear the back log.

https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_47186.html

- In view of the prevailing situation due to COVID-19 pandemic, SEBI has further extended the timelines for compliance with the regulatory requirements by the Trading Members / Clearing Members / Depository Participants till September 30, 2020.

https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_47185.html

❖ **Business and Economic News**

- The National Payments Corporation of India (NPCI) has told the banking regulator that Facebook-owned messaging application WhatsApp is now fully compliant with data localisation norms.

http://timesofindia.indiatimes.com/articleshow/77228456.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- Indian ratings agency ICRA, an arm of the global ratings major Moody's, has appointed N Sivaraman, a veteran of the financial sector, as the managing director (MD) & group CEO, effective August 10, 2020.

http://timesofindia.indiatimes.com/articleshow/77247666.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **SEBI's settlement scheme could net Government Rs. 750 crore**

A rare move by SEBI to settle cases of alleged unfair trading with 14,720 entities could lead to a minimum gain of Rs. 750 crore for the national exchequer. This is assuming all the entities come forward to settle the cases.

<https://www.thehindubusinessline.com/markets/sebis-settlement-scheme-could-net-govt-750-crore/article32214866.ece>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37736.07 (-335.06)
Nifty 50	11102.15 (-100.70)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
74.59 (-0.02%)	87.68 (+0.20)	96.68 (+0.47%)	0.71 (+0.23%)

❖ Banking & Insurance

• NBFC Assets may De-grow 1-3 per cent in FY21 as fresh Disbursements Drop Sharply: CRISIL

The rating agency said that "assets under management of non-banking financial companies (NBFCs) are expected to de-grow 1-3 per cent in the current fiscal as fresh disbursements drop sharply". Excluding the top five NBFCs, the de-growth is expected to be even sharper at 7-9 per cent.

<https://www.financialexpress.com/industry/banking-finance/nbfc-assets-may-de-grow-1-3-per-cent-in-fy21-as-fresh-disbursements-drop-sharply-crisil/2038896/>

• Banks need to be proactive and actively engage during COVID-19 crisis: PM Modi

Hon'ble Prime Minister Narendra Modi joined stakeholders from Banks and NBFCs via video conference to discuss and deliberate on vision and roadmap for the country's financial future.

"The crucial role of the financial and banking system of supporting growth was discussed. It was noted that the small entrepreneurs, SHGs, farmers should be motivated to use institutional credit to meet their credit needs and grow. Each bank needs to introspect and take a relook at its practices to ensure stable credit growth. Banks should not treat all proposals with the same yardstick and need to distinguish and identify bankable proposals and to ensure that they get access to funding on their merit and don't suffer in the name of past NPAs," Prime Minister's Office said.

<https://www.livemint.com/industry/banking/banks-need-to-be-proactive-and-actively-engage-during-covid-19-crisis-pm-modi-11596042290222.html>

• Parliamentary Committee to seek Unemployment Insurance for most of Unorganised Sector Workers

The Parliamentary Standing Committee, while vetting the Labour Code on Social Security is likely to ask the Government to incorporate a provision of providing Unemployment Insurance for most of the unorganised sector workers, barring those working in farms and as domestic helps, in the Code.

<https://www.financialexpress.com/money/insurance/parliamentary-committee-to-seek-unemployment-insurance-for-most-of-unorganised-sector-workers/2038001/>

• LIC Pradhan Mantri Vaya Vandana Yojana

LIC Pradhan Mantri Vaya Vandana Yojana is a pension scheme for senior citizens, above 60 years of age which assures guaranteed pension for 10 years. Guaranteed rates of pension for policies sold during a year will be reviewed and decided at the beginning of each year by the Ministry of Finance, Government of India. The scheme was launched earlier this year on May 26, 2020.

<https://www.livemint.com/insurance/news/lic-pradhan-mantri-vaya-vandana-yojana-all-you-need-to-know-11595988440914.html>

❖ Pronouncement

The NCLAT, in the matter of *Sh. V.J. Paul Joseph & Ors. vs. Alexander Correya & Ors.*, upheld the order passed by NCLT, Chennai Bench and imposed a cost of Rs.10 lakh on Appellant related to various sets of oppression and mismanagement in the affairs of the company under Section 241 and 242 of the Companies Act, 2013.

NCLAT further observed that the Company in question which is a charity institution presently governed by Section 8 of the Companies Act, 2013 has been created for a noble cause and in case a person who is in the management and managing the affairs of the institution not for the purpose of noble cause but his only agenda is to execute his private agenda and to benefit one or the other person, this will seriously compromise the goodwill and reputation and will spoil the image of the company for good work done.

