

Info Capsule

Friday
October 02, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ **Indirect Tax**

Goods and Services Tax updates

Special Procedure for e-invoices - Notification No. 73/2020 - Central Tax (October 01, 2020)

The Central Government, hereby notifies the registered persons required to prepare the tax invoice in the manner specified under sub-rule (4) of rule 48 of the CGST Rules, 2017, who have prepared tax invoice in a manner other than the said manner, as the class of persons who shall, during the period from the 1st day of October, 2020 to the 31st day of October, 2020, follow the special procedure such that the said persons shall obtain an Invoice Reference Number (IRN) for such invoice by uploading specified particulars in FORM GST INV-01 on the Common Goods and Services Tax Electronic Portal, within thirty days from the date of such invoice, failing which the same shall not be treated as an invoice

For details :

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-73-central-tax-english-2020.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 CIRCULARS

- **Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default- Extension of timeline for submission of the Undertaking cum Indemnity bond by the Trading members (TMs) / Clearing Members (CMs) for all the bank accounts (October 1, 2020)**

In terms of clause 9 of SEBI circular dated July 01, 2020 on the captioned subject, TMs / CMs are required to provide a list of all their bank accounts to the Stock Exchanges (SEs) / Clearing Corporations (CCs) and the SEs / CCs shall obtain an Undertaking cum Indemnity bond from the TM within 90 days from the date of the said SEBI circular. In view of the prevailing situation due to Covid-19 pandemic, SEBI has extended the timeline for submission of the Undertaking cum Indemnity bond by the TM / CM for all the bank accounts by a period of one month i.e. till October 31, 2020.

For details: https://www.sebi.gov.in/legal/circulars/oct-2020/standard-operating-procedure-in-the-cases-of-trading-member-clearing-member-leading-to-default-extension-of-timeline-for-submission-of-the-undertaking-cum-indemnity-bond-by-the-trading-members-tm-_47780.html

- **Relaxation in timelines for compliance with regulatory requirements (October 1, 2020)**

In view of the prevailing Covid-19 pandemic, SEBI has decided to further extend the timelines / period of exclusion for compliance with the regulatory requirements by the trading members / clearing members, as mentioned in the SEBI circulars issued earlier, till December 31, 2020.

For details: https://www.sebi.gov.in/legal/circulars/oct-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_47778.html

- **Framework for monitoring of Foreign Holding in Depository Receipts (October 1, 2020)**

The framework for issuance of Depository Receipts ('DRs') by a Listed Company was notified by SEBI vide Circular dated October 10, 2019. The said Circular provided that Indian Depositories shall have necessary arrangement with the Domestic Custodian and / or Foreign Depository. For this purpose, SEBI vide its circular dated October 1, 2020 issued the broad operational guidelines and placed at annexure to the circular. Indian Depositories, in consultation with each other and market participants, may prescribe the formats and other details, as may be necessary.

For details: https://www.sebi.gov.in/legal/circulars/oct-2020/framework-for-monitoring-of-foreign-holding-in-depository-receipts_47777.html

- **Review of provisions regarding Valuation of Debt and Money Market Instruments due to the COVID - 19 pandemic. (October 1, 2020)**

SEBI has prescribed that discretion needs to be provided to valuation agencies engaged by Association of Mutual Funds in India (AMFIs) / Asset Management Companies (AMCs) for recognition of default in case proposal of restructuring of debt is solely due to COVID-19 related stress. Further, if the valuation agency, based on its assessment of the proposal, is of the view that the proposed restructuring is solely due to fallout of COVID-19 pandemic then the valuation agency may not consider the restructuring / non receipt of the dues as a default for the purpose of valuation of money market or debt securities held by Mutual Funds.

