

Info Capsule

Friday, July 31, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

SEBI Issued Circular based on the Representation of ICSI

Use of Digital Signature Certifications for Authentication / Certification of Filings / Submissions Made to Stock Exchanges (July, 31, 2020)

SEBI has received a representation from the Institute of Company Secretaries of India (ICSI) stating that due to the COVID -19 pandemic and precautionary measures for its curtailment, Company Secretaries continue to face operational challenges in carrying out certification and authentication of documents in physical form.

Accordingly, authentication / certification of any filing / submission made to stock exchanges under the LODR Regulations may be done using digital signature certifications till December 31, 2020.

https://www.sebi.gov.in/legal/circulars/jul-2020/use-of-digital-signature-certifications-for-authentication-certification-of-filings-submissions-made-to-stock-exchanges_47219.html

❖ Ministry of Labour and Employment

Standing Committee on Labour submitted its Report on Social Security Code 2019 to Hon'ble Loksabha Speaker on July 31, 2020. For details please visit at:

http://loksabhaph.nic.in/Committee/CommitteeInformation.aspx?comm_code=19&tab=1

Report is available at :

http://164.100.47.193/lsscommittee/Labour/17_Labour_9.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 Adjudication Orders (July 30, 2020)

S. No.	Name of Entity on which penalty is imposed	Alleged Violations	Penalty
1)	Alok Industries Limited	Failure to make disclosures in regard to issued and listed series of Non-Convertible Debt Securities (NCDs) thus violated the provisions of regulations 51(1), 51(2) r/w Part B of schedule III (Clauses A1, A4, A9), 52(4), 52(5) and 54(2) of LODR Regulations, 2015.	12 Lakhs
2)	Embassy Property Development Pvt. Ltd.	Failed to comply with the MPS requirements and that Noticee was required to bring down the non-public shareholding to 75% or below within twelve months from date of change in shareholding thus violated regulation 7(4) of the SAST Regulations, 2011 r/w regulation 19A(2) of the SCRR, 1957.	10 Lakhs
3)	Hardeep Singh Bedi	Failure to make disclosures to the Company and BSE in one instance regarding creation of pledged shares and invocation of pledged shares thus violated the provisions of regulations 31(1) and 31(2) r/w 31(3) of SAST Regulations, 2011.	4 Lakhs
4)	Mansi Share & Stock Advisors Pvt. Ltd.	Misreporting of Clients Funds and Non-segregation of client's funds and securities thus violated the provisions of sections 23D of SCRA and 15HB of SEBI Act.	13 Lakhs
5)	Four entities in the matter of Front Running HDFC AMC Trades II	The conduct of four entities in relation to 109 instances of front-run trades of HDFC MF/AMC indicated that the trades were front-run based on confidential information obtained and acted upon illegally to make wrongful gains at the expense of market participants who did not have this sensitive information.	2 Crores

<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListingAll=yes>

❖ **Ministry of Consumer Affairs, Food and Public Distribution**

Central Consumer Protection Authority: Appointment of Officer

Central Government vide a Notification dated July 29, 2020 and in exercise of powers conferred by sub-section (2) of section 10 and sub-section (2) of section 15 of the Consumer Protection Act, 2019 (35 of 2019), appointed the some officers to exercise the powers and discharge the functions of the Chief Commissioner, Commissioner, Director General (Investigation) and Additional Director General (Investigation) in the Central Consumer Protection Authority established under the Consumer Protection Act, 2019, in addition to their present duties, with effect from 29th July, 2020, until further orders.

<http://egazette.nic.in/WriteReadData/2020/220783.pdf>

❖ **Ministry of Finance**

Finance Ministry justifies Cap: 'MEIS Benefits fail to Boost Exports'

The Revenue Department has requested the Commerce Department that MEIS incentives should be re-calibrated so that it promotes exports, instead of the wide-ranging incentive structure it has come to acquire.

While the Commerce Ministry has sought a review of the Revenue Department's decision to cap benefits under the Merchandise Export from India Scheme (MEIS) at just Rs 9,000 crore for the April-December period, the Finance Ministry apparently feels the massive cut is justified, as the scheme has been a "Miserable Failure".

<https://www.financialexpress.com/economy/finance-ministry-justifies-massive-cut-meis-benefits-fail-to-boost-exports/2039082/>

❖ **Direct Tax**

Income Tax (18th Amendment) Rules, 2020 [Notification No. 55 Dated July 28, 2020]

The Central Board of Direct Taxes on the July 28, 2020 has published the Income Tax (18th Amendment) Rules, 2020. The amendment provides for furnishing details of income paid or credited by an investment fund to its unit holder.

For Details: https://www.incometaxindia.gov.in/communications/notification/notification_55_2020.pdf

❖ **Indirect Tax**

Goods and Services Tax Updates

- **Ninth Amendment (2020) to CGST Rules**

Notification No. 60/2020- Central Tax, dated July 30, 2020

This Notification seeks to update the CGST Rules. Along with the detailed scheme provided to inform the substitution of Form GST INV – 01, many major reforms have been introduced. Payee information has been made optional.

