



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्कं कुरु। त्वाकं। श्रेयं देव। इष्टं।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Monday, July 08, 2024

Info Capsule

President

CS B Narasimhan

Vice President

CS Dhananjay Shukla

❖ Ministry of Finance

Pre-Budget consultation meetings for the forthcoming Union Budget 2024-25 conclude in New Delhi

The Pre-Budget consultations for Union Budget 2024-25 that started from 19th June 2024 onward in the Ministry of Finance and chaired by Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman, concluded on 5th July 2024.

In the course of the in-person consultations, more than 120 invitees across 10 stakeholder groups, including experts and representatives from farmer associations & agriculture economists; trade unions; education & health sector; employment & skilling; MSME; trade & services; industry; economists; financial sector & capital markets; as well as, infrastructure, energy and urban sector, participated in the meetings.

For Details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2031361>

❖ Ministry of Corporate Affairs

Extension of time for Filing of PAS-7-reg (July 06, 2024)

In accordance with Rule 9(2)(a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, every public company which had issued share warrants prior to commencement of the Companies Act, 2013 (18 of 2013) and not converted such warrants into shares should have informed the Registrar about the details of such share warrants in Form PAS-7 within a period of three months of the commencement of the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023. In terms of the said rule, Ministry of Corporate Affairs has prescribed Web-form PAS-7 for submitting the details of share warrants to the Registrar.

Web-Form PAS-7 Form has now been deployed on MCA-21 Portal. Stakeholders may file requisite details in terms of Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023 through this Web-Form without payment of additional fees up to 05.08.2024.

For Details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=IgNr5fS0LgEkFxBs9EOWCg%253D%253D&type=open>

❖ Ministry of Health and Family Welfare

FSSAI approves proposal to display nutritional information labelling of total sugar, salt and saturated fat in bold letters and bigger font size in 44th meeting of Food Authority (July 06, 2024)

The Food Safety and Standards Authority of India (FSSAI) has approved a proposal to display nutritional information regarding Total Sugar, Salt and Saturated Fat in bold letters and relatively increased font size on labels of packaged food items.

The decision to approve the amendment in the Food Safety and Standards (Labelling and Display) Regulations, 2020 regarding Nutritional information labelling was taken in the 44th meeting of the Food Authority, held under the chairmanship of Shri Apurva Chandra, Chairperson, FSSAI. The amendment aims to empower consumers to better understand the nutritional value of the product they are consuming and make healthier decisions.

The draft notification for the said amendment would now be put in the public domain for inviting suggestions and objections.

For Details: <https://pib.gov.in/PressReleasePage.aspx?PRID=2031260>

❖ Capital Market and Securities Laws

Draft Circular on “Treatment of interest income by Clearing Corporations (CCs) on cash collaterals received from Clearing Members (CMs) and upstreamed client funds” for Public Comments (July 08, 2024)

SEBI has placed this consultation paper to review the existing practice of interest or income earned by CCs on the cash collaterals received from CMs and upstreamed clients’ funds. The matter was discussed in the Risk Management Review Committee of SEBI (RMRC) and based on the recommendations of RMRC and subsequent deliberations, the draft circular on the captioned matter is placed at Annexure-A for public comments. The comments/ suggestions should be submitted latest by July 25, 2024.

For details: https://www.sebi.gov.in/reports-and-statistics/reports/jul-2024/consultation-paper-on-treatment-of-interest-income-by-clearing-corporations-ccs-on-cash-collaterals-received-from-clearing-members-cms-and-upstreamed-client-funds_84620.html

❖ Banking

Bandhan Bank appoints Ratan Kesh interim MD, CEO (July 06, 2024)

The board of private sector lender Bandhan Bank on July 06, 2024 approved the appointment of Ratan Kumar Kesh as interim MD and CEO of the bank with effect from July 10. The present MD and CEO, Chandra Shekhar Ghosh, is set to retire on July 9. “Pursuant to the approval of the Reserve Bank of India and on the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank, at its meeting held on July 06, 2024, has approved the appointment of Mr. Ratan Kumar Kesh, executive director and chief operating officer, as interim MD & CEO of the bank with effect from July 10 for a period of three months or till a new MD & CEO takes charge, whichever is earlier,” the bank said in an exchange filing.

