



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु। तृप्तये। अस्मिन्। नृणां। हिते।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Friday, July 05, 2024

President

CS B Narasimhan

Vice President

CS Dhananjay Shukla

❖ Ministry of Corporate Affairs

Filing of Forms [BEN-2, -MGT-6] due to migration from V2 Version to V3 version in MCA 21 portal from 4th July, 2024 to 14th July, 2024-reg.

- All stakeholders are hereby informed that the Ministry is launching e-Form MGT-6 (Form of return to be filed with the Registrar under section 89) and BEN-2 (Return to the Registrar in respect of declaration under section 90) in MCA -21 Version 3.0 on 15.07.2024. These e-forms will not be available in MCA-21 Version-2 from 04.07.2024 to 14.07.2024.
- Keeping in view the above, it has been decided to allow additional time of 15 days, without levying additional fees, to the stakeholders, in cases where the due dates for filing of these 02 forms fall under the period between 04.07.2024 and 14.07.2024.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=AggEU1DAsgbsTulfh3wD0Q%253D%253D&type=open>

❖ Ministry of Commerce & Industry

Development of drone ecosystem aligns with PM's 'NAMO Drone Didi' scheme to empower women in agri. sector (July 04, 2024)

Union Minister of Commerce & Industry, Shri Piyush Goyal during his address at the International Innovation Conclave organised by the PHD Chamber of Commerce & Industry (PHDCCI) in New Delhi said that Prime Minister Narendra Modi's government is ready to promote the drone industry that has seen rapid growth in the last three years. Praising the development of technology and growth in the drone industry on the strength of innovation, Shri Goyal asserted that development of the drone ecosystem and deploying them in villages across the nation aligns with the PM's 'NAMO Drone Didi' initiative that will help empower the women in the agriculture sector.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=2030851>

❖ Ministry of New and Renewable Energy

Centre issues Scheme Guidelines for funding of testing facilities, infrastructure, and institutional support under the National Green Hydrogen Mission (July 04, 2024)

The Government of India has come out with guidelines for funding of testing facilities, infrastructure, and institutional support for development of Standards and Regulatory framework under the National Green Hydrogen Mission. The Scheme Guidelines have been issued by the Ministry of New & Renewable Energy (MNRE) on July 04, 2024. The scheme will support identification of the gaps in the existing testing facilities for components, technologies, and processes in the value chain of Green Hydrogen & its derivatives. The Scheme will support creation of new testing facilities and upgradation of existing Testing Facilities to ensure safe and secure operations. The Scheme will be implemented with a total budgetary outlay of Rs. 200 Crores till the financial year 2025-26.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=2030686>

❖ Capital Market and Securities Laws

• D Y Chandrachud Inaugurates New Office Of Securities Appellate Tribunal In Mumbai (July 04, 2024)

Amid soaring stock markets, Chief Justice of India D Y Chandrachud on July 04, 2024 said that it is important for the regulatory authorities to ensure that everyone holds their balance and nerves amid the wins. In his address after inaugurating the new office of the Securities Appellate Tribunal in Mumbai, Mr. Chandrachud hoped that the Securities and Exchange Board of India and the Securities Appellate Tribunal would celebrate the successes while exercising caution. He also pitched for more such tribunal benches not only to ensure that the backbone is stable but also to manage the higher workloads because of the higher quantum of transactions and newer regulations.

Stating that investors prefer markets where they feel their investment is protected and that they have effective mechanisms for dispute resolution, the CJI expressed the need for an early filling up of the vacancies at SAT to ensure that the tribunal functions effectively and at full capacity. Mr. Chandrachud also launched a new website for the Securities Appellate Tribunal on the occasion.

Highlighting the need for robust physical as well as virtual infrastructure in all courts and tribunals across the country for speedy delivery, the CJI said advancements in the digital arena warrant the reimagination of the concept of access to justice.

For details: <https://www.newsonair.gov.in/d-y-chandrachud-inaugurates-new-office-of-securities-appellate-tribunal-in-mumbai/>

• SEBI asks stock brokers to put in place system for surveillance of trading activities (July 04, 2024)

Amid a raging bull market, SEBI has notified new norms for stock brokers to prevent and detect fraud or market abuse. In a circular to all stock exchanges and brokers, the regulator said brokers shall comply with the mechanisms as laid down in Chapter IVA of the Broker Regulations - systems for surveillance of trading activities and internal controls, obligations of the stock broker and its employees, escalation and reporting mechanisms and whistle-blower policy. Under Chapter IVA of the SEBI (Stock Brokers) (Amendment) Regulations, 2024, brokers are required to put in place an institutional mechanism for the prevention and detection of fraud or market abuse.

