



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु। तृप्तये ह्यु कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Friday, May 03, 2024

President

CS B Narasimhan

Vice President

CS Dhananjay Shukla

❖ 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/>

❖ Capital Market and Securities Laws

• Portfolio Managers - Facilitating ease in digital on-boarding process for clients and enhancing transparency through disclosures (May 02, 2024)

SEBI has modified various clauses of its Master Circular dated March 20, 2023 for Portfolio Managers and prescribed that, with effect from October 01, 2024-

- while on-boarding a client, Portfolio Manager shall ensure that the client has understood the structure for fees and charges in the manner of as prescribed by SEBI.
- Portfolio Manager shall also provide an annexure detailing the fee calculation.

For new clients, on-boarded on or after October 01, 2024-

- Portfolio Manager shall provide to its client a "Most Important Terms and Conditions (MITC)" document, which shall be duly acknowledged by the client in order to facilitate ease of understanding of the critical aspects of the Portfolio Manager-client relationship.
- Portfolio Manager shall also provide a fee calculation tool to all clients that highlights various fee options with multi-year fee calculations. Such tool shall incorporate the high watermark principle, wherever applicable.
- whenever performance fees is charged to the client, the annexure for fees and charges to the PMS-client agreement, shall also contain the additional fee illustrations.

For details:

https://www.sebi.gov.in/legal/circulars/may-2024/portfolio-managers-facilitating-ease-in-digital-on-boarding-process-for-clients-and-enhancing-transparency-through-disclosures_83147.html

- **Facilitating collective oversight of distributors for Portfolio Management Services (PMS) through APMI (May 02, 2024)**

To promote ease of doing business and in order to facilitate collective oversight of PMS distributors at the industry level, SEBI vide this circular has provided that any person or entity involved in the distribution of portfolio management services shall obtain registration with Association of Portfolio Managers in India (APMI). Portfolio Managers shall ensure that any person or entity engaged in the distribution of its services has obtained registration with APMI, in accordance with the criteria laid down by APMI. This circular shall come into effect from January 01, 2025 and APMI are shall issue the criteria for registration of distributors by July 01, 2024.

For details: https://www.sebi.gov.in/legal/circulars/may-2024/facilitating-collective-oversight-of-distributors-for-portfolio-management-services-pms-through-apmi_83146.html

- **SEBI releases framework for supervision of research analysts, investment advisers (May 02, 2024)**

SEBI has announced the framework for administration and supervision of research analysts (RAs) and investment advisers (IAs) by the proposed new supervisory bodies. SEBI on April 26, 2024 notified that a recognised stock exchange may undertake the activities of administration and supervision over specified intermediaries. Accordingly, stock exchanges can now be recognised as Research Analyst Administration and Supervisory Body (RAASB) and Investment Adviser Administration and Supervisory Body (IAASB) for administration and supervision of RAs and IAs, respectively. "The core functions relating to registration, enforcement action and disciplinary or penal action shall remain with SEBI and SEBI shall continue to register IAs and RAs as per the mandate given under the SEBI Act, 1992," SEBI said in a circular dated May 2, 2024. For recognition of as RAASB and IAASB, an entity must have minimum 15 years of existence as a recognised stock exchange. Further, the stock exchange must have a Minimum net worth of Rs 200 crore and have nation-wide terminals. In terms of administration, the proposed RAASBs and IAASBs will share responsibilities with the SEBI. The circular will become effective on July 25, 2024.

For details: <https://www.moneycontrol.com/news/business/personal-finance/sebi-releases-framework-for-supervision-of-research-analysts-investment-advisers-12713441.html>

❖ Business & Economy

- **Manufacturing PMI slips to 58.8 in April from March's 16-year high (May 02, 2024)**

Indian manufacturing slowed down a bit in April but growth stayed robust to signal the second-best improvement in the sector's health in three and a half years, said a private business on Thursday (02.05.2024).

The headline Purchasing Managers' Index (PMI), released by HSBC, slipped to 58.8 in April from a 16-year high of 59.1 recorded in March.

Firms experienced a sharp upturn in new business intakes and scaled up production accordingly. With sales expected to remain positive, buying levels were raised, and input stocks were increased to one of the greatest extents seen in over 19 years of data collection. Cost pressures ticked higher, though they remained historically mild, pushing up charge inflation to the strongest since January," said the survey.

For details: https://www.business-standard.com/economy/news/manufacturing-pmi-slips-to-58-8-in-april-from-march-s-16-year-high-124050200504_1.html

- **OECD raises India's FY25 GDP growth projection by 40 basis points to 6.6% (May 02, 2024)**

The Organisation for Economic Co-operation and Development (OECD) on Thursday (02.05.2024) raised its growth forecast for India by 40 basis points to 6.6 per cent for 2024-25, holding that buoyant public investment and improved business confidence are expected to propel India's gross domestic product (GDP) growth.

"Domestic demand will be driven by gross capital formation, particularly in the public sector, with private consumption growth remaining sluggish. Exports will continue to grow, especially of services such as information technology and consulting, where India will continue to increase its global market share, supported by foreign investment," the inter-governmental group of 38 high-income economies said in its latest Economic Outlook.