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-60-central-tax-english-2020.pdf>

- **Amendment in Class of Registered Persons for the Purpose of e-Invoice**

Notification No. 61/2020- Central Tax, dated July 30, 2020

In order to amend the class of registered persons for the purpose of e-invoice, this Notification Seeks to amend Notification no. 13/2020 - Central Tax. The threshold limit of Aggregate Turnover enhanced to Rs. 500 Crores to exempt certain class of registered persons from issuing e-invoices. SEZ units are excluded from E- Invoicing.

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-61-central-tax-english-2020.pdf>

- **Current State of GST requires Fresh Planning**

Tax collections are strongly correlated to the performance of the economy. Generally speaking, the faster the growth rates of Gross Domestic Product, the faster the growth rate of tax. Transition in Indirect Tax regime and Compensation to States requires fresh planning for growth of GST.

<https://timesofindia.indiatimes.com/blogs/cash-flow/gsts-problems-are-worsened-by-shoddy-planning-and-poor-implementation-at-the-start/>

Customs Updates

- **Jurisdiction of Commissioner (Appeals) specified**

Notification No. 63/2020- Customs (Non-Tariff), dated July 30, 2020

Notification to amend Notification No.92/2017-Customs (NT) to specify the jurisdiction of Commissioner (Appeals) to assessment orders passed by Faceless Assessment Groups.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt63-2020.pdf?jsessionid=83CB03C15AABC68D120DA4A49E4B9908>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37606.89 (-129.18)
Nifty 50	11088.25 (-13.90)

Reference Rate			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR/ 1 JPY
74.61 (+0.03%)	97.19 (+0.53%)	87.96 (+0.33%)	0.71 (+0.03%)

❖ **Banking & Insurance**• **RBI should go for further rate cut to aid growth: Experts**

As per the report of Foreign Brokerage, the Reserve Bank of India should go for another rate cut at next week's policy review to revive the economy, despite the surge in headline inflation lately. Analysts at Barclays acknowledged that the high inflation is adding confusion to the RBI's policy outlook but pitched for a 0.25% cut to generate demand advising the Central Bank to "throw caution to the wind".

The Consumer Price Index (CPI) based retail inflation surpassed the upper end of the RBI's target of 6% in June.

<https://www.livemint.com/industry/banking/rbi-should-go-for-further-rate-cut-to-aid-growth-experts-11596109635527.html>

• **Yes Bank takes possession of ADAG Headquarters in Mumbai over Non-Payment**

Yes Bank issued a notice in Wednesday's newspaper stating that it was taking possession of two office premises of Anil Dhirubhai Ambani Group (ADAG), including its headquarters 'Reliance Centre' in Santacruz, Mumbai. The action has been taken by the lender under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFESI) Act, after Reliance Infrastructure failed to pay dues of Rs 2,892 crore. Apart from Reliance Centre, Yes Bank has taken possession of two floors in Nagin Mahal in south Mumbai.

<https://www.financialexpress.com/industry/banking-finance/yes-bank-takes-over-adags-reliance-centre-and-two-floors-of-nagin-mahal-in-mumbai/2039397/>

❖ **Business and Economic News**• **Great Eastern Shipping appoints former RBI Governor Urjit Patel as additional and independent director for a term of five years w.e.f. August 01, 2020**

https://www.business-standard.com/article/companies/great-eastern-shipping-appoints-urjit-patel-as-additional-director-120073002076_1.html

• **SEBI said it has lined up as many as 18 properties of Asurre Agrowtech Ltd for an auction on August 30 at reserve price of nearly Rs. 21 crore. The move is part of SEBI's effort to recover funds raised by the company through unauthorised investment scheme.**

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-to-auction-asurre-agrowtechs-properties-to-recover-investors-money/articleshow/77262863.cms>

• **MSME council hears 69 payment dispute cases to unlock cos' stuck money**

<https://timesofindia.indiatimes.com/city/jaipur/msme-council-hears-69-payment-dispute-cases-to-unlock-cos-stuck->

❖ **Pronouncement**

In the matter of *Mr V Nagarajan vs. SKS Ispat and Power Ltd.*, it is alleged that the certified and a free copy of order was not issued to him and an unsigned order was uploaded on the website on March 12, 2020. Appellant made the contention that 30 days' time limit was available until April 11, 2020 and he pleaded extension of time with reference to proviso to Section 61(1) of the I&B Code. However the contention is unsupported by any evidence and the Appellant has not filed any Application for condonation of delay showing sufficient cause for not filing the Appeal within time. Accordingly, NCLAT held that '*since the Appellant has not submitted any application showing enough reason for not filing the Appeal within time, therefore the question of automatic extension of time limit does not arise.*'

<https://nclat.nic.in/Useradmin/upload/13958618635f0c36b5630f8.pdf>

Prepared by Directorate of Academics

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

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