For details: <https://economictimes.indiatimes.com/markets/stocks/news/sebi-asks-stock-brokers-to-put-in-place-system-for-surveillance-of-trading-activities/articleshow/111484758.cms>

• Ease of Doing Business: SEBI specifies timelines for credit-rating agencies' periodic surveillance actions (July 04, 2024)

For ease of doing business for Credit-Rating Agencies (CRAs), the market regulator has issued specific timelines for period-surveillance actions. Until now, specific timelines for various scenarios had been given only for the initial-rating reporting. In the circular dated July 4, 2024, SEBI has given timelines on dealing with appeals filed by the issuers following CRAs' periodic surveillance of ratings. As the circular stated, this has been done to bring about uniformity in dealing with appeals and has been done in consultation with various stakeholders including the CRAs. The provisions given in it will come into effect from August 1, 2024.

For details: <https://www.moneycontrol.com/news/business/ease-of-doing-business-sebi-specifies-timelines-for-credit-rating-agencies-periodic-surveillance-actions-12762542.html>

• **SEBI extends deadline for annual submissions by stock brokers, depository participants till October 31 (July 04, 2024)**

Capital markets regulator SEBI extended the deadline till October 31 for submitting the annual audited accounts and net worth certificates by stock brokers and depository participants. According to a circular issued by SEBI, the markets watchdog has revised the submission deadline from September 30 to October 31 of the relevant year. This change aims to ease compliance burden and facilitate smoother business operations.

For details: <https://economictimes.indiatimes.com/markets/stocks/news/sebi-extends-deadline-for-annual-submissions-by-stock-brokers-depository-participants-till-oct-31/articleshow/111494767.cms>

❖ **Business & Economy**

• **Govt. to diversify socioeconomic surveys, 13 more in 2024-2025 alone (July 05, 2024)**

The country's socioeconomic survey architecture is set for a major upgrade. Apart from the conventional surveys like those to track household consumption expenditure, labour force participation, and the annual survey of industries, a whole new set of activities is going to be surveyed on a periodic basis.

According to official sources, the National Sample Survey Office (NSSO), an arm of the ministry of statistics, has identified "export and import data of small traders", "income and living standards of sanitation workers," "unpaid activity of individuals working in households" among several activities to be tracked for more-informed policy-making.

For details: <https://www.financialexpress.com/policy/economy-govt-to-diversify-socioeconomic-surveys-13-more-in-2024-2025-alone-3544013/>

• **Govt. to bring back income-based poverty estimate, NITI Aayog to play nodal role (July 04, 2024)**

At present, the government reckons that any individual living earning below \$1.25 per day is living in "extreme poverty". The figure was adopted by the United Nations to measure destitution in 2015, and India has gone by this.

A new indicator to measure "extreme poverty" is likely to be developed by NITI Aayog after consultations with several ministries, official sources told FE.

The think-tank is expected to form a committee to first fix a threshold income level, which can be used to measure extreme poverty, and then formulate a methodology to measure it on a periodic basis, an official said.

For details: <https://www.financialexpress.com/policy/economy-govt-to-bring-back-income-based-poverty-estimate-niti-aayog-to-play-nodal-role-3542924/>

❖ **Pronouncement**

July 26, 2023	Diageo PLC Vs. Securities and Exchange Board of India	Securities Appellate Tribunal Appeal No.353 of 2019
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In the above case Hon'ble Securities Appellate Tribunal explained the scope and applicability of Regulation 8(7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

The Appellate Tribunal inter alia observed that the aforesaid provision contemplates that any price paid or agreed to be paid for the shares or voting rights in, or control over target the Company in any form whatsoever, whether stated in the agreement for acquisition of shares or in any incidental, contemporaneous or collateral agreement, whether termed as control premium or as non-compete fee or otherwise would also be required to be added to the negotiated price paid or agreed to be paid for the acquisition. The scope of Regulation 8(7) is wide enough to include any type/kind of agreement in any name whatsoever and it is not relevant to mention the same in the agreement for acquisition of shares. Thus, Regulation 8(7) also takes into account any condition made to the seller in any manner which is incidental, contemporaneous or collateral or otherwise.

The purpose for introduction of Regulation 8(7) was that the price paid for the shares of the target Company may not be always reflected in the SPA and through layers of agreement the price could be hidden and, therefore, a need arose that any incidental, contemporaneous or collateral agreement which is framed either as a control premium or non-compete fee or otherwise would be included. The whole idea was that appropriate price of the shares should be calculated and offered to the shareholders.

For details: https://sat.gov.in/english/pdf/E2023_J02019353_24.PDF

❖ **Market Watch**

Stock Market Indices as on 05.07.2024	
S & P BSE Sensex	79996.60 (-53.07)
Nifty 50	24323.85 (+21.70)

Foreign Exchange Rates as on 05.07.2024 (https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
83.50	90.37	106.65	0.51

Prepared by Directorate of Academics

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

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