Prepared by Directorate of Academics

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

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Info Capsule

Friday, July 31, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

SEBI Issued Circular based on the Representation of ICSI

Use of Digital Signature Certifications for Authentication / Certification of Filings / Submissions Made to Stock Exchanges (July, 31, 2020)

SEBI has received a representation from the Institute of Company Secretaries of India (ICSI) stating that due to the COVID -19 pandemic and precautionary measures for its curtailment, Company Secretaries continue to face operational challenges in carrying out certification and authentication of documents in physical form.

Accordingly, authentication / certification of any filing / submission made to stock exchanges under the LODR Regulations may be done using digital signature certifications till December 31, 2020.

https://www.sebi.gov.in/legal/circulars/jul-2020/use-of-digital-signature-certifications-for-authentication-certification-of-filings-submissions-made-to-stock-exchanges_47219.html

❖ Ministry of Labour and Employment

Standing Committee on Labour submitted its Report on Social Security Code 2019 to Hon'ble Loksabha Speaker on July 31, 2020. For details please visit at:

http://loksabhaph.nic.in/Committee/CommitteeInformation.aspx?comm_code=19&tab=1

Report is available at :

http://164.100.47.193/lsscommittee/Labour/17_Labour_9.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)

❖ Securities Laws & Capital Market

SEBI Adjudication Orders (July 30, 2020)

S. No.	Name of Entity on which penalty is imposed	Alleged Violations	Penalty
1)	Alok Industries Limited	Failure to make disclosures in regard to issued and listed series of Non-Convertible Debt Securities (NCDs) thus violated the provisions of regulations 51(1), 51(2) r/w Part B of schedule III (Clauses A1, A4, A9), 52(4), 52(5) and 54(2) of LODR Regulations, 2015.	12 Lakhs
2)	Embassy Property Development Pvt. Ltd.	Failed to comply with the MPS requirements and that Noticee was required to bring down the non-public shareholding to 75% or below within twelve months from date of change in shareholding thus violated regulation 7(4) of the SAST Regulations, 2011 r/w regulation 19A(2) of the SCRR, 1957.	10 Lakhs
3)	Hardeep Singh Bedi	Failure to make disclosures to the Company and BSE in one instance regarding creation of pledged shares and invocation of pledged shares thus violated the provisions of regulations 31(1) and 31(2) r/w 31(3) of SAST Regulations, 2011.	4 Lakhs
4)	Mansi Share & Stock Advisors Pvt. Ltd.	Misreporting of Clients Funds and Non-segregation of client's funds and securities thus violated the provisions of sections 23D of SCRA and 15HB of SEBI Act.	13 Lakhs
5)	Four entities in the matter of Front Running HDFC AMC Trades II	The conduct of four entities in relation to 109 instances of front-run trades of HDFC MF/AMC indicated that the trades were front-run based on confidential information obtained and acted upon illegally to make wrongful gains at the expense of market participants who did not have this sensitive information.	2 Crores

<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListingAll=yes>

❖ **Ministry of Consumer Affairs, Food and Public Distribution**

Central Consumer Protection Authority: Appointment of Officer

Central Government vide a Notification dated July 29, 2020 and in exercise of powers conferred by sub-section (2) of section 10 and sub-section (2) of section 15 of the Consumer Protection Act, 2019 (35 of 2019), appointed the some officers to exercise the powers and discharge the functions of the Chief Commissioner, Commissioner, Director General (Investigation) and Additional Director General (Investigation) in the Central Consumer Protection Authority established under the Consumer Protection Act, 2019, in addition to their present duties, with effect from 29th July, 2020, until further orders.

<http://egazette.nic.in/WriteReadData/2020/220783.pdf>

❖ **Ministry of Finance**

Finance Ministry justifies Cap: 'MEIS Benefits fail to Boost Exports'

The Revenue Department has requested the Commerce Department that MEIS incentives should be re-calibrated so that it promotes exports, instead of the wide-ranging incentive structure it has come to acquire.

While the Commerce Ministry has sought a review of the Revenue Department's decision to cap benefits under the Merchandise Export from India Scheme (MEIS) at just Rs 9,000 crore for the April-December period, the Finance Ministry apparently feels the massive cut is justified, as the scheme has been a "Miserable Failure".

<https://www.financialexpress.com/economy/finance-ministry-justifies-massive-cut-meis-benefits-fail-to-boost-exports/2039082/>

❖ **Direct Tax**

Income Tax (18th Amendment) Rules, 2020 [Notification No. 55 Dated July 28, 2020]

The Central Board of Direct Taxes on the July 28, 2020 has published the Income Tax (18th Amendment) Rules, 2020. The amendment provides for furnishing details of income paid or credited by an investment fund to its unit holder.

