



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टकारं कुरु। त्वात्के। अवेदं ह्यु कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Thursday, May 30, 2024

President

CS B Narasimhan

Vice President

CS Dhananjay Shukla

❖ *Insolvency & Bankruptcy Laws*

Lessor moves insolvency plea before NCLT against SpiceJet over \$12 mn (May 30, 2024)

Engine Lease Finance BV, an aircraft engine lessor of SpiceJet, has moved an insolvency plea before the NCLT against the debt-ridden air carrier over non-payment of over USD 12 million (around Rs 100 crore).

Engine Lease Finance (ELF) has leased eight engines to SpiceJet. Along with interest and rental, ELF has claimed an amount of around USD 16 million.

The matter was listed before a Delhi-based bench of the National Company Law Tribunal (NCLT) on Wednesday, which heard it briefly. Counsel appearing for SpiceJet sought time to respond to the petition filed by Engine Lease Finance.

For details: https://www.business-standard.com/companies/news/less-or-moves-insolvency-plea-before-nclt-against-spicejet-over-12-mn-124052901614_1.html

❖ *ICSI News*

ICSI- NISM Joint Certification on Corporate and Securities Markets Compliances (Integrated Program for CS Students)

The Institute has launched the Joint Certification Courses on Corporate and Securities Markets Compliances (CSMC) [Integrated Program for the CS Course] in collaboration with National Institute of Securities Markets (NISM), an educational institution founded by SEBI, for the students of ICSI. This course is an ideal platform for students who are passionate about corporate and securities market compliances, and aspire to gain in-depth knowledge and build a long-term career in these areas. The launch of this course in collaboration with NISM marks the beginning of a transformative educational experience that will equip the CS students with the skills, knowledge and align with the market demand and need of the India Inc. in a unique way. CSMC students are positioned to take up a wide range of roles and responsibilities of compliance professionals with the listed companies, market infrastructure institutions, and intermediaries.

For Prospectus and FAQs, please click on:

<https://www.icsi.edu/home/icsi-nism/>

❖ *Direct Tax*

CBDT excludes RBI from definition of specified person under Section 206AB & 206CCA of Income Tax Act, 1961 [Notification No. 45 & 46 Dated May 27, 2024]

Central Board of Direct Taxes (CBDT) has amended the applicability of Section 206AB and Section 206CCA of Income Tax Act, 1961. By this notification, CBDT excluded Reserve Bank of India (RBI) from the definition of specified person for the purposes of Section 206AB and Section 206CCA.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-45-2024.pdf>

<https://incometaxindia.gov.in/communications/notification/notification-46-2024.pdf>

❖ **Capital Market and Securities Laws**

• **Investor Charter for Stock Exchanges (May 29, 2024)**

In order to facilitate investor awareness about various activities such as business transacted and services provided to investors on stock exchanges, grievance redressal mechanism, rights and obligations of investors, guidance pertaining to special circumstances related to market activities due to default of brokers, advisory for investors etc., SEBI in November 2021 has formulated the Investor Charter for Stock exchanges containing the information for investors on aforesaid issues and advised Stock Exchanges to disclose the same on their respective websites. In view of the recent developments in the securities market including introduction of Online Dispute Resolution (ODR) platform and SCORES 2.0, SEBI has modified the Investor Charter for Stock Exchanges inter-alia detailing the services provided to Investors, Rights of Investors, various activities of stock exchanges with timelines, Dos and DON'T's for Investors, Responsibilities of Investors, Code of Conduct for Stock Exchanges and Grievance Redressal Mechanism which is placed at Annexure A to this circular.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/investor-charter-for-stock-exchanges_83653.html

• **Investor Charter for Depositories and Depository Participants (May 29, 2024)**

In order to facilitate investor awareness about various activities such as dematerialization/rematerialization of securities, transmission of securities, settlement instruction, consolidated account statement, grievance redressal mechanism etc., SEBI in November 2021 has formulated the Investor Charter for Depositories and Depository Participants (DPs) containing the information for investors on aforesaid issues and advised Depositories to disclose the same on their respective websites. In view of the recent developments in the securities market including introduction of Online Dispute Resolution (ODR) platform and SCORES 2.0, SEBI has modified the Investor Charter for Depositories and DPs, inter-alia, detailing the services provided to Investors, Rights of Investors, various activities of Depository through DPs with timelines, Dos and DON'T's for Investors, Responsibilities of Investors, Code of Conduct for Depositories and DPs and Grievance Redressal Mechanism which is placed at Annexure to this circular.

