

Info Capsule

Monday, July 20, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

ICSI has published various decisions taken in the council meeting held on June 29, 2020 and July 13, 2020.

https://www.icsi.edu/media/webmodules/269_important_decisions.pdf

❖ COVID - 19 Regulatory Update : Volume - 3

The Institute has published Volume 3 of 'COVID 19- Regulatory Updates', covering the initiatives of Judiciary, Ministries and Regulators during the course of this pandemic.

https://www.icsi.edu/media/webmodules/COVID19-REGULATORYUPDATES_VOL3.pdf

❖ Ministry of Finance

Finance Commission starts looking into Disaster Management Laws in view of Pandemic

In a bid to ensure that the states are better prepared to face future health emergencies, the Fifteenth Finance commission has started looking into the scope and need for expanding the ambit of the country's laws related to disaster management. It is studying the existing laws to see if they can cover pandemic situations more comprehensively, while making it clear that if new legislation is required, it is up to the home ministry to come up with it and Parliament to take the decision.

<https://economictimes.indiatimes.com/news/economy/policy/finance-panel-weighs-need-to-reshape-disaster-management-act-laws-to-fight-pandemics/articleshow/76881292.cms>



**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 (Prohibition of Insider Trading) (Amendment) Regulations, 2020 (July 17, 2020)

SEBI amends the provisions of Prohibition of Insider Trading Regulations which inter alia provides that the board of directors or head of the organisation of every person required to handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation.

[http://egazette.nic.in/\(S\(xw3ncep1azgyvdij333apbfw\)\)/SearchNotificationDate.aspx](http://egazette.nic.in/(S(xw3ncep1azgyvdij333apbfw))/SearchNotificationDate.aspx)

SEBI Circulars

• **SEBI (Real Estate Investment Trusts) Regulations, 2014 (July 17, 2020)**

The provisions of regulation 22(6A) and Regulation 22(8) of SEBI (REIT) Regulations provide for exit option to be given to dissenting unit holders of Real Estate Investment Trusts (REITs). In this regard, SEBI has issued guidelines with respect to conditions, manner and mechanism of exit option to be provided to dissenting unit holders. SEBI further mandated that the acquirer providing exit option must appoint one or more SEBI registered merchant bankers (as a lead manager) to facilitate the exit option/offer and ensure compliance with the provisions of SEBI (REIT) Regulations and circulars.

https://www.sebi.gov.in/legal/circulars/jul-2020/manner-and-mechanism-of-providing-exit-option-to-dissenting-unit-holders-pursuant-to-regulation-22-6a-and-regulation-22-8-of-sebi-real-estate-investment-trusts-regulations-2014_47084.html

• **SEBI (Infrastructure Investment Trusts) Regulations, 2014 (July 17, 2020)**

The provisions of regulation 22(5C) and Regulation 22(7) of SEBI (InvIT) Regulations provide for exit option to be given to dissenting unit holders of Infrastructure Investment Trust (InvITs). In this regard, SEBI has issued guidelines with respect to conditions, manner and mechanism of exit option to be provided to dissenting unit holders. SEBI further mandated that the acquirer providing exit option must appoint one or more SEBI registered merchant bankers (as a lead manager), to facilitate the exit option/offer and ensure compliance with the provisions of SEBI (InvIT) Regulations and circulars.

https://www.sebi.gov.in/legal/circulars/jul-2020/manner-and-mechanism-of-providing-exit-option-to-dissenting-unit-holders-pursuant-to-regulation-22-5c-and-regulation-22-7-of-sebi-infrastructure-investment-trusts-regulations-2014_47083.html

SEBI Order

In the matter of L.N. Industries India Ltd., two entities allegedly entered into synchronized and reversal trades that created a misleading appearance of trading and manipulated the price of the scrip. SEBI with this order warned these entities to discontinue any similar arrangement/agreement entered into by them with the stock broker for placing orders on their behalf and are advised to be careful and cautious as regards their conduct of trades in the securities markets henceforth. (July 17, 2020)

https://www.sebi.gov.in/enforcement/orders/jul-2020/final-order-in-the-matter-of-l-n-industries-india-ltd-_47081.html

❖ **Direct Tax**• **CBDT to start e-Campaign on Voluntary Compliance of Income Tax for FY 2018-19 from July 20, 2020**

The objective of the e-campaign is to facilitate taxpayers to validate online their tax/financial transaction information available with the IT Department, especially for the assessee(s) for FY 2018-19 and promote voluntary compliance, so that they do not get into notice and scrutiny process etc.

<https://pib.nic.in/PressReleasePage.aspx?PRID=1639664>

• **New Form 26AS is the Faceless hand-holding of the Taxpayers**

The new Form 26AS is the faceless hand-holding of the taxpayers to e-file their income tax returns quickly and correctly. From this Assessment Year, taxpayers will see an improved Form 26AS which would carry some additional details on taxpayers' financial transactions as specified in the Statement of Financial Transactions (SFTs) in various categories.