For Details: https://www.incometaxindia.gov.in/communications/notification/notification_55_2020.pdf

❖ **Indirect Tax**

Goods and Services Tax Updates

- **Ninth Amendment (2020) to CGST Rules**

Notification No. 60/2020- Central Tax, dated July 30, 2020

This Notification seeks to update the CGST Rules. Along with the detailed scheme provided to inform the substitution of Form GST INV – 01, many major reforms have been introduced. Payee information has been made optional.

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-60-central-tax-english-2020.pdf>

- **Amendment in Class of Registered Persons for the Purpose of e-Invoice**

Notification No. 61/2020- Central Tax, dated July 30, 2020

In order to amend the class of registered persons for the purpose of e-invoice, this Notification Seeks to amend Notification no. 13/2020 - Central Tax. The threshold limit of Aggregate Turnover enhanced to Rs. 500 Crores to exempt certain class of registered persons from issuing e-invoices. SEZ units are excluded from E- Invoicing.

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-61-central-tax-english-2020.pdf>

- **Current State of GST requires Fresh Planning**

Tax collections are strongly correlated to the performance of the economy. Generally speaking, the faster the growth rates of Gross Domestic Product, the faster the growth rate of tax. Transition in Indirect Tax regime and Compensation to States requires fresh planning for growth of GST.

<https://timesofindia.indiatimes.com/blogs/cash-flow/gsts-problems-are-worsened-by-shoddy-planning-and-poor-implementation-at-the-start/>

Customs Updates

- **Jurisdiction of Commissioner (Appeals) specified**

Notification No. 63/2020- Customs (Non-Tariff), dated July 30, 2020

Notification to amend Notification No.92/2017-Customs (NT) to specify the jurisdiction of Commissioner (Appeals) to assessment orders passed by Faceless Assessment Groups.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt63-2020.pdf?sessionid=83CB03C15AABC68D120DA4A49E4B9908>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37606.89 (-129.18)
Nifty 50	11088.25 (-13.90)

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.61 (+0.03%)	97.19 (+0.53%)	87.96 (+0.33%)	0.71 (+0.03%)

❖ **Banking & Insurance**

- **RBI should go for further rate cut to aid growth: Experts**

As per the report of Foreign Brokerage, the Reserve Bank of India should go for another rate cut at next week's policy review to revive the economy, despite the surge in headline inflation lately. Analysts at Barclays acknowledged that the high inflation is adding confusion to the RBI's policy outlook but pitched for a 0.25% cut to generate demand advising the Central Bank to "throw caution to the wind".

The Consumer Price Index (CPI) based retail inflation surpassed the upper end of the RBI's target of 6% in June.

<https://www.livemint.com/industry/banking/rbi-should-go-for-further-rate-cut-to-aid-growth-experts-11596109635527.html>

- **Yes Bank takes possession of ADAG Headquarters in Mumbai over Non-Payment**

Yes Bank issued a notice in Wednesday's newspaper stating that it was taking possession of two office premises of Anil Dhirubhai Ambani Group (ADAG), including its headquarters 'Reliance Centre' in Santacruz, Mumbai. The action has been taken by the lender under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFESI) Act, after Reliance Infrastructure failed to pay dues of Rs 2,892 crore. Apart from Reliance Centre, Yes Bank has taken possession of two floors in Nagin Mahal in south Mumbai.

<https://www.financialexpress.com/industry/banking-finance/yes-bank-takes-over-adags-reliance-centre-and-two-floors-of-nagin-mahal-in-mumbai/2039397/>

❖ **Business and Economic News**

- Great Eastern Shipping appoints former RBI Governor Urjit Patel as additional and independent director for a term of five years w.e.f. August 01, 2020

https://www.business-standard.com/article/companies/great-eastern-shipping-appoints-urjit-patel-as-additional-director-120073002076_1.html

- SEBI said it has lined up as many as 18 properties of Asurre Agrowtech Ltd for an auction on August 30 at reserve price of nearly Rs. 21 crore. The move is part of SEBI's effort to recover funds raised by the company through unauthorised investment scheme.

