

Info Capsule

Wednesday, July 08, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ **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



**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 (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

Prepared by Directorate of Academics

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

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