

# Info Capsule

Wednesday  
September 30, 2020

**President : CS Ashish Garg**

**Vice President : CS Nagendra D. Rao**

## ❖ Latest @ ICSI

### • Revised effective date for applicability of ICSI Auditing Standards (September 28, 2020)

In view of the corona pandemic, the mandatory applicability of the Auditing Standards is hereby further extended by the ICSI (The Institute of Company Secretaries of India) and now the Standards shall be mandatorily applicable to Audit Engagements accepted by the Auditor on or after April 1, 2021.

For details:

<https://www.icsi.edu/media/webmodules/ASB.pdf>

### • Last date for payment of Annual Membership /Certificate of Practice Fees of ICSI (September 30, 2020)

The last date for payment of Annual Membership and Certificate of Practice fees for the Financial Year 2020-2021 is today, i.e. September 30, 2020. Members are requested to pay the requisite fee.

For details:

<https://www.icsi.in/studentmembers/quicklinkAMWC.aspx>



**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 CIRCULARS

#### • Relaxation with respect to Validity of SEBI Observations and Revision in Issue Size (September 29, 2020)

SEBI has extended the relaxation mentioned at Sr. No. 1(ii) of SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/66 dated April 21, 2020 for revision in issue size upto 50% till March 31, 2021. Further, the validity of the SEBI observations expiring between October 1, 2020 and March 31, 2021 shall be extended upto March 31, 2021, subject to an undertaking from lead manager to the issue confirming compliance with Schedule XVI of the ICDR (Issue of Capital and Disclosure Requirements) Regulations, 2018 while submitting the updated offer document to the SEBI. This circular shall come into force with effect from October 01, 2020.

For details: [https://www.sebi.gov.in/legal/circulars/sep-2020/relaxation-with-respect-to-validity-of-sebi-observations-and-revision-in-issue-size\\_47719.html](https://www.sebi.gov.in/legal/circulars/sep-2020/relaxation-with-respect-to-validity-of-sebi-observations-and-revision-in-issue-size_47719.html)

### SEBI BOARD MEETING (September 29, 2020)

#### • The SEBI Board met on September 29, 2020 where it, inter-alia, took the following decisions:

- The Board approved the proposal of strengthening the role of Debenture Trustees (DT(s)) so as to protect the interest of debenture holders with the amendment carried out under SEBI (Debenture Trustee) Regulations, 1993 and SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
- The Board has decided to grant exemption from the Reverse Book Building process ("RBB") for delisting of listed subsidiary, where it becomes the wholly owned subsidiary of the listed parent pursuant to a scheme of arrangement with the amendment carried out under SEBI (Delisting of Equity Shares) Regulations, 2009.
- The Board approved the proposal to facilitate setting up of a Limited Purpose Repo Clearing Corporation.
- Introduction of Code of Conduct for Fund Managers and Dealers and further Asset Management Companies (AMCs) permitted to become self-clearing member with the amendment carried out under SEBI (Mutual Funds) Regulations, 1996.
- The Board approved amendment to SEBI (Alternative Investment Funds) Regulations, 2012 which includes definition of 'relevant professional qualification'.
- SEBI has decided that in case of initiation of forensic audits, the listed entities shall make the disclosures regarding the fact of initiation of forensic audit and Final forensic audit report to stock exchanges, without any application of materiality.
- The Board considered and approved amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the PIT Regulations") with respect to the information to be submitted by informants under the informant mechanism.

For details: [https://www.sebi.gov.in/media/press-releases/sep-2020/sebi-board-meeting\\_47739.html](https://www.sebi.gov.in/media/press-releases/sep-2020/sebi-board-meeting_47739.html)

### SEBI REGULATIONS

#### • SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 ("ICDR Regulations") (September 28, 2020)

SEBI has amended the provisions of the SEBI (ICDR) Regulations, 2018, where the threshold has been increased to Rs 50 crore from Rs 10 crore for prospective issuers to file with SEBI, the rights issue draft letter of offer for its observations. Further, it is provided that minimum subscription criteria shall not be applicable to an issuer if the object of the issue involves financing other than financing of capital expenditure for a project and the promoters and the promoter group of the issuer undertake to subscribe fully to their portion of rights entitlement and do not renounce their rights except to the extent of renunciation within the promoter group.

For details: [https://www.sebi.gov.in/legal/regulations/sep-2020/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-fourth-amendment-regulations-2020\\_47712.html](https://www.sebi.gov.in/legal/regulations/sep-2020/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-fourth-amendment-regulations-2020_47712.html)

### ❖ **Ministry of Corporate Affairs**

**MCA further extended the time till December 31, 2020, regarding creation of deposit repayment reserve of 20% u/s. 73 (2) (c) of the Companies Act 2013 and to invest or deposit 15% of amount of debentures u/r.18 of the Companies (Share capital and Debentures) Rules 2014 (September 29, 2020)**

The MCA (Ministry of Corporate Affairs) in continuation to General Circulars No. 11/2020 dated March 24, 2020 and 24/2020 dated June 19, 2020 on account of COVID-19 has further extended the time in respect of matters related to creation of a deposit repayment reserve of 20% under Section 73 (2) (c) of the Companies Act 2013 and to invest or deposit 15% of amount of debentures under Rule 18 of Companies (Share Capital and Debentures) Rules 2014 from September 30, 2020, to December 31, 2020.