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-to-auction-asurre-agrowtechs-properties-to-recover-investors-money/articleshow/77262863.cms>

- MSME council hears 69 payment dispute cases to unlock cos' stuck money

<https://timesofindia.indiatimes.com/city/jaipur/msme-council-hears-69-payment-dispute-cases-to-unlock-cos-stuck->

❖ **Pronouncement**

In the matter of *Mr V Nagarajan vs. SKS Ispat and Power Ltd.*, it is alleged that the certified and a free copy of order was not issued to him and an unsigned order was uploaded on the website on March 12, 2020. Appellant made the contention that 30 days' time limit was available until April 11, 2020 and he pleaded extension of time with reference to proviso to Section 61(1) of the I&B Code. However the contention is unsupported by any evidence and the Appellant has not filed any Application for condonation of delay showing sufficient cause for not filing the Appeal within time. Accordingly, NCLAT held that '*since the Appellant has not submitted any application showing enough reason for not filing the Appeal within time, therefore the question of automatic extension of time limit does not arise.*'

<https://nclat.nic.in/Useradmin/upload/13958618635f0c36b5630f8.pdf>

Prepared by Directorate of Academics

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

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Info Capsule

Monday
August 03, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Ministry of Finance

Every Sector is trying to beat the Pandemic and Revive, says Finance Minister Sitharaman

Finance Minister Nirmala Sitharaman on August 1, 2020, said that Indian economy is at a stage where every sector is trying to beat the pandemic and revive. She further stressed that the government is open to provide help to those who need it. Reiterating that the government is keeping all its options open, Sitharaman said at a press briefing that the Reserve Bank of India's (RBI) liquidity support measures have helped the economy.

<https://theprint.in/economy/every-sector-is-trying-to-beat-the-pandemic-and-revive-says-finance-minister-sitharaman/472700/>



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❖ Securities Laws

SEBI CIRCULARS

- **Collection and Reporting of Margins by Trading Member (TM) / Clearing Member (CM) in Cash Segment (July 31, 2020)**

In order to provide relief to brokers and traders, SEBI has decided that the penalty for Short-Collection/ Non-Collection of margin shall not be applicable, if TM / CM collects minimum 20 per cent upfront margin in lieu of VaR and ELM from the client. The penalty provision for Short-Collection / Non-Collection of upfront margin in cash segment shall be implemented with effect from September 01, 2020.

https://www.sebi.gov.in/legal/circulars/jul-2020/collection-and-reporting-of-margins-by-trading-member-tm-clearing-member-cm-in-cash-segment_47220.html

- **Clarification on Applicability of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to Open Offers, Buybacks and Delisting of Securities of Listed Entities (July 31, 2020)**

SEBI has clarified that shareholders holding securities in physical form are allowed to tender shares in open offers, buy-backs through tender offer route and exit offers in case of voluntary or compulsory delisting. However, such tendering shall be as per the provisions of respective regulations.

https://www.sebi.gov.in/legal/circulars/jul-2020/clarification-on-applicability-of-regulation-40-1-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-to-open-offers-buybacks-and-delisting-of-securities-of-listed-entities_47216.html

SEBI ADJUDICATION ORDERS (July 31, 2020)

- SEBI imposed a penalty aggregating to Rs. 6 lakhs on the Employees and Compliance Officer of Avenue Supermarts Limited for making delayed disclosures on different occasions and therefore violating the provisions of regulations 7(2)(a), 7(2)(b) and 9(3) under PIT Regulations.

https://www.sebi.gov.in/enforcement/orders/jul-2020/adjudication-order-in-the-matter-of-avenue-supermarts-limited_47242.html

- SEBI imposed a monetary penalty of Rs. 20 crore on Pancard Clubs Limited and its four directors for allegedly carrying out the Collective Investment Scheme without obtaining registration from SEBI.

https://www.sebi.gov.in/enforcement/orders/jul-2020/adjudication-order-in-the-matter-of-pancard-clubs-limited_47241.html

- SEBI imposed a penalty of Rs. 7 lakhs on Cedar Infonet Pvt. Ltd., and one of the promoters of the Tulip Telecom Ltd., for failure to make disclosures to the Company and BSE for transactions regarding creation of pledged shares thus violated the provisions of regulations 31(1) and 31(2) r/w 31(3) of SAST Regulations, 2011.

https://www.sebi.gov.in/enforcement/orders/jul-2020/adjudication-order-in-respect-of-cedar-infonet-private-ltd-in-the-matter-of-pipavav-defence-and-offshore-engineering-company-ltd-parsvanath-developers-ltd-goldyne-technoserve-ltd-and-tulip-telecom-_47235.html

SEBI PROHIBITORY ORDER (July 31, 2020)

- Recovery proceedings have been initiated by SEBI against Mr. Hariharan Vaidyalingam for failure to pay dues of Rs. 1.32 crore along with further interest, all costs, charges and expenses. SEBI also prohibited Mr. Hariharan Vaidyalingam from disposing, transferring, alienating or charging in respect of the attached properties in execution of the Recovery Certificate.