<https://pib.nic.in/PressReleasePage.aspx?PRID=1639593>

❖ **Banking and Insurance****Guidelines on Settlement of Claims on Treatment at 'Make-Shift or Temporary Hospitals' as permitted by Government**

In order to ensure that the costs of treatment of COVID – 19 are covered as per the terms and conditions of policy contract, a make-shift or temporary hospital permitted by Central / State government shall be regarded as a hospital or network provider and insurers shall settle the claims as per the following norms.

- a) Where a policyholder who is diagnosed as COVID-19 positive is admitted into any such make-shift or temporary hospital on the advice of a medical practitioner or appropriate Government authorities, notwithstanding the definition of hospital specified in the terms and conditions of policy contract, the treatment costs shall be settled by insurers.
- b) Where any network provider has set up any such make-shift or temporary hospital, such make-shift or temporary hospital shall be regarded as the extension of the network provider and cashless facility shall be made available.

https://www.irdai.gov.in/ADMINCMS/cms/Circulars_Layout.aspx?page=PageNo4189

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37418.99 (+398.85)
Nifty 50	11022.20 (+120.50)

Reference Rate

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.78 (-0.26%)	93.88 (-0.30%)	85.34 (-0.15%)	0.70 (-0.28%)

❖ **News Related to Data Protection**

• **Data Protection Authority should be sole Data Regulator in India : CUTS**

As per the Deputy Executive Director of CUTS International, The Data Protection Authority should be the *Sole Data Regulator* in the country. He further added that there was a need to adopt a 'whole government system approach' towards data regulation.

<https://telecom.economictimes.indiatimes.com/news/data-protection-authority-should-be-sole-data-regulator-in-india-cuts/76997738>

• **Start-ups will play a vital role in Data Protection and Privacy : IT Minister Ravi Shankar Prasad**

With the country talking about becoming Atmanirbhar, or self-reliant, the Minister for Electronics and IT spoke about data privacy and what the new data privacy bill offers. He said that entrepreneurs in India should be encouraged to make India a data and digital powerhouse.

<https://yourstory.com/2020/07/startups-data-protection-privacy-ravi-shankar-prasad>

• **Work from Home: Cyber Security, Contact-Tracing Apps are Serious Threats. What's the way forward?**

As the world settles into the work-from-home mode, there's been a new challenge to contend with: cyber security. Add to these contact-tracing apps, which can lead to breach of privacy, and the scenario becomes even grimmer. This makes the world and regulator to find a way forward.

<https://www.financialexpress.com/industry/technology/work-from-home-cyber-security-contact-tracing-apps-are-serious-threats-whats-the-way-forward/2028260/>

• **Parliamentary Committee on Data Protection Bill to now meet on July 27**

The Joint Parliamentary Committee on the Personal Data Protection Bill will meet on July 27, 2020. Virtual meetings are still not allowed. Representatives from the Ministry of Home Affairs, Ministry of Electronics and Information Technology, UIDAI, National Crime Records Bureau (NCRB), National Investigation Agency (NIA) and Narcotics Control Board (NCB) are scheduled to depose before the members in the first meeting after a break of four months caused by the COVID-19 pandemic.

<https://www.medianama.com/2020/07/223-jpc-pdp-bill-july-27/>

• **With release of e-commerce guidelines, level playing field for e-shoppers**

The Ministry of Consumer Affairs has drafted comprehensive guidelines to govern the consumer engagement of e-commerce companies, and any grievance can be taken to the consumer protection commissions.

<https://www.theweek.in/news/biz-tech/2020/07/19/with-release-of-e-commerce-guidelines-level-playing-field-for-e-shoppers.html>

❖ **Pronouncements**

- NCLAT in the matter of *Monotrone Leasing Private Limited vs. PM Cold Storage Private Limited*, wherein the Adjudicating Authority has rejected the Application on the ground that the Adjudicating Authority cannot act as a Recovery Tribunal, has allowed the appeal and directed to the Adjudicating Authority to pass the order of admission within 7 days from the date of order.

<https://nclat.nic.in/Useradmin/upload/16912820575f10377c41cad.pdf>

- NCLAT in the matter of *Vivek Bansal vs. Burda Druck India Pvt. Ltd. & Another* allowed exit from the 'Corporate Insolvency Resolution Process' upon execution of the 'Settlement Agreement' between the parties. However, NCLAT permitted to the Operational Creditor to seek revival/restoration of the 'corporate insolvency resolution process' proceedings before the Adjudicating Authority in the event of default not adhering to the terms of 'Settlement Agreement' as regards the payment of the outstanding instalments.

<https://nclat.nic.in/Useradmin/upload/981366145f0fe06f9f132.pdf>

Prepared by Directorate of Academics

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

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