For details: [http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.34\\_29092020.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.34_29092020.pdf)

### ❖ **Direct Tax**

**Guidelines under section 194-O (4) and section 206C (1-1) of the Income-tax Act, 1961 (Circular No. 17 Dated September 29, 2020)**

Finance Act, 2020 inserted following section in the Income Tax Act, 1961 effective from October 1, 2020.

**Section 194-O :** An e-commerce operator shall deduct income-tax @ 1% of the gross amount of sale of goods or provision of service or both, facilitated through its digital or electronic facility or platform.

**Section 206 (1H) :** A seller receiving an amount as consideration for sale of any goods of the value or aggregate of such value exceeding 50 lakh rupees in any previous year to collect tax from the buyer a sum equal to 0.1 % of the sale consideration exceeding 50 lakh rupees as Income-tax.

In order to remove difficulties, the Central Board of Direct Tax vide Circular No. 17 issued guidelines with respect to 194-O (4) and section 206C (1-1) of the Income-tax Act, 1961.

For details : [https://www.incometaxindia.gov.in/communications/circular/circular\\_17\\_2020.pdf](https://www.incometaxindia.gov.in/communications/circular/circular_17_2020.pdf)

### ❖ **Banking and Insurance**

#### ● **Basel III Capital Regulations - Review of Transitional Arrangements (September 29, 2020)**

It has been decided by the RBI to defer the implementation of the last tranche of 0.625 per cent of the Capital Conservation Buffer (CCB) from September 30, 2020 to April 1, 2021. Accordingly, the minimum capital conservation ratios in para 15.2.2 of Part D 'Capital Conservation Buffer Framework' of Master Circular, DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations', shall continue to apply till the CCB attains the level of 2.5 per cent on April 1, 2021.

For Details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11970&Mode=0>

#### ● **Credit demand from Priority Sectors drops to 1.9 per cent in June quarter: Report (September 29, 2020)**

Despite numerous efforts by the government to boost credit supply by offering schemes to MSMEs and other priority sectors, the same has plunged to a low 1.9 per cent in the June quarter from 10.2 per cent a year ago, according to a report. For Details: <https://www.financialexpress.com/industry/banking-finance/credit-demand-from-priority-sectors-drops-to-1-9-per-cent-in-june-quarter-report/2094460/>

#### ● **Online Financial Frauds: Digital Suraksha Group Insurance launched (September 29, 2020)**

Flipkart, India's homegrown e-commerce marketplace, and Bajaj Allianz General Insurance Company, India's leading private general insurer, have come together to offer 'Digital Suraksha Group Insurance' for customers who want to cover themselves against financial losses caused as a result of cyber-attacks, cyber frauds, or other such malicious activities across various online platforms.

For details : <https://www.financialexpress.com/money/insurance/flipkart-ties-up-with-bajaj-allianz-to-launch-cyber-insurance-to-cover-online-financial-frauds/2094085/>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	38067.93 (+94.71)
Nifty 50	11247.55 (+25.15)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.66 (+0.11%)	85.81 (+0.31%)	94.47 (+0.78%)	0.70 (+0.28%)

❖ **International Business****India may increase import duty on a chemical from Korea (September 29, 2020)**

India is likely to increase import duty on Phthalic Anhydride, a chemical used in insecticides and plastic industry, for two years from South Korea with an aim to guard domestic players from jump in the inbound shipments. The increase in duty was recommended by the commerce ministry's investigation arm DGTR after concluding a probe into an alleged increase in imports of the chemical from South Korea following complaints by domestic firms.

For details : <https://www.financialexpress.com/economy/india-may-increase-import-duty-on-a-chemical-from-korea/2094522/>

❖ **Business and Economic News****Joint Parliamentary Committee on Personal Data Protection Bill receives extension from Lok Sabha (September 26, 2020)**

The Joint Parliamentary Committee (JPC) formed to examine and provide recommendations to the Personal Data Protection Bill 2019, was given an extension to submit its report by the second week of the Winter Session in 2021. The JPC, which was formed in Lok Sabha last year, consists of 20 members from Lok Sabha and 10 from Rajya sabha respectively.

For Details: <https://www.theleaflet.in/joint-parliamentary-committee-on-personal-data-protection-bill-receives-extension-from-lok-sabha/#>

**Prepared by Directorate of Academics**

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082269

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"To be a global leader in promoting  
good corporate governance"

ICSI Motto  
सत्यं वद। धर्मं चर।  
कहाऊं ते सत्यः श्रेष्ठे तु ते वाचः

MISSION  
"To develop high calibre professionals  
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