

Vision

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

Motto

सत्यं वद। धर्मं चर।
इष्टार्थं कुरु। तृणान्तेः शक्यते ह्यु कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Friday, June 02, 2023

President

CS Manish Gupta

Vice President

CS B Narasimhan

❖ Latest @ ICSI

Feedback on Company Forms in MCA21-V3 Portal

As you are aware, the Ministry of Corporate Affairs w.e.f. August 31, 2022 migrated filing of 9 Company Forms from MCA 21 V2 to V3 Portal.

The Ministry of Corporate Affairs w.e.f. January 23, 2023, has launched second set of Company Forms covering 56 forms on MCA21-V3 Portal for filing purposes. The list of all 56 Company Forms is available on MCA website.

The Institute of Company Secretaries of India, in its attempt to further facilitate the stakeholders and ensure smooth transition and implementation, is sharing your feedback to the Ministry of Corporate Affairs (MCA) on regular basis. Such feedback is constantly and closely monitored by MCA at all levels for timely resolution.

We request you to share your inputs/issues/suggestions on filing of Company Forms in MCA V3 at the link given below:

<https://forms.gle/m5NGoCbt4TibuD196>

We thank you for your continued support and hope for association in the future as well.

❖ Securities Laws and Capital Market

SEBI extends time to submit public comments on proposal on expenses charged to MF investors (June 01, 2023)

Capital markets regulator SEBI extended the timeline till June 8, 2023 for submitting public comments on the proposed sweeping changes to the mutual fund's expense ratio. The proposal is aimed at curbing distributor practices of unnecessary switching of schemes and pushing new fund offerings for higher commissions. SEBI had placed a consultation paper on the review of the total expense ratio (TER) charged by AMCS to unitholders of fund schemes on May 18, 2023 and sought comments till June 1, 2023 on the proposal. TER accounts for the fees and expenses charged by asset management companies (AMCs). SEBI in its consultation paper proposed the introduction of performance fees for funds. It proposed two approaches in this regard but also suggested testing the models under the Regulatory Sandbox. Under the proposed framework, SEBI proposed that at the AMC level, the maximum TER that can be charged for an equity scheme is 2.55 per cent. This limit should be for AMCs that fall within the first AUM slab (up to Rs 2,500 crore). Further, SEBI is looking to bring all additional heads of expenses under the overall TER.

For details:

<https://www.moneycontrol.com/news/business/sebi-extends-time-to-submit-public-comments-on-proposal-on-expenses-charged-to-mf-investors-10725381.html>

❖ **Direct Tax**

Strategic disinvestment push: Buyers of PSU shares exempt from gift tax (June 01, 2023)

The Central Board of Direct Taxes (CBDT) has exempted buyers from gift tax when they acquire equity shares in Public-Sector Units (PSUs) through strategic disinvestment. Earlier the exemption was applied only in the case of sale of a PSU. The change in the income-tax law has been made to make strategic divestment in PSUs attractive, said experts. Strategic divestment in IDBI Bank, Concor, and Shipping Corporation of India is in various stages and is expected to be concluded this fiscal year. The government has set a target of Rs 51,000 crore from disinvestment in FY24.

For details:

https://www.business-standard.com/economy/news/disinvestment-push-buyers-acquiring-psus-shares-exempted-from-gift-tax-123060101066_1.htm

❖ **Indirect Tax**

Goods & Services Tax

Gross GST revenue collect ₹1,57,090 crore for May 2023; clocks 12% Year-on-Year growth (June 01, 2023)

The gross Good & Services Tax (GST) revenue collected in the month of May, 2023 is ₹1,57,090 crore of which CGST is ₹28,411 crore, SGST is ₹35,828 crore, IGST is ₹81,363 crore (including ₹41,772 crore collected on import of goods) and cess is ₹11,489 crore (including ₹1,057 crore collected on import of goods). The revenues for the month of May 2023 are 12% higher than the GST revenues in the same month last year. During the month, revenue from import of goods was 12% higher and the revenues from domestic transactions (including import of services) are 11% higher than the revenues from these sources during the same month last year.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1929031>

❖ **Banking**

Watch out for rising risk appetites among Indian banks, says Fitch (June 01, 2023)

The rapid rise in loans and high exposure to certain asset classes may affect the risk profiles of Indian banks as it indicates a greater risk appetite, Fitch Ratings said in a note on Thursday. Not only banks, but even NBFCs have also shown a rising risk appetite. Bank loans rose at 14.6 per cent in FY23 while credit growth in the last fiscal was the highest since FY12, when credit rose 17 per cent.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/higher-risk-appetite-likely-to-bite-into-indian-banks-risk-profiles-fitch->

❖ **IFSCA****Reporting Norms for Fund Management Entities under IFSCA (Fund Management) Regulations, 2022(May 31, 2023)**

The International Financial Services Centres Authority (IFSCA) specified the reporting norms for Fund Management Entities (FMEs) in IFSCs under IFSCA (Fund Management) Regulations, 2022. The reporting norms are as under:

1. FMEs shall submit information to IFSCA in the prescribed formats (provided at <https://ifsc.gov.in/Downloadfile/Index>) on half-yearly basis.
2. The half-yearly report to IFSCA shall include:
 - a. Quantitative information about the fund management operations of the FME, which shall be submitted in an editable excel file.
 - b. A “Compliance Report”, the signed copy of which shall be submitted as a scanned PDF file.
3. While the first report under this Circular, corresponding to the period October 01, 2022 to March 31, 2023, shall be submitted latest by June 21, 2023, the subsequent reports for each half-year period shall be submitted within 21 calendar days from the end of the half-year.

For example, the report for the half-year period from April 01, 2023 to September 30, 2023 shall be submitted not later than October 21, 2023.
4. The reports shall be submitted to IFSCA by way of an email. A dedicated email id created for this purpose is mentioned in the reporting formats.

For details:

<https://ifsc.gov.in/Viewer?Path=Document%2FLegal%2Fcircular-on-reporting-norms-for-fund-management-entities-under-ifsc-fund-management-regulations-202231052023035841.pdf&Title=Reporting%20Norms%20for%20Fund%20Management%20Entities%20under%20IFSCA%20%28Fund%20Management%29%20Regulations%2C%20202>

❖ **Market Watch**

Stock Market Indices as on 02.06.2023	
S & P BSE Sensex	62547.11 (+118.57)
Nifty 50	18534.10 (+46.35)

Foreign Exchange Rates as on 01.06.2023 (https://www.geojit.com/currency-futures)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
82.41	88.32	102.83	0.59

Prepared by Directorate of Academics

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

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