For details: https://www.sebi.gov.in/legal/circulars/may-2024/investor-charter-for-depositories-and-depository-participants_83649.html

• **Norms for acceptable collaterals and exposure of Clearing Corporations (May 29, 2024)**

SEBI through various circulars issued from time to time has prescribed norms for risk management of Clearing Corporations (CCs), including acceptable liquid assets by CCs with applicable haircuts to meet the requirements for initial margins, mark to market losses, value at risk margins, extreme loss margins, base minimum capital, etc. In order to further strengthen the risk management framework of CCs, SEBI has reviewed the existing collaterals accepted by CCs and also to have prudential norms for exposure of CCs.

For details: https://www.sebi.gov.in/legal/circulars/may-2024/norms-for-acceptable-collaterals-and-exposure-of-clearing-corporations_83650.html

- **SEBI issues rules for inspection of warehouses by Clearing Corporations (May 30, 2024)**

SEBI on May 29, 2024, Wednesday simplified guidelines on the requirement of inspection of warehouses by clearing corporations. In its circular, SEBI said that the requirement of two inspections in a calendar year can be done away with for accredited storage facilities with 'nil' stock, continuously during the preceding six months. In these cases, the number of inspections by an independent agency can be limited to once in a calendar year. With no stocks for the entire year, the regulator said that no independent inspections are needed. Before accepting new deposits, facilities with no inspections in the previous year must comply with in-house inspection requirements. This decision is aimed at streamlining the inspection process and reducing unnecessary inspections for facilities without stocks, promoting ease of doing business while ensuring readiness and compliance. Under the current rules, there is a requirement for clearing corporations to conduct independent audit of the goods and other facilities in the storage facilities by engaging expert agencies, at regular intervals.

For details: https://www.business-standard.com/markets/stock-market-news/sebi-issues-rules-for-inspection-of-warehouses-by-clearing-corporations-124052901828_1.html

❖ **Banking**

Supervisory Action against ECL Finance Limited and Edelweiss Asset Reconstruction Company Limited based on material supervisory concerns (May 29, 2024)

The Reserve Bank of India on May 29, 2024 has, in exercise of its powers under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and the Reserve Bank of India Act, 1934 imposed business restrictions on the following supervised entities respectively, belonging to the Edelweiss Group. The Reserve Bank has directed: (i) ECL Finance Ltd (ECL) to cease and desist, with immediate effect, from undertaking any structured transactions in respect of its wholesale exposures, other than repayment and/ or closure of accounts in its normal course of business. (ii) Edelweiss Asset Reconstruction Company Limited (EARCL) to cease and desist from acquisition of financial assets including security receipts (SRs) and reorganising the existing SRs into senior and subordinate tranches.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57994

❖ **Business & Economy**

FTA strategy meet: Trade ministry plans steps to prevent overstraining of resources (May 29, 2024)

At a time when the commerce ministry is involved in negotiations on multiple trade deals, a meeting to strategise approach to negotiate free trade agreements (FTA) headed by commerce secretary Sunil Barthwal discussed ways to effectively manage workload and to prevent overtraining of resources, a statement released by the Commerce and Industry Ministry said on Tuesday.

This comes after experts pointed out that opening multiple negotiations might not be an effective strategy at maximising gains as India's FTAs are leading to widening of trade deficit and the negotiators should focus on elimination of non-tariff barriers and better market access in the service sector rather than negotiating tariff that often serves the FTA partners not India.

For details: <https://indianexpress.com/article/business/fta-strategy-meet-trade-ministry-plans-steps-to-prevent-overstraining-of-resources-9357929/>

