



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्कं कुरु। त्वाकं। अर्कंते इयुं कुरु। इष्टं।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Thursday, July 25, 2024

President

CS B. Narasimhan

Vice President

CS Dhananjay Shukla

❖ Capital Market and Securities Laws

SEBI study finds that 7 out of 10 individual intraday traders in equity cash segment make losses (July 24, 2024)

A study conducted by SEBI has found that more than 70% (7 out of 10) of individual intraday traders in equity cash segment have incurred losses in FY 2022-23. The study also noted the surge of over 300% in the number of individuals participating in intraday trading in equity cash segment in FY 2022-23 compared to FY 2018-19. SEBI has conducted the study analysing the trends in participation and in profits and losses in intraday trading by individuals in equity cash segment. This study has been peer reviewed by a working group with representation from academia, brokers and market experts. The study covers the periods of FY 2018-19, FY 2021-22 and FY 2022-23, in order to comparatively analyse the trends before and after the pandemic. The study is based on a sample of individual clients of the top-10 stock brokers, accounting for around 86% of the individual client count in the equity cash segment during FY 2022-23. Some of the major findings of the study are as under:

- Around one (1) in three (3) individuals who trade in equity cash segment, trades intraday.
- Number of individual traders who traded intraday in equity cash segment, rose over 300% in FY 2022-23, as compared to FY 2018-19.
- Share of young intraday traders (age less than 30 years) has grown to 48% in FY 2022-23 as compared to 18% in FY 2018-19.
- 7 out of 10 individual intraday traders (71%) in equity cash segment incurred net loss in FY 2022-23.
- Proportion of loss-makers increased to 80% for traders with very frequent (more than 500 trades in a year) trading activity.
- The percentage of loss-makers among younger traders (age less than 30 years) was higher (76% in FY 2022-23) as compared to other age groups.
- Average number of trades by loss-makers was higher than the profit-makers.
- Over and above the trading losses incurred, loss makers expended an additional 57% of their trading losses as trading costs in FY 2022-23; Profit makers spent 19% of their trading profits as trading costs in FY 2022-23.

For details: https://www.sebi.gov.in/media-and-notifications/press-releases/jul-2024/sebi-study-finds-that-7-out-of-10-individual-intraday-traders-in-equity-cash-segment-make-losses_84948.html

❖ Latest ICSI

APPLICATIONS OPEN FOR 24TH ICSI NATIONAL AWARDS FOR EXCELLENCE IN CORPORATE GOVERNANCE

LAST DATE FOR SUBMISSION 14TH AUGUST, 2024

NO PARTICIPATION FEES!

AWARD CATEGORIES

LISTED SEGMENT	
CATEGORY	MARKET CAPITALISATION
LARGE-CAP	TOP 100
MID-CAP	101-250
EMERGING (SMALL-CAP)	251 ONWARDS
LISTED SME's	ALL LISTED SME'S
UNLISTED SEGMENT	
CATEGORY	TURNOVER
LARGE	≥ ₹ 5, 000 CR
MEDIUM	< ₹ 5, 000 CR AND > ₹ 1, 000 CR
EMERGING	≤ ₹ 1, 000 CR

PLEASE VISIT

https://www.icsi.edu/home/icsi_cg_wards2024/24th-icsi-cg-awards/

❖ **Competition Commission of India**

- **Commission approves the proposed combination involving, inter alia, Amazon Asia-Pacific Holdings Private Limited (Amazon Asia-Pacific), Frontizo Business Services Private Limited (Frontizo), Appario Retail Private Limited (Appario), Haverl LLC (Haverl) and Clicktech Retail Private Limited (CRPL) (July 23, 2024)**

The Proposed Combination involves the following transactions:

- (a) Acquisition by Amazon Asia-Pacific of 76% of the equity shares in Frontizo from Zodiac Wealth Advisors LLP (Zodiac)
- (b) Acquisition of Appario's entire business, as a going concern, by CRPL,
- (c) Acquisition of 1% shareholding by Haverl in New Trends Commerce Private Limited (NTCPL)
- (d) Intra group transactions among Clicktech Enterprises Private Limited (CEPL), NTCPL and CRPL.

For details: <https://www.cci.gov.in/media-gallery/press-release/details/409/0>

- **CCI approves acquisition by Manipal Health Systems Private Limited and MEMG Family Office LLP in Aakash Educational Services Limited (July 23, 2024)**

Manipal Health Systems Private Limited (Acquirer-1) is a company resident in India engaged in the business of running/ managing hospitals and providing healthcare services. MEMG Family Office LLP (Acquirer-2), incorporated in India, is a limited liability partnership firm and ultimately belongs to the Pai Family Group. Acquirer-2 is engaged in the provision of consultancy services in India.