For details: https://www.business-standard.com/economy/news/oecd-raises-india-s-growth-forecast-by-40-basis-points-to-6-6-for-fy25-124050201206_1.html

❖ Banking

- **Withdrawal of ₹2000 Denomination Banknotes - Status (May 02, 2024)**

The Reserve Bank of India (RBI) had announced the withdrawal of ₹2000 denomination banknotes from circulation on May 19, 2023. The status of withdrawal of ₹2000 banknotes is periodically published by the RBI. The total value of ₹2000 banknotes in circulation, which was ₹3.56 lakh crore at the close of business on May 19, 2023, when the withdrawal of ₹2000 banknotes was announced, has declined to ₹7961 crore at the close of business on April 30, 2024. Thus, 97.76% of the ₹2000 banknotes in circulation as on May 19, 2023, has since been returned.

For details: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57832

- **Master Direction - Risk Management and Inter-Bank Dealings: Amendments (May 03, 2024)**

Standalone Primary Dealers (SPDs) have been granted authorisation under Section 10(1) of the Foreign Exchange Management Act (FEMA), 1999 pursuant to notification no. DNBR (PD) CC.No.094/03.10.001/2018-19 July 27, 2018. Accordingly, amendments are being made in the Master Direction to reflect the applicability of the provisions to SPDs.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12680&Mode=0>

- **RBI lifts restrictions on Bajaj Finance's digital loan products**

Bajaj Finance announced that the Reserve Bank of India (RBI) has lifted restrictions on its sanctioning and disbursement of loans via eCOM and Insta EMI Card. The central bank had previously directed Bajaj Finance to halt these activities last November due to non-compliance with digital lending guidelines. However, the RBI, in a letter dated May 2, 2024, informed the company that these restrictions are now lifted, attributing it to the remedial actions taken by Bajaj Finance.

For details: <https://www.financialexpress.com/business/banking-finance-rbi-lifts-restrictions-on-bajaj-finances-digital-loan-products-3475570/>

❖ Indirect Tax (Customs Act, 1962)

Exchange Rate Notification No. 30/2024- Customs (N.T.) [May 2, 2024]

The Central Board of Indirect Taxes and Customs determines the rate of exchange of conversion of each of the foreign currencies into Indian currency or *vice versa* relating to imported and export goods, effective from 3rd May, 2024.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=2019431>

❖ Ministry of Commerce and Industry

India and New Zealand to have deeper collaboration in Pharma, Agriculture and Food Processing Industries, among others [PIB Dated May 2, 2024]

A delegation led by the Commerce Secretary, Shri Sunil Barthwal held a number of constructive and outcome-oriented meetings in New Zealand from 26-27 April 2024 to work on ways to deepen the existing bilateral relations. These meetings were held with the Minister for Trade of New Zealand Hon. Todd McClay, Acting Chief Executive and Secretary of Foreign Affairs and Trade of New Zealand, Mr. Brook Barrington, the India-New Zealand Business Council (INZBC) and the 11th India - New Zealand Joint Trade Committee (JTC) Meeting.

For Details: <https://pib.gov.in/PressReleasePage.aspx?PRID=2019407>

❖ Market Watch

Stock Market Indices as on 03.05.2024

S & P BSE Sensex	73,878.15 (-732.96)
Nifty 50	22,475.85 (-172.35)

Foreign Exchange Rates as on 03.05.2024 (<https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
83.37	89.50	104.61	0.54

❖ **Pronouncement**

April, 26, 2024	Geep Industries (India) Pvt. Ltd. & Ors (Petitioners) Vs Competition Commission of India (Respondent)	High Court of Delhi W.P.(C) 10332/2023 & CM APPL. 40030/2023
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CCI cannot direct payment of interest on any delayed payment of penalty without a demand notice

Brief Facts:

The Petitioners had approached Delhi Court challenging the Order dated 18.07.2023 passed by the Respondent/Competition Commission of India (CCI) directing the Petitioners to deposit interest on the penalty amount for the period commencing from 10.12.2018 to 07.07.2023 on the ground that the Respondent/CCI could not have directed payment of interest on the penalty amount without following the procedure laid down under the Competition Commission of India (Manner of Recovery of Monetary Penalty) Regulations, 2011. Further, Petitioner submitted that unless the procedure laid down under the 2011 Regulations are followed, the Respondent/CCI cannot direct payment of interest on any delayed payment of penalty.


Judgement:

Hon'ble Delhi Court inter alia observed that a perusal of Regulation 3 Competition Commission of India (Manner of Recovery of Monetary Penalty) Regulations, 2011 read with Form-I postulates that a person against whom penalty has been imposed has to be first informed regarding levy of penalty. This Form-I is to be issued regardless the person against whom a penalty has been imposed was present during the hearing or at the time of final order was passed. Form-I specifies the correct amount of penalty that is due and payable by the person against whom the penalty has been imposed and the amount which has become due and payable. Form-I also specifies that in case a person fails to deposit the amount of penalty within the time stipulated, he shall be liable to pay simple interest @ 1.5% for every month or part of a month comprised in the period commencing from the date immediately after the expiry of the period mentioned in the demand notice and ending with the date on which the amount is paid. The said stipulation was introduced in Form-I on 25.06.2014. The specific insertion of the said clause intimating that the interest is due and payable on failure to pay the amount of penalty read with the mandatory provision of Regulation 3(1) of the 2011 Regulations makes it clear that unless and until a person, against whom a penalty has been imposed, is informed by giving a notice in Form-I appended to the Regulations, interest is not leviable.

Further, the High Court observed that Hon'ble Apex Court in a number of Judgments has held that when there is a power, coupled with duties, to do a thing in a particular way it should be done in that way only and other modes are forbidden. This principle was first laid down in *Taylor v. Taylor, (1876) 1 Ch.D 426*.

In view of the above, the Impugned Order dated 18.07.2023 is set aside by the High Court inasmuch as it levies interest on the delayed payment of penalty amount from 10.12.2018 till