

Info Capsule

Tuesday
March 09, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Legal News

Supreme Court to end extended limitation period given to litigants for filing appeals (March 08, 2021)

The Supreme Court has decided to end the extended limitation period granted to litigants for filing appeals. A Bench led by Chief Justice of India (CJI) S.A. Bobde, on March 23 last year, invoked its extraordinary powers under Article 142 of the Constitution to extend the limitation period of appeals from courts or tribunals due to the pandemic. The limitation period was extended with effect from March 15, 2020.

In an order issued on March 08, 2021, the Bench ended this arrangement, keeping in mind the improved situation in the country and the fact that courts have started functioning.

For details:

<https://www.thehindu.com/news/national/supreme-court-to-end-extended-limitation-period-given-to-litigants-for-filing-appeals/article34021247.ece>



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❖ Securities Laws and Capital Markets

SEBI Circular

Amendments to provisions in SEBI Circular dated September 16, 2016 on Unique Client Code (UCC) and mandatory requirement of Permanent Account Number (PAN) (March 8, 2021)

SEBI has modified certain provisions of SEBI circular dated September 16, 2016 in order to rationalize the compliance requirement of collecting and maintaining copies of PAN of clients by members of the exchanges having commodity derivatives segment and enhance the use of e-PAN. The amendment provides that it shall be mandatory for the members of the exchanges having commodity derivatives segment to use Unique Client Code (UCC) for all clients transacting on the commodity derivative segment. In the Union budget 2020, launch of instant PAN facility was announced and subsequently, Income Tax (IT) department launched the facility of e-PAN which is generated instantly through Aadhaar-based e-KYC.

For details:

https://www.sebi.gov.in/legal/circulars/mar-2021/amendments-to-provisions-in-sebi-circular-dated-september-16-2016-on-unique-client-code-ucc-and-mandatory-requirement-of-permanent-account-number-pan-_49417.html

❖ Terminology for today

Free Cash Flows to the Firm

This is the cash flow available for distribution among all the securities holders of an organization (i.e. debt holders, equity holders, etc.). The standard definition is $EBIT \times (1 - \text{Tax Rate}) + \text{Depreciation \& Amortization} \pm \text{Changes in Working Capital} - \text{Capital Expenditure}$.

❖ **Direct Tax**

CBDT Notifies Rule 3B Prescribing Computation of Perquisite for Annual Accretion in PF and Other Funds u/s 17(2)(vii) for excess contribution by Employer Over Rs. 7,50,000 [Notification No. 11 Dated March 5, 2021]

Finance Act, 2020 has amended the provisions of section 17(2)(vii) of the Income tax Act to provide that the amount or the aggregate amounts of any contribution made by the employer in respect of the assessee, to the account of an assessee in a recognised provident fund; in the scheme referred to in sub-section (1) of section 80CCD (NPS); and in an approved superannuation fund shall be treated as a perquisite, to the extent it exceeds Rs. 7,50,000 in a previous year.

Further, Finance Act, 2020 has inserted a new sub-clause (vii) in section 17(2) so as to provide that annual accretion by way of interest, dividend or any other amount of similar nature during the previous year to the balance at the credit of the fund or scheme referred to in sub-clause (vii) may also be treated as perquisite to the extent it relates to the contribution referred to in the said new sub-clause (vii), which is included in total income and shall be computed in the prescribed manner.

The manner of computation of such annual accretion in the provident and other welfare funds specifying the method of computation of perquisite u/s 17(2)(vii) is now notified by this Notification 11 of 2021.

For details:

https://incometaxindia.gov.in/communications/notification/notification_no_11_2021.pdf

❖ **Indirect Tax**

- **GST e-invoicing mandatory for the taxpayers having aggregate turnover exceeding Rs. 50 Crores from April 01, 2021- Notification No. 5/2021 – Central Tax (March 08, 2021)**

This notification seeks to implement e-invoicing for the taxpayers having aggregate turnover exceeding Rs. 50 Cr from April 01, 2021. This will be the third phase of e-invoicing roll out, which was rolled out for entities with Rs. 500 crore and more aggregate turnover from October 1, 2020 and was later extended to entities with aggregate turnover Rs. 100 crore and above from January 1, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-05-central-tax-english-2021.pdf;jsessionid=2AA876D2687C5F76F1A0950CF3BAA49C>

- **GSTIN not mandatory for MSME Udyam registration (March 08, 2021)**

The Ministry of Micro, Small, and Medium Enterprises (MSME) notified that GSTIN is not mandatory for MSME Udyam Registration. The government has earlier provided that PAN and GSTIN is mandatory with effect from March 31, 2021 for MSME Udyam Registration has now relaxed the condition and provided that the exemption from the requirement of having GSTIN shall be as per the provisions of the Central Goods and Services Tax Act, 2017.

For details:

<https://www.taxscan.in/gst-gstin-not-mandatory-for-msme-udyam-registration-notifies-central-govt/104232/>

❖ **Banking and Insurance**

- **Reserve Bank loosens grip on yields at auction to leave traders guessing (March 9, 2021)**

Rising yields at India's latest government bond auction are signaling the central bank may be reluctantly accepting higher borrowing costs amid a global rout. The Reserve Bank of India sold some of 10-year debt at 6.22 per cent on March 05, 2021, compared with about 6 per cent in previous auctions. That's after a spike in U.S. Treasury yields and oil prices pushed borrowing costs higher globally.

For details:

https://www.business-standard.com/article/finance/reserve-bank-loosens-grip-on-yields-at-auction-to-leave-traders-guessing-121030900185_1.html

- **Banks write-off Rs 1.15 lakh crore in 9 months of FY21: Anurag Singh Thakur (March 08, 2021)**

Banks have written off bad loans to the tune of Rs 1.15 lakh crore during the first three-quarters of the current fiscal, the Lok Sabha was informed on March 08, 2021. As per RBI guidelines and policy approved by bank Boards, non-performing loans, including those in respect of which full provisioning has been made on completion of four years, are removed from the balance-sheet of the bank concerned by way of write-off, Minister of State for Finance Anurag Singh Thakur said in a written reply to the Lok Sabha.

For details:

https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-write-off-rs-1-15-lakh-crore-in-9-months-of-fy21-anurag-singh-thakur/articleshow/81397727.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Consolidated Regulations (March 08, 2021)**

For the benefit of regulated entities, the Insurance Regulatory and Development Authority of India (IRDAI), has consolidated all the regulations pertaining to the respective subjects (e.g. Health, TPA, Advt. etc.) and made available at one place.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4133&flag=1

❖ Market Watch

Stock Market Indices as on 09.03.2021

S & P BSE Sensex	51025.48 (+584.41)
Nifty 50	15098.40 (+142.20)

Foreign Exchange Rates as on 08.03.2021

(<https://www.fbil.org.in/#/home>)

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR/ 1 JPY
73.0023	100.9247	86.9117	.6733

Prepared by Directorate of Academics

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