For details: <https://www.cci.gov.in/media-gallery/press-release/details/410/0>

- **CCI approves the proposed acquisition of 16.12% shareholding in Shriram LI Holdings Private Limited by Sanlam Emerging Markets (Mauritius) Limited (July 23, 2024)**

The proposed combination envisages the acquisition of 16.12% shareholding in Shriram LI Holdings Private Limited (SLIH) by Sanlam Emerging Markets (Mauritius) Limited (SEMM) from its existing shareholders. SLIH is the promoter and holding company of Shriram Life Insurance Company Limited (SLIC). SLIH has a 74.56% stake in SLIC. SEMM, incorporated in Mauritius, is a 100% subsidiary of Sanlam Limited, South Africa. It is part of the Sanlam Group.

For details: <https://www.cci.gov.in/media-gallery/press-release/details/411/0>

- **CCI approves the proposed acquisition of 16.12% shareholding in Shriram GI Holdings Private Limited by Sanlam Emerging Markets (Mauritius) Limited (July 23, 2024)**

The proposed combination envisages the acquisition of 16.12% shareholding in Shriram GI Holdings Private Limited (SGIH) by Sanlam Emerging Markets (Mauritius) Limited (SEMM) from its existing shareholders. SGIH is the promoter and holding company of Shriram General Insurance Company Limited (SGIC). SGIH holds 66.64% stake in SGIC. SEMM, incorporated in Mauritius, is a 100% subsidiary of Sanlam Limited, South Africa. It is part of the Sanlam Group.

For details: <https://www.cci.gov.in/media-gallery/press-release/details/412/0>

❖ **Ministry of Labour & Employment**

23.05 Lakh New Workers Enrolled under ESI Scheme in May 2024 (July 24, 2024)

The provisional payroll data of ESIC reveals that 23.05 lakh new employees have been added in the month of May, 2024. 20,110 new establishments have been brought under the social security ambit of the ESI Scheme in the month of May, 2024 thus ensuring social security to more workers. Further, the year-on-year analysis shows a growth of 14% in net registrations compared to May'2023.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=2036214>

❖ **Banking**

Domestic Money Transfer – Review of Framework (July 24, 2024)

The framework for Domestic Money Transfer (DMT) was introduced in 2011. There has been significant increase in the availability of banking outlets, developments in payment systems for funds transfers, and ease in fulfilling KYC requirements etc., since then; and now users have multiple digital options for funds transfer. A review was recently undertaken by RBI on various services such as Cash Pay-out Service and Cash Pay-in Service.

For details: <https://website.rbi.org.in/web/rbi/-/notifications/domestic-money-transfer-review-of-framework>

❖ **Business & Economy**

• **India-UK unveil futuristic Technology Security Initiative; to seal FTA soon (July 25, 2024)**

India and the UK on Wednesday 24th July 2024 firmed up a landmark technology security initiative that sets out a bold new approach for collaboration in a range of "priority" sectors including telecom, critical minerals, semiconductors and artificial intelligence, with a broader aim to elevate their strategic partnership to the next level. The decision on the UK-India Technology Security Initiative was made public following wide-ranging talks between External Affairs Minister S Jaishankar and his visiting British counterpart David Lammy. In the discussions, both sides appreciated the "substantial" progress made in the India-UK FTA negotiations and looked forward to its "early conclusion" to achieve a mutually beneficial deal, the Ministry of External Affairs (MEA) said.

For details: https://www.business-standard.com/economy/news/india-uk-unveil-futuristic-technology-security-initiative-to-seal-fta-soon-124072500014_1.html

• **Rupee hits record low amid pressure on local equities (July 24, 2024)**

The Indian rupee weakened to its lowest level on record on Wednesday 24th July 2024, pressured by the decline in local equities after the government's decision to raise the tax rate on capital gains dampened market sentiment. The rupee declined to 83.72 to the dollar, slipping below the previous all-time low of 83.7150 hit on Tuesday, 23rd July 2024. Benchmark Indian equity indices, the BSE Sensex and Nifty 50, were down about 0.3% and 0.2% each on Wednesday, 24th July 2024.

