

Info Capsule

Thursday, July 30, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

ICSI has sent a representation to SEBI to issue further clarification regarding the use of digital signatures w.r.t. authentication / certification of any filing/submission made to stock exchanges under the SEBI Listing Obligation and Disclosure Requirements, 2015 until October 31, 2020.

https://www.icsi.edu/media/webmodules/Request_for_extn_of_Relaxations.pdf

❖ Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) vide notification dated July 24, 2020 has designated the Court of Chief Judicial Magistrate, Kamrup (M) at Guwahati as Special Court for the purposes of providing speedy trial of offenses under clause (b) of sub-section (2) of section 435 of the Companies Act, 2013.

http://www.mca.gov.in/Ministry/pdf/NotificationCompAct_28072020.pdf

❖ Central Board of Direct Tax

CBDT extends FY 2018-19 Income Tax Return Filing Deadline from July 31, 2020 to September 30, 2020.

In view of the constraints due to the COVID pandemic & to further ease compliances for taxpayers, CBDT extends the due date for filing of Income Tax Returns for FY 2018-19 (AY 2019-20) from July 31, 2020 to September 30, 2020. This is the third extension given by the government for taxpayers to file both original and revised tax returns for 2018-19. In March 2020, the due date was extended from March 31, 2020 to June 30, 2020. Later in June 2020, it was again extended by a month till July 31, 2020.

<http://www.egazette.nic.in/WriteReadData/2020/220749.pdf>



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(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Union Cabinet

New Education Policy : Highlights

With a view of changing the educational landscape of India, Union Cabinet approved a New Education Policy on July 29, 2020, reflecting the needs of 21st-Century. Highlights of New Education Policy are as discussed as below:

- Universalization of ECCE to Secondary Education by 2034, aligning with SDG4
- Attaining Foundational Learning and Numeracy Skills through National Mission by 2025
- 100% GER in Pre-School to Secondary Level by 2030
- New Curricular and Pedagogical Structure
- Making India a Global Study Destination
- Education in Local Language
- National Research Foundation
- Rashtriya Shiksha Aayog
- Strengthening the technological aspect in studies, e-courses will be introduced in regional languages, virtual labs will be developed and a National Educational Technology Forum (NETF) will also be created.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1642061>

❖ Indirect Tax

Goods and Services Tax Updates

1. GST Council can Take Call on borrowing from Market to Compensate States

The Central Government revenues have taken a hit due to COVID. The Attorney General has said the GST Council can decide whether a market borrowing mechanism can be established to compensate states for revenue loss due to implementation of GST.

<https://economictimes.indiatimes.com/news/economy/policy/gst-council-can-take-call-on-borrowing-from-market-to-compensate-states-attorney-general/articleshow/77252359.cms>

2. States face fresh pressure for GST Rate Rationalisation

States are under fresh pressure to agree to rationalisation of GST rates by reworking slabs and raising the levy on garments and footwear as the Centre has got legal opinion to back its claim that it does not have a liability of paying compensation to the states that fail to increase collections by 14%.

<https://timesofindia.indiatimes.com/business/india-business/states-face-fresh-pressure-for-gst-rate-rationalisation/articleshow/77253036.cms>

❖ **Securities Laws & Capital Market**

Extension of time for submission of financial results for the quarter/half year/ financial year ended 30th June 2020 (July 29, 2020)

SEBI has extended the timeline for submission of financial results under Regulation 33 of the LODR Regulations, for the quarter/half year/financial year ended 30th June 2020, to September 15, 2020. The extension is granted due to the shortened time gap between the extended deadline for submission of financial results for the period ended March 31, 2020 (31st July) and the quarter/half year ended June 30, 2020 (14th August).

https://www.sebi.gov.in/legal/circulars/jul-2020/extension-of-time-for-submission-of-financial-results-for-the-quarter-half-year-financial-year-ended-30th-june-2020_47183.html

Implementation of SEBI Circular on 'Margin Obligations to be given by way of Pledge / Re-pledge in the Depository System' (July 29, 2020)

In view of the prevailing situation due to Covid-19 pandemic, partial lockdowns in various areas of the country, representations received from the stock brokers and stock broker associations and that the changes to the systems and software development still under progress, SEBI has decided that-

- Trading member (TM) / Clearing member (CM) shall endeavour to align their systems and accept client collateral and margin funded stocks by way of creation of pledge / re-pledge in the Depository system.
- The system of parallel acceptance of the client securities by way of title transfer shall be available only up to August 31, 2020 and no further extension shall be granted.
- TM / CM may continue to hold funded stocks in respect of margin funding in 'Client Margin Trading Securities Account' till August 31, 2020 by which date all such accounts shall be closed.

https://www.sebi.gov.in/legal/circulars/jul-2020/implementation-of-sebi-circular-on-margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system_47190.html

Relaxation in Timelines for Compliance with Regulatory Requirements (July 29, 2020)

