

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=txt&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>

Prepared by Directorate of Academics

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

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