https://www.sebi.gov.in/enforcement/recovery-proceedings/jul-2020/prohibitory-order-in-the-matter-of-hariharan-vaidyalingam-recovery-certificate-no-2659-of-2019_47236.html

PUBLIC NOTICES (July 31, 2020)

- The Justice (Retd.) R.M. Lodha Committee (in the matter of PACL Ltd.) has now extended the last date for checking the status of claim applications (having claim amount upto Rs. 5,000/-) and/or rectification of deficiencies to October 31, 2020. Investors / applicants whose claim applications were found deficient, are requested to check the status of their claim applications online on www.sebiacrefund.co.in and rectify deficiencies, if any, in their claims on or before October 31, 2020.
https://www.sebi.gov.in/media/public-notices/jul-2020/public-notice-for-extension-of-time_47227.html
- The Justice (Retd.) R.M. Lodha Committee (in the matter of PACL Ltd.) has as on date, successfully effected refunds to 9,71,565 investors in PACL Ltd. (with claims upto Rs. 8,000) aggregating to Rs. 268.47 crore
https://www.sebi.gov.in/media/public-notices/jul-2020/public-notice-for-status-of-refund_47226.html

❖ Banking & Insurance**• Government expands MSME Loan Guarantee Scheme to include Lawyers, Doctors & Large Firms**

The government has expanded its Loan Guarantee Scheme for Micro, Small and Medium Enterprises to include loans given to professionals like doctors, lawyers and chartered accountants for business purposes as well as to firms with a turnover of Rs. 250 crore.

The Rs. 3 lakh crore's Loan Guarantee Scheme was announced as part of Government's Atma Nirbhar package to provide liquidity support to such firms. Under the scheme, Government provides full loan guarantee to the incremental loans given to borrowers.

<https://theprint.in/economy/govt-expands-msme-loan-guarantee-scheme-to-include-lawyers-doctors-large-firms/472571/>

• UPI clocks its highest monthly volume with 1.5 billion transactions in July

As per the latest data released by NPCI on August 1, 2020, it is showed that National Payments Corporation of India (NPCI) operated channel had seen 1.34 billion transactions worth Rs.2.61 lakh crore processed in June. The value of transactions at Rs.2.90 lakh crore in July is also a record,

<https://economictimes.indiatimes.com/industry/banking/finance/banking/upi-clocks-its-highest-monthly-volume-with-1-5-billion-transactions-in-july/articleshow/77304913.cms>

• Bank Privatisation : IDBI Bank stake sale in FY21, no call yet on other PSBs

As per the source of Finance Ministry, Government intends to go ahead with its proposed stake sale in IDBI Bank in the current fiscal and there is no decision as yet on privatizing more banks. The statement comes amid growing speculations about the government privatizing more banks, including UCO Bank, Punjab & Sind Bank and Bank of Maharashtra, following reported recommendations by Niti Aayog.

<https://www.financialexpress.com/industry/banking-finance/bank-privatisation-idbi-bank-stake-sale-in-fy21-no-call-yet-on-other-psbs/2042252/>

• Assessing the Financial Sector's Stability post COVID

Just when banks were beginning to see light at the end of the NPA tunnel, the pandemic brought the spectre back again. With sizeable loan portfolios under moratorium (over 60 per cent of banks and 49 per cent of NBFCs), forecasts about the NPA levels and the capital to be raised are grim.

The RBI is more sanguine. With its latest FSR projects, the NPAs to rise to 12.5 per cent of advances by next March, but does not seem unduly worried about the safety and resilience of the system. Its optimism perhaps comes from the fact that banks are well capitalized and have sufficient High-Quality Liquid Assets (HQLAs). The inter-bank linkages are also lower now.

<https://www.thehindubusinessline.com/opinion/assessing-the-financial-sectors-stability-post-covid/article32229360.ece>

❖ Indirect Tax**Goods and Services****• GST Revenue Collection for the month of July, 2020**

The gross GST revenue collected in the month of July, 2020 is Rs. 87,422 crore of which CGST is Rs. 16,147 crore, SGST is Rs. 21,418 crore, IGST is Rs. 42,592 crore (including Rs. 20,324 crore collected on import of goods) and Cess is Rs. 7,265 crore (including Rs. 807 crore collected on import of goods).

<https://pib.gov.in/PressReleasePage.aspx?PRID=1642870>

• Upcoming Changes in GSTN and its impact on the present GST Return Filing System

The areas of inconsistency between GST Law and GSTN portal will soon be changed for better compliance.