For details: <https://indianexpress.com/article/business/rupee-hits-record-low-amid-pressure-on-local-equities-9473276/>

❖ **Ministry of External Affairs**

Visit of Foreign Secretary of the UK to India (July 24, 2024)

At the invitation of External Affairs Minister, Dr. S. Jaishankar (EAM), H.E. Mr. David Lammy MP, Secretary of State for Foreign, Commonwealth and Development Affairs, United Kingdom paid an official visit to India on 24 July 2024. This was his first official visit to India in his capacity as UK Foreign Secretary.

EAM held bilateral consultations with the visiting Minister. Both Ministers reviewed the Roadmap 2030 agreed between the Prime Ministers during the India-UK Virtual Summit 2021. The two Ministers expressed satisfaction on the progress achieved so far and agreed to look at the renewal of the Roadmap 2030, aiming at a heightened ambition for bilateral cooperation between the two countries. Both sides agreed to finalise the details as per contemporary realities in a time bound manner to further intensify bilateral collaboration in priority areas of trade and investment, defence and security, migration and mobility, IT/AI/Tech-centric areas, S&T, Innovation, climate and green energy.

For details: https://www.mea.gov.in/press-releases.htm?dtl/37996/Visit_of_Foreign_Secretary_of_the_UK_to_India_July_24_2024

❖ **World Trade Organisation**

France contributes EUR 6 million to help developing economies deepen trade expertise (July 23, 2024)

France is donating approximately EUR 6 million (CHF 5.8 million) over the period 2024-2026 to finance WTO technical assistance programmes aimed at helping government officials from developing economies and least-developed countries (LDCs) better understand and implement more effectively global trade rules and standards. France's Permanent Representative to the WTO Ambassador Etienne Oudot de Dainville announced the contribution at a signing ceremony with WTO Deputy Director-General Xiangchen Zhang held on 23 July 2024 at the WTO.

For details: https://www.wto.org/english/news_e/news24_e/tech_24jul24_e.htm

❖ **International Labour Organisation (ILO)**

ILO Myanmar launches self-paced E-learning programme on rights, responsibilities, and representation for children, youth, and families (3Rs) [July 23, 2024]

ILO Myanmar launched a self-paced E-learning programme on rights, responsibilities, and representation for children, youth, and families (3Rs), that aims to equip practitioners and those in vulnerable populations with the tools to enhance social equality and well-being.

Developed by ILO Myanmar in collaboration with a team of external experts, the course targets practitioners addressing child labour issues as well as children, youth and families who are vulnerable to child labour exploitation. Packaged in an interactive and visually engaging way, it allows learners to choose and combine modules according to their expertise and interest.

For details:

<https://www.ilo.org/resource/news/ilo-myanmar-launches-self-paced-e-learning-programme-rights>

❖ **Pronouncement**

July 23, 2024	BRS Ventures Investments Ltd. (Appellant) Vs. SREI Infrastructure Finance Ltd. & Anr. (Respondents)	Supreme Court of India Civil Appeal No. 4565 of 2021
----------------------	--	---

Assets of the subsidiaries cannot be included in the resolution plan of the holding company under IBC

In the above case, Hon'ble Supreme Court of India inter alia observed that a holding company and its subsidiary are always distinct legal entities. The holding company would own shares of the subsidiary company. That does not make the holding company the owner of the subsidiary's assets. In the case of *Vodafone International Holdings BV (Civil Appeal No.4565 of 2021)*, Supreme Court took the view that if a subsidiary company is wound up, its assets do not belong to the holding company but to the liquidator. As mentioned in the decision, the reason is that a company is a separate legal persona and the fact that the parent company owns all its share has nothing to do with its separate legal existence. Therefore, the assets of the subsidiary company of the corporate debtor cannot be part of the resolution plan of the corporate debtor.

Further, Apex Court summarized some of its conclusions that..... a holding company is not the owner of the assets of its subsidiary. Therefore, the assets of the subsidiaries cannot be included in the resolution plan of the holding company, and the financial creditor can always file separate applications under Section 7 of the IBC against the corporate debtor and the corporate guarantor. The applications can be filed simultaneously as well.

For Details: <https://ibbi.gov.in/uploads/order/4688087e4e8ccbbc67df12eca3134f29.pdf>

❖ **Market Watch**

Stock Market Indices as on 25.07.2024	
S & P BSE Sensex	80,039.80 (-109.08)
Nifty 50	24,406.10 (-7.40)

Foreign Exchange Rates as on 25.07.2024 (https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
83.70	90.70	107.84	0.54

Prepared by Directorate of Academics

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

Disclaimer : Although due care and diligence have been taken in preparation and uploading this info capsule, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this info capsule. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.