For details: https://www.sebi.gov.in/legal/circulars/oct-2020/circular-on-review-of-provisions-regarding-valuation-of-debt-and-money-market-instruments-due-to-the-covid-19-pandemic_47779.html

- **ADJUDICATION ORDER IN THE MATTER OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") (October 1, 2020)**

SEBI imposed a penalty of Rs. 6 crore on NSE for alleged violations of engaging, directly and/ or through its wholly owned subsidiary NSE Strategic Investment Corporation Ltd. ("NSICL"), in activities that are unrelated/non-incident to its activities as a stock exchange by way of acquisition of stake in PXIL, CAMS, NSEIT Limited, NEIL, MSIL, and RXIL without seeking approval of SEBI and thus, it has violated the provisions of regulation 38(2) of SECC 2018 read with regulation 41(3) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

For details: https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-the-matter-of-national-stock-exchange-of-india-limited_47776.html

- **❖ Banking and Insurance**

- **Finance Minister bats for Regional Language usage in Banking (October 02, 2020)**

Finance minister Nirmala Sitharaman on the occasion of virtual launch of a uniform t S uniform training programme, including modules on preventive vigilance, for induction and mid-level training for officers of public sector banks on Thursday, October 1, 2020, said that state-owned banks should consider focusing on regional languages for better customer service, especially in areas where people are not conversant with Hindi

For details : <https://www.livemint.com/industry/banking/fm-bats-for-regional-language-usage-in-banking-11601607326639.html>

- **SBI appoints former EY Partner Charanjit Attra as new CFO (October 02, 2020)**

State Bank of India on Thursday, October 1, 2020, announced the appointment of Charanjit Attra as its new Chief Financial Officer, the lender said in an exchange filing. Attra is one of SBI's latest lateral hires and will report to J Swaminathan, Deputy Managing Director of the finance department. Prior to joining SBI, Attra worked as a partner at global consulting firm EY.

For details : <https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-appoints-former-ey-partner-charanjit-attra-as-new-cfo/articleshow/78440701.cms>

- **New debit card, credit card rules: Everything you need to know (October 01, 2020)**

In a bid to make transactions through debit cards and credit cards more secure and convenient, the Reserve Bank of India (RBI) has issued new guidelines that have come into effect from October 1, 2020.

For details : <https://indianexpress.com/article/business/banking-and-finance/rbi-new-debit-card-credit-card-guidelines-effective-october-2020-6663109/>

❖ **Business and Economic News**

• **Union Budget 2021 : Finance Ministry to start budgetary exercise from October 16 (October 2, 2020)**

Finance Ministry will kick off exercise for the Union Budget 2021-2022 on October 16. The Budget is expected to be presented on February 1, which is the first working day in that month

For details: https://www.business-standard.com/budget/article/union-budget-2022-finance-ministry-to-start-budgetary-exercise-from-oct-16-120100200159_1.html

• **PM Modi to inaugurate Global Summit on Artificial Intelligence on October 5 (October 2, 2020)**

Prime Minister Narendra Modi will inaugurate a global virtual summit on Artificial Intelligence (AI), RAISE 2020 - 'Responsible AI for Social Empowerment 2020' on October 5

For details: https://www.business-standard.com/article/economy-policy/pm-modi-to-inaugurate-global-summit-on-artificial-intelligence-on-oct-5-120100200106_1.html

❖ **Judicial Pronouncement**

September 30, 2020	Mr. Pankaj Kumar Mishra (Appellant) vs. Registrar of Companies, Mumbai & Ors.(Respondents)	NCLAT
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Fact of the case

The name of the Company (Viking Ship Mangers Pvt. Ltd.) was struck off by ROC Mumbai from the Register of Companies. The Principal Commissioner of Income Tax-15, Mumbai (Respondent No. 2 herein) challenged the order of ROC before the NCLT, Mumbai bench under Section 252 of the Companies Act, 2013 stating that this strike-off will cause huge loss of revenue to the Government of India. The NCLT without serving any notice to the Company, allowed the appeal and directed to restore the name of the company in the Register of Companies.

Being aggrieved with this order, Appellant submitted that Section 252 (1) of the Companies Act, 2013, provides that before passing any order under this Section, the Tribunal shall give a reasonable opportunity of making representations and of being heard to the Registrar, the Company and all the persons concerned. Rule 37 of the NCLT Rules, 2016 also provides that the Tribunal shall issue notice to the Respondent to show cause against the Application or Petition on date of hearing to be specified in the notice.

Judgement

The NCLAT held that without giving any opportunity of being heard, the order has been passed by the NCLT. Hence, the order is not sustainable in law. Therefore, it is set aside and the matter is remitted back to the NCLT, Mumbai bench with the direction that after hearing the parties decide the said appeal under Section 252 of the Companies Act, 2013.

For details: <https://nclat.nic.in/Useradmin/upload/17774977815f74795337df0.pdf>

Prepared by Directorate of Academics

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

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