For details: <https://www.financialexpress.com/business/banking-finance-bandhan-bank-appoints-ratan-kesh-interim-md-ceo-3545963/>

Market Watch

Stock Market Indices as on 08.07.2024

S & P BSE Sensex	79960.38 (-36.22)
Nifty 50	24320.55 (-3.30)

Foreign Exchange Rates as on 08.07.2024

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
83.47	90.30	106.89	.5197

❖ *Business & Economy*

Foreign Portfolio Investors Have Shown Robust Interest in Indian Equities (July 07, 2024)

Foreign Portfolio Investors (FPIs) have shown robust interest in Indian equities, with a net inflow of 7,962 crore rupees recorded till July 5, supported by favourable economic indicators and earnings growth momentum. This follows a robust inflow of 26,565 crore rupees in the last month. According to depositories' data, in 2024, FPIs will have invested a total of 1.16 lakh crore rupees in Indian equities so far. FPIs have also invested 6,304 crore rupees in the debt market during the same period, taking the tally to 74,928 crore rupees as of July 5. Earlier, FPIs had withdrawn 25,586 crore rupees in May due to election uncertainties and over 8,700 crore rupees in April this year. Prior to that, FPIs made a net investment of 35,098 crore rupees in March and 1,539 crore rupees in February, while they withdrew 25,743 crore rupees in January.

For details: <https://www.newsonair.gov.in/foreign-portfolio-investors-have-shown-robust-interest-in-indian-equities/>

India, UK to hold next round of talks on proposed trade pact this month (July 07, 2024)

With the new government taking charge in Britain, senior officials of India and the UK will hold the next round of talks this month for the proposed free trade agreement to resolve the pending issues and close the negotiations, an official said.

The India-UK talks for the proposed free trade agreement (FTA) began in January 2022. The 14th round of talks stalled as the two nations stepped into their general election cycles. The official said the two sides are in touch, and the next round would start this month only.

Britain's newly-elected Prime Minister Keir Starmer spoke to Prime Minister Narendra Modi on Saturday and said he stood ready to conclude an FTA that worked for both sides.

https://www.business-standard.com/economy/news/india-uk-to-hold-next-round-of-talks-on-proposed-trade-pact-this-month-124070700342_1.html

SMEs on IPO spree in April, May as corporates mobilise nearly Rs 85,000 crore from equity offerings (July 06, 2024)

In just the first two months of financial year 2024-25 (FY25), Indian corporates have mobilised Rs 84,866 crore through equity issuances, including initial public offerings (IPO), follow-on public issues and preferential allotment. In the twelve months of FY24, corporates had raised Rs 67,956 crore from the IPO market and are expected to mobilise over Rs 1 lakh crore through primary issuances in the current fiscal.

Leading the equity issuance surge during the first two months were IPOs from the small and mid-cap (SME) segment, with 44 of these companies getting listed in the first two months of the current fiscal (FY25). This comes amid the Securities and Exchange Board of India (Sebi) Chairperson Madhabi Puri Buch raising concerns over manipulation in the listing of SMEs a few months back.

For Details: <https://indianexpress.com/article/business/smes-on-ipo-sprees-in-april-may-as-corporates-mobilise-nearly-rs-85000-crore-from-equity-offerings-9435749/>

❖ **Pronouncement**

June 24, 2024	The National Sewing Thread Company Limited (Petitioner) Vs. Deputy Commissioner of Income Tax & Ors(Respondents)	High Court of Delhi W.P.(C) 8679/2024
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Brief Facts

In the above case the Petitioner is seeking quashing of the Assessment Order issued by the respondent no. 1/Deputy Commissioner of Income Tax under Section 143(3) of Income Tax Act, 1961 for the Assessment Year 2022-23 and Financial Year 2021- 22 and the petition is also assails with the Demand Notice.

Petitioner company submitted that the aforesaid Notices have been issued after the approval of the Resolution Plan for the revival and restructuring of the petitioner-company by learned National Company Law Tribunal (“NCLT”). Further the petitioner submitted that the impugned order and notice of the Respondent is legally untenable and in teeth of the provisions of Insolvency and Bankruptcy Code (“IBC”), 2016, which envisages revival/ resolution of the Company on a “Clean Slate Basis”.

Judgement

Hon’ble High Court noted that upon approval of the Resolution Plan, a new management took over the petitioner-company, in order to implement the Resolution Plan as per the scheme of IBC, on a “Clean Slate Basis”.

It is settled proposition of law that once a Resolution Plan is duly approved by the adjudicating authority under Section 31 (1) of IBC, 2016, the claims as provided in the Resolution Plan shall stand frozen and it will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stake holders. On the date of approval of Resolution Plan by the adjudicating authority, all such claims, which are not part of the Resolution Plan, shall stand extinguished, and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the Resolution Plan.

Further, the High Court noted that the principle of clean slate has been time and again reiterated and reaffirmed by the Supreme Court as well as by this Court. Thus, upon approval of a Resolution Plan or sale as going concern, is duly approved by the adjudicating authority, all the previous liabilities and claims of any person qua the corporate debtor, cease to exist and extinguish.

For details: <https://ibbi.gov.in/uploads/order/0d52f6cced949cc098afa6004b2e7ae4.pdf>

Prepared by Directorate of Academics

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

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