<https://economictimes.indiatimes.com/small-biz/gst/upcoming-changes-in-gstn-and-its-impact-on-the-present-gst-return-filing-system/articleshow/77280479.cms>

• DGGI detects evasion of GST by 2 Liquor Manufacturers in Maharashtra

The Directorate General of Goods and Services Tax Intelligence (DGGI) has found alleged evasion of GST collectively worth over Rs. 108 crore by two liquor manufacturers in Aurangabad and Nanded districts of Maharashtra.

<https://www.hindustantimes.com/india-news/dggi-detects-evasion-of-gst-by-2-liquor-manufacturers-in-maharashtra/story-uSRABGtzE79zW53EAo3cgL.html>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	36939.60 (-667.29)
Nifty 50	10891.60 (-181.85)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.62 (+0.01%)	88.32 (+0.41%)	97.89 (+0.73%)	0.71 (-0.08%)

❖ **Business and Economic News**

- **Regulations proposed by Draft Report on Non-Personal Data need a Relook**
<https://indianexpress.com/article/opinion/columns/licence-raj-data-protection-bill-regulation-6529852/>
- **India Biggest Investment Avenue, Overseas Operations see Profit : Amazon**
India is the biggest country for Amazon's new investments even as the Seattle-based tech giant has accelerated its push for prime benefits for the subscribers, according to company CFO Brian Olsavsky. This comes when the e-commerce major swung into quarterly profits of \$345 million for the first time in its international business (which includes India), in the last five years led by a pick up in demand.
<https://timesofindia.indiatimes.com/business/india-business/india-biggest-investment-avenue-overseas-operations-see-profit-amazon/articleshow/77286734.cms>
- **Does Principal Borrower has to be Corporate Entity in order to maintain Insolvency Proceedings ? Supreme Court to Examine**
<https://www.livelaw.in/top-stories/does-principal-borrower-has-to-be-corporate-entity-for-ibc-proceedings-160859>
- **Auditors finally booked for misconduct. The NFRA rulings in the IL&FS case signal that lapses will be penalized. Audit work must be done sans Company influence.**
https://www.thehindubusinessline.com/opinion/columns/mohan-lavi/auditors-finally-booked-for-misconduct/article32232126.ece?utm_campaign=amp_article_share&utm_medium=referral&utm_source=whatsapp.com

❖ **Pronouncements**

- In the matter of *Archer Power System Pvt. Ltd. vs. Cascade Energy Pvt. Ltd. & Ors.*, the Appellants have filed the petition under Section 241 of the Companies Act, 2013 alleging 'Oppression and Mismanagement' by Respondents. NCLAT upheld the order passed by NCLT, Chennai Bench and held that the Tribunal have the power to make interim orders which it think fit for regulating the conduct of the company's affairs. There are allegations of siphoning of funds, breach of agreements and failure to maintain proper books of accounts thus it was required on the part of the Tribunal to conduct a forensic audit by an independent auditor in order to proceed further with the petition. NCLAT opined that imposition of forensic audit and calling for the report of Forensic Audit before the Tribunal is a measure to help the Tribunal to appreciate the issue on the basis of an independent report so as to ensure that the case is processed with due regard to rights and obligations of contesting parties would be in the interest of justice.
- In the matter of *Jayshree Damani vs. Atlas Copco (India) Ltd.*, NCLAT upheld the order of NCLT, Mumbai bench and held that the directions issued by the NCLT and modification proposed by the Board of Directors are the practical method to ensure that the shareholders who want to retain his shares are able to do so which does prejudice them. The company has done its duty as per statutory requirements of the Companies Act, 2013 by intimating their shareholders, if the shareholder has not attended the EOGM, it is their sweet will but they have to go with decision taken in the matter.

Prepared by Directorate of Academics

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

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"To be a global leader in promoting
good corporate governance"

ICSI Motto
सत्यं वद। धर्मं चर।
कृत्स्नं चेत् प्रजायते श्रेयते इयं चेत् प्रजा।

MISSION
"To develop high calibre professionals
facilitating good corporate governance"

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Info Capsule

Tuesday
August 04, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

Temporary Relaxation in Regulations 46BA and 46BB of the Company Secretaries Regulations 1982

MCA has approved the recommendation for the extension of application of the Regulations 46BA and 46BB of the Company Secretaries Regulations 1982. With this, the period for compulsory switchover of training is extended further for a period of six months i.e. upto February 2, 2021.