List of ICSI Latest Publication 2023 Onwards



1. Company Law Exploring Procedural Dimensions VOL I/II/III-December 2023 (A comprehensive and practical oriented publication (in three volumes) covers step by step procedural aspects of company law, specimens of resolutions, applications/petitions to ROC/RD/NCLT information/approvals required, reference to relevant e-forms for filing and so on.)
2. Charter of Audit Committee - January 2023
3. Corporate Governance from Compliance to Excellence (Handbook on Best Practices) Version 2.0 - March 2023
4. FAQs on SEBI (Real Estate Investment Trusts) Regulations, 2014 - March 2023
5. FAQs on SEBI (Infrastructure Investment Trusts) Regulations, 2014 - March 2023
6. Handbook on IFSCA - April 2023
7. Handbook on Business Responsibility and Sustainability- May 2023
8. FAQs on Section 8 Companies 2nd Edition-June 2023
9. Ready Reckoner for Private Companies (Revised Edition)-June 2023
10. One Person Company - A Referencer - July 2023
11. Chartered Secretary Collector's Series (First Edition) - September 2023
12. Handbook on Producer Companies - November 2023
13. NBFC - A Quick Referencer - November 2023
14. CHARTERED SECRETARY COLLECTOR'S SERIES (Second Edition) - November 2023
15. ICSI (Management and Development of Company Secretaries in Practice) Guidelines, 2023 - November 2023
16. Charter of Board of Directors - January 2024
17. Charter of Nomination and Remuneration Committee - January 2024
18. Guidance Note on Annual Secretarial Compliance Report (Revised Edition) - January 2024
19. SS-1 (Secretarial Standard on Meeting of the Board of Directors)-February 2024
20. SS-2 (Secretarial Standard on General Meetings) - February 2024
21. Compilation of SEBI (LODR) Informal Guidance
22. Compilation of Informal Guidance by SEBI
22. Companies Act with Rules (Taxmann's 42nd Edition 2024) - May 2024
23. Corporate Governance from Compliance to Excellence (Handbook on Best Practices) Version 3.0 - March 2024
24. MSME-Ready Reckoner

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❖ **Competition Commission of India**

- **Competition Commission of India (CCI) approves demerger of Hotels Business of ITC Limited to ITC Hotels Limited (May 28, 2024)**

The proposed combination relates to the demerger of all businesses, undertakings, activities, operations and properties of ITC Limited (ITC) related to Hotels Business to ITC's wholly owned newly incorporated subsidiary, ITC Hotels Limited (ITC Hotels) as per the terms of the Scheme of Arrangement approved by the respective boards of ITC and ITC Hotels on 14th August 2023.

For details: <https://www.cci.gov.in/media-gallery/press-release/details/395/0>

- **Competition Commission of India (CCI) approves the proposed investments by Kingsman Wealth Fund PCC - Aurisse Special Opportunities Fund, Mudhra Lifesciences Private Limited, Mudhra Pharmacorp LLP Kotak Strategic Situations India Fund II and Kotak Alternate Asset Managers Limited for acquisition of 100% of the equity shares of Tianish Laboratories Private Limited by Matrix Pharma Private Limited (May 28, 2024)**

Matrix Pharma Private Limited (Acquirer) and the Acquirer Holding Entities i.e. Mudhra Labs Private Limited (Mudhra Labs), Mudhra Lifesciences Private Limited (Mudhra Lifesciences), Mudhra Pharmacorp LLP (Mudhra Pharmacorp) do not presently carry out any business activity either in India or outside India. **Kingsman Wealth Fund PCC - Aurisse Special Opportunities Fund (Kingsman)** holds a Global Business License, issued by the Financial Services Commission, Mauritius. It is regulated by the FSC as an open-ended fund classifying as a self-managed expert fund for the purposes of the Securities Act 2005 and the Securities (Collective Investment Schemes and Closed-end Funds) Regulations, 2008. **Kotak Strategic Situations India Fund II (Investor 1)** is an alternative investment fund registered with the Securities and Exchange Board of India (SEBI) under the SEBI (Alternative Investment Funds) Regulations, 2012. It is engaged in the business of investing in companies with a sector agnostic approach. **Kotak Alternate Asset Managers Limited (Investor 2)** acts as an investment manager, engaged in the business of managing and advising funds across the following asset classes namely: (a) Special Situations; (b) Real Estate; (c) Infrastructure; (d) Private Equity; and (e) Private Credit (collectively, Investor 1 and Investor 2 are referred as the "Investors"). **Tianish Laboratories Private Limited (Target)** carries out the business of manufacture and sale of active pharmaceutical ingredients in India.

For details: <https://www.cci.gov.in/media-gallery/press-release/details/396/0>

❖ **Market Watch**

Stock Market Indices as on 30.05.2024	
S & P BSE Sensex	73885.60 (-617.30)
Nifty 50	22488.65 (-216.05)

Foreign Exchange Rates as on 30.05.2024 (https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
83.42	90.05	105.86	0.53

Prepared by Directorate of Academics

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

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