

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/notfns-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/notfns-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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MISSION
"To develop high calibre professionals
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