



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु। तृणैः कुरु। अश्विनं तु कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Monday, July 01, 2024

Info Capsule

President

CS B Narasimhan

Vice President

CS Dhananjay Shukla

❖ Business and Economy

Bull run: FPIs turn buyers, invest Rs 26.6k crore (July 01, 2024)

After two months of net outflows, foreign investors turned buyers in June, infusing Rs 26,565 crore in Indian equities, driven by political stability and a sharp rebound in markets. Looking ahead, attention will gradually shift towards the Budget and Q1 FY25 earnings, which could determine the sustainability of FPI flows. According to data with depositories, FPIs have made a net infusion of Rs 26,565 crore in equities this month. This came following a net outflow of Rs 25,586 crore in May on poll jitters and over Rs 8,700 crore in April on concerns over a tweak in India's tax treaty with Mauritius and a sustained rise in US bond yields.

For details:
<https://timesofindia.indiatimes.com/business/india-business/bull-run-fpis-turn-buyers-invest-rs-26-6k-crore/articleshow/111387266.cms>

❖ Ministry of Corporate affairs

MCA to roll out 9 more forms for statutory filing of forms on the V3 portal in the month July (June 28, 2024)

In our continuous endeavour to serve you better, the Ministry of Corporate Affairs is launching third set of Company Forms covering 9 forms [MSME, BEN-2, MGT-6, IEPF-1, IEPF-1A, IEPF-2, IEPF-4, IEPF-5, IEPF-5 e-verification report] on 15th July 2024 at 12:00 AM. To facilitate implementation of these forms in V3 MCA21 portal, stakeholders are advised to note the following points:

- (1) Company e-Filings on V2 portal will be disabled from 04th July 2024 12:00AM.
- (2) All stakeholders are advised to ensure that there are no SRNs in pending payment/pending for investor details upload/Resubmission status.
- (3) Offline payments for the above 9 forms in V2 using Pay later option would be stopped from 01st July 2024 12:00 AM. You are requested to make payments for these forms in V2 through online mode (Credit/Debit Card and Net Banking).
- (4) In view of the upcoming launch of 9 Company forms, V3 portal will not be available from 13th July 2024 12:00 AM to 14th July 2024 11:59 pm.
- (5) V2 Portal for company filing will remain available for all the V2 forms excluding above mentioned 9 forms. Stakeholders may plan accordingly.

For details:

<https://www.mca.gov.in/content/mca/global/en/notification-tender/news-updates/updates.html>

❖ Ministry of Finance

FATF adopts Mutual Evaluation Report of India in its June 2024 Plenary held in Singapore (June 28, 2024)

India has achieved an outstanding outcome in the Mutual Evaluation conducted during 2023-24 by Financial Action Task Force (FATF). The Mutual Evaluation Report of India, which was adopted in the FATF plenary held in Singapore between June 26th and June 28th, 2024, places India in the 'regular follow-up' category, a distinction shared by only four other G20 countries. This marks a significant milestone in the nation's efforts to combat money laundering (ML) and terrorist financing (TF).

Among other things, FATF has recognised the efforts made by India on:

- Mitigating the risks arising from ML/TF, including the laundering of proceeds from corruption, fraud, and organised crime.
- Effective measures implemented by India to transition from a cash-based to a digital economy to reduce ML/TF risks.
- Implementation of the JAM (Jan Dhan, Aadhaar, Mobile) Trinity, along with stringent regulations on cash transactions, has led to a significant increase in financial inclusion and digital transactions; these measures have made transactions more traceable, thereby mitigating ML/TF risks and enhancing financial inclusion.

India's performance on the FATF Mutual Evaluation holds significant advantages for country's growing economy, as it demonstrates the overall stability and integrity of the financial system. Good ratings will lead to better access to global financial markets and institutions and increase investor confidence. It will also help in the global expansion of the Unified Payments Interface (UPI), India's fast payment system.

For details: <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2029297>

❖ Capital Market and Securities Laws

• **Consultation Paper on disclosure of Risk Adjusted Return by Mutual Funds (June 28, 2024)**

SEBI has placed this consultation paper with an objective to seek comments / views from the public on the proposal regarding disclosure of Risk Adjusted Return of the portfolio of a Mutual Fund scheme (MF Scheme), thereby enabling informed investment decision by the investors. It is felt that the "Risk Adjusted Return" (RAR) of a scheme portfolio represents a more holistic measure of the scheme's performance because it quantifies the amount of return generated by a MF scheme for each unit of risk taken to achieve that return. However, the extant regulatory framework does not mandate disclosure of RAR along with the returns of a MF scheme. Further, there is no uniform practice followed by AMCs regarding disclosure of RAR of their schemes. Public comments are invited for the proposals which should be submitted latest by July 19, 2024.