Further, the students are allowed to commence their 21 Months Practical Training after completion of 15 Days EDP in online mode instead of One Month EDP. However, the students are required to complete the remaining 15 Days of EDP in classroom mode within six months of commencement of their Practical training.

https://www.icsi.edu/media/webmodules/Notification_030820.pdf

❖ Ministry of Corporate Affairs

MCA vide notification dated July 28, 2020 notified the National Company Law Tribunal and National Company Law Appellate Tribunal (Procedure for Investigation of Misbehavior or Incapacity of Chairperson, President and other Members) Rules, 2020.

<http://egazette.nic.in/WriteReadData/2020/220734.pdf>

❖ NCLAT

NCLAT has issued Revised Standard Operating Procedure for Advocate/ Authorised Representative / Party-in-Person for mentioning the matter for hearing through virtual mode.

<https://nclat.nic.in/Useradmin/upload/5060879105f243346eb20c.pdf>



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❖ Securities Laws

SEBI CIRCULAR

• Procedural Guidelines for Proxy Advisors (August 3, 2020)

Regulation 24(2) read with 23(1) of SEBI (Research Analyst) Regulations, 2014 mandates proxy advisors to abide by Code of Conduct specified therein. In this regard SEBI has decided that proxy advisors shall, inter alia, formulate the voting recommendation policies and disclose the updated voting recommendation policies to its clients. Proxy Advisors shall ensure that the policies should be reviewed at least once annually. The voting recommendation policies shall also disclose the circumstances when not to provide a voting recommendation.

https://www.sebi.gov.in/legal/circulars/aug-2020/procedural-guidelines-for-proxy-advisors_47250.html

• Expression of Interest for Development of Virtual Museum of Securities Market (July 30, 2020)

SEBI is looking for engaging agency(ies)/ organization(s) for developing virtual museum for securities market and invites Expression of Interest (EOI) from companies/firms (Bidders). The Museum is intended to be a visual online history of evolution, achievements and milestones in the Indian securities market over decades in terms of market infrastructure, regulation, enforcement, etc. told through photos, videos, articles, media clippings, etc.

<https://www.sebi.gov.in/sebiweb/about/AboutAction.do?doTender=yes>

SEBI ORDER (July 31, 2020)

SEBI granted relaxation to Wintac Limited and its Promoter, from the strict enforcement of the requirements under Regulations 8(1)(d), 10(1) and 12(1) of the Delisting Regulations 2009, as requested in the application, subject to the conditions stated in the order.

https://www.sebi.gov.in/enforcement/orders/jul-2020/order-in-the-matter-of-delisting-of-equity-shares-of-wintac-limited_47221.html

ADJUDICATION ORDER (July 31, 2020)

SEBI, in the matter of Parichay Investment Ltd., imposed a penalty of Rs. 1.20 crore on 16 individuals being related or connected with one another. These 16 individuals had executed trades which were manipulative and indulged in trades with manipulative intent to create misleading appearance of trading. These practices certainly are in the nature of causing possible adverse impact in disturbing the equilibrium of fair market mechanism and inducing investors.

https://www.sebi.gov.in/enforcement/orders/jul-2020/adjudication-order-in-respect-of-16-entities-in-the-matter-of-parichay-investment-limited_47230.html

❖ **Banking & Insurance**• **Bank accounts opened under Jan Dhan Yojana crosses 40-crore mark**

As per the latest figure, there are 40.05 crore beneficiaries of this scheme and deposits in Jan Dhan bank accounts are in excess of ₹1.30 lakh crore.

<https://www.livemint.com/industry/banking/bank-accounts-opened-under-jan-dhan-yojana-crosses-40-crore-mark-11596440977419.html>

• **RBI Board to meet on 14 August, 2020 over Dividend**

According to a person aware of the matter, the Central Board of Reserve Bank of India will meet on 14 August, 2020 to discuss the dividend transfer to the Government. The Government has budgeted ₹60,000 crore as dividends from RBI and state-run banks and financial institutions, as per Union Budget 2020-21.

<https://www.livemint.com/industry/banking/rbi-board-to-meet-on-14-august-over-dividend-11596503787477.html>

• **ECLGS : Banks sanction Rs. 1.36 lakh crore under Emergency Credit Scheme, says CARE Ratings**

As per the CARE Ratings Report, released Both public and private sector banks, have sanctioned Rs. 1.36 lakh crore in about 40 lakh accounts under the Emergency Credit Line Guarantee Scheme (ECLGS) till July 29, 2020 The total sanctioned amount works out to be 46 per cent of the target of Rs. 3 lakh crore set up by the Government while announcing the relief package for industry, especially the MSME sector, which was hit hard by the coronavirus pandemic.