- In view of the prevailing situation due to COVID-19 pandemic, SEBI has further extended the timelines for compliance with the regulatory requirements by Depository Participants / Registrars to an Issue & Share Transfer Agents / KYC Registration Agency till September 30, 2020. Further, a 15-day time period after September 30, 2020 is allowed to Depository / DPs, to clear the back log.

https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_47186.html

- In view of the prevailing situation due to COVID-19 pandemic, SEBI has further extended the timelines for compliance with the regulatory requirements by the Trading Members / Clearing Members / Depository Participants till September 30, 2020.

https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_47185.html

❖ **Business and Economic News**

- The National Payments Corporation of India (NPCI) has told the banking regulator that Facebook-owned messaging application WhatsApp is now fully compliant with data localisation norms.

http://timesofindia.indiatimes.com/articleshow/77228456.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- Indian ratings agency ICRA, an arm of the global ratings major Moody's, has appointed N Sivaraman, a veteran of the financial sector, as the managing director (MD) & group CEO, effective August 10, 2020.

http://timesofindia.indiatimes.com/articleshow/77247666.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **SEBI's settlement scheme could net Government Rs. 750 crore**

A rare move by SEBI to settle cases of alleged unfair trading with 14,720 entities could lead to a minimum gain of Rs. 750 crore for the national exchequer. This is assuming all the entities come forward to settle the cases.

<https://www.thehindubusinessline.com/markets/sebis-settlement-scheme-could-net-govt-750-crore/article32214866.ece>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37736.07 (-335.06)
Nifty 50	11102.15 (-100.70)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.59 (-0.02%)	87.68 (+0.20)	96.68 (+0.47%)	0.71 (+0.23%)

❖ **Banking & Insurance**

• **NBFC Assets may De-grow 1-3 per cent in FY21 as fresh Disbursements Drop Sharply: CRISIL**

The rating agency said that "assets under management of non-banking financial companies (NBFCs) are expected to de-grow 1-3 per cent in the current fiscal as fresh disbursements drop sharply". Excluding the top five NBFCs, the de-growth is expected to be even sharper at 7-9 per cent.

<https://www.financialexpress.com/industry/banking-finance/nbfc-assets-may-de-grow-1-3-per-cent-in-fy21-as-fresh-disbursements-drop-sharply-crisil/2038896/>

• **Banks need to be proactive and actively engage during COVID-19 crisis: PM Modi**

Hon'ble Prime Minister Narendra Modi joined stakeholders from Banks and NBFCs via video conference to discuss and deliberate on vision and roadmap for the country's financial future.

"The crucial role of the financial and banking system of supporting growth was discussed. It was noted that the small entrepreneurs, SHGs, farmers should be motivated to use institutional credit to meet their credit needs and grow. Each bank needs to introspect and take a relook at its practices to ensure stable credit growth. Banks should not treat all proposals with the same yardstick and need to distinguish and identify bankable proposals and to ensure that they get access to funding on their merit and don't suffer in the name of past NPAs," Prime Minister's Office said.

<https://www.livemint.com/industry/banking/banks-need-to-be-proactive-and-actively-engage-during-covid-19-crisis-pm-modi-11596042290222.html>

• **Parliamentary Committee to seek Unemployment Insurance for most of Unorganised Sector Workers**

The Parliamentary Standing Committee, while vetting the Labour Code on Social Security is likely to ask the Government to incorporate a provision of providing Unemployment Insurance for most of the unorganised sector workers, barring those working in farms and as domestic helps, in the Code.

<https://www.financialexpress.com/money/insurance/parliamentary-committee-to-seek-unemployment-insurance-for-most-of-unorganised-sector-workers/2038001/>

• **LIC Pradhan Mantri Vaya Vandana Yojana**

LIC Pradhan Mantri Vaya Vandana Yojana is a pension scheme for senior citizens, above 60 years of age which assures guaranteed pension for 10 years. Guaranteed rates of pension for policies sold during a year will be reviewed and decided at the beginning of each year by the Ministry of Finance, Government of India. The scheme was launched earlier this year on May 26, 2020.

<https://www.livemint.com/insurance/news/lic-pradhan-mantri-vaya-vandana-yojana-all-you-need-to-know-11595988440914.html>

❖ **Pronouncement**

The NCLAT, in the matter of *Sh. V.J. Paul Joseph & Ors. vs. Alexander Correya & Ors.*, upheld the order passed by NCLT, Chennai Bench and imposed a cost of Rs.10 lakh on Appellant related to various sets of oppression and mismanagement in the affairs of the company under Section 241 and 242 of the Companies Act, 2013.

NCLAT further observed that the Company in question which is a charity institution presently governed by Section 8 of the Companies Act, 2013 has been created for a noble cause and in case a person who is in the management and managing the affairs of the institution not for the purpose of noble cause but his only agenda is to execute his private agenda and to benefit one or the other person, this will seriously compromise the goodwill and reputation and will spoil the image of the company for good work done.

Prepared by Directorate of Academics

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

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