For details: https://www.sebi.gov.in/reports-and-statistics/reports/jun-2024/consultation-paper-on-disclosure-of-risk-adjusted-return-by-mutual-funds_84485.html

• **SEBI more than doubles value of securities that basic-services demat account can hold (June 28, 2024)**

To drive financial inclusion, the market regulator has revised the framework for Basic Services Demat Account (BSDA) and raised the value of securities that can be held in it from Rs 4 lakh to Rs 10 lakh. A circular issued by the SEBI on June 28, 2024 stated: "Value of securities held in the demat account shall not exceed Rs 10 Lakhs for debt and other than debt securities combined at any point of time." It also said that to qualify for this account, the individual can only have one demat account where he/she is the sole or first holders, and that the individual shall have only one BSDA in his/her name across all depositories. Services rendered to these accounts are as follows: electronic statements to be provided free of cost; and physical statement may be provided for a fee not Rs 25 per statement. The circular added that all other conditions as applicable to regular demat accounts, other than the two services mentioned, shall continue to apply to BSDA.

For details: <https://www.moneycontrol.com/news/business/sebi-revises-basic-services-demat-account-framework-more-than-doubles-value-of-securities-that-the-account-can-hold-12758450.html>

❖ **Insolvency and Bankruptcy Board of India**

- **Filing Forms to monitor liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder (June 28, 2024)**

During the liquidation process, the liquidator invites claims from stakeholders, forms a liquidation estate, endeavours to sell assets in consultation with the Stakeholders' Consultation Committee (SCC) and distributes the realized proceeds to stakeholders as per the waterfall mechanism provided under section 53 of the Code.

The Insolvency Professional (IP), functioning as a liquidator, is also required to ensure compliance with legal requirements and reporting to the Adjudicating Authority (AA) and IBBI. Presently, the IPs submit the details regarding the liquidation process to the Board through emails, which is time-consuming and inefficient.

The Insolvency Professional (IP), functioning as a liquidator, is also required to ensure compliance with legal requirements and reporting to the Adjudicating Authority (AA) and IBBI. Presently, the IPs submit the details regarding the voluntary liquidation process to the Board through emails, which is time-consuming and inefficient.

To alleviate the compliance burden for Insolvency Professionals (IPs), a set of forms on an electronic platform has been created by the IBBI to capture the details of the voluntary liquidation process. These forms are vital for the voluntary liquidation procedure under the Insolvency and Bankruptcy Code (IBC), as they enable systematic and transparent recordkeeping and seamless reporting.

For details:

<https://ibbi.gov.in/uploads/legalframwork/f7d067e47bfcde79a294d5827466db17.pdf>

- **Filing Forms to monitor Voluntary liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder (June 28, 2024)**

A corporate person (CP) may initiate voluntary liquidation in terms of section 59 of the Insolvency and Bankruptcy Code and the IBBI (Voluntary Liquidation Process) Regulations, 2017. During the process, the liquidator invites claims and prepares a list of stakeholders based on the verified claims, sells assets of the CP in the manner and mode approved by the CP, and distributes proceeds as per section 53 of the Code. Upon completion, the liquidator submits the Final Report and an application for dissolution of CD, to the Adjudicating Authority.

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For details:

<https://ibbi.gov.in/uploads/legalframework/f7d067e47bfcde79a294d5827466db17.pdf>

❖ Banking

Indian economy poised for potentially stable high growth phase, says RBI's monetary policy panel member (June 30, 2024)

Indian economy is poised for potentially a stable high growth phase and it is also in a strong position in the context of significant risks that the country is facing, RBI's monetary policy committee member Shashanka Bhide said on Sunday (July 30, 2024). Bhide further said with the growth of income that would support domestic demand and additions to production or supply capacity reflected by high levels of investment spending in the last couple of years, domestic economic activity is expected to sustain its momentum. "In terms of growth momentum and inflation trajectories Indian economy is poised for potentially a stable high growth phase.

For Details: <https://indianexpress.com/article/business/indian-economy-potentially-stable-high-growth-phase-rbi-monetary-policy-panel-member-9423952/>

Market Watch

Stock Market Indices as on 01.07.2024

S & P BSE Sensex	79476.19(+443.46)
Nifty 50	24141.95 (+131.35)

Foreign Exchange Rates as on 01.07.2024

(<https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
83.40	89.84	105.80	0.51

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu

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