<https://www.financialexpress.com/industry/banking-finance/eclgs-banks-sanction-rs-1-36-lakh-crore-under-emergency-credit-scheme-says-care-ratings/2043791/>

• **RBI's Draft Code on Governance : Private Banks CEOs likely to get 15 years Tenure**

The tenure of Chief Executive Officers (CEOs) of private banks, be they promoters or professionals, may be capped at 15 years. This could be the part of revisit of Central Bank's Draft Code on Governance, to which banks have given their responses. The other change on the cards is to make CEOs the part of the Risk Management Committee (RMC) and an invitee to Audit Committee (AC) meetings. The chairman's presence on key committees may be decided by the board, based on the expertise of the incumbent.

https://www.business-standard.com/article/finance/rbi-s-draft-code-on-governance-private-bank-ceos-may-get-tenure-of-15-yrs-120080301695_1.html

❖ **Indirect Tax****Goods and Services****Gujarat High Court allows refund of tax on Input Services under Inverted Duty Structure**

In a relief to businesses, the Gujarat High Court ruled that companies can claim refund using Unutilized Tax Credit arising from Input Services under the Inverted Duty Structure. Gujarat High Court observed that disallowing refund of the tax paid on input services is contrary to the Central Goods and Services Tax Act.

https://www.business-standard.com/article/companies/gujarat-hc-allows-tax-credit-on-services-under-gst-signalling-help-to-cos-120080300465_1.html

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37687.91 (+748.31)
Nifty 50	11095.25 (+203.65)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
74.66 (+0.06%)	87.92 (-0.45%)	97.69 (-0.21%)	0.70 (-0.72%)

❖ Business and Economic News

- As per the Report of Registrar of Companies (RoC), Hyderabad, submitted to the Union Ministry of Corporate Affairs (MCA) and other statutory authorities, it is affirmed that Karvy Stock Broking Ltd (KSBL) raised loans by pledging shares of its clients and diverted around ₹1,100 crore to group companies like Karvy Realty
<https://timesofindia.indiatimes.com/city/hyderabad/karvy-pledged-clients-securities-to-raise-funds-registrar-of-companies/articleshow/77346830.cms>
- SEBI in its filing for the Franklin Templeton Case in Karnataka High Court has said that Reopening for transactions under six debt schemes of Franklin Templeton that were previously wound down, will have a contagion risk on the entire mutual fund industry. The court is hearing the four cases filed by investors who challenged the fund house's decision to wind down the six debt schemes without the consent of unit holders.
<https://www.livemint.com/market/stock-market-news/reopening-ft-schemes-will-have-a-contagion-risk-sebi-11596413093019.html>
- The use of 'non-funded' fixed deposits (FDs) as collateral to get a trading limit in equity and commodity markets has come under the scanner of the SEBI. The regulator has sought details of 'cash collaterals' from Exchanges' Clearing Corporations (CC), where private banks promise ₹100 worth FDs against ₹50 actually deposited by a broker.
<https://www.thehindubusinessline.com/markets/stock-markets/non-funded-fds-as-collateral-under-sebi-lens/article32254494.ece>
- The falling fixed deposit rates of banks should not be a driving force for retail investors to put their money in the capital market, and they should revalidate their investment strategies carefully during the current COVID-19 crisis.
<https://www.livemint.com/news/india/falling-fd-rates-shouldn-t-be-driving-you-to-buying-stocks-sebi-official-11596254507961.html>
- The Supreme Court has started uploading the translated version of its judgements in more regional languages. Some judgements delivered by the Court last year and earlier this year are now seen available in Malayalam, Tamil and Punjabi.
<https://www.livelaw.in/news-updates/sc-started-uploading-judgments-in-more-regional-languages-160909>

❖ Pronouncement

Section 138 NI Act : Cheque Not Valid If Amount Written Is Uncertain, Holds Delhi Court

Delhi Court in the matter of *M/s Shree Tyres vs. M/s Bridgestone India Private Limited* has recently held that an instrument cannot be termed as a cheque, if it does not specify a "certain amount" of money to be paid to a certain person. Thus if the amount is written on the instrument is "absurd" the same cannot be called a cheque and it will not draw any legal consequences under the Negotiable Instruments Act, 1881.

The Hon'ble Court clearly observed that in the present case, as Instrument presented was not a cheque within the definition of Section 6 of NI Act, a notice for subsequent dishonor of such instrument will not impose liability upon drawee either for non compliance and for non-issuance of fresh cheque.

<https://www.livelaw.in/news-updates/section-138-ni-act-cheque-not-valid-if-amount-written-is-uncertain-holds-delhi-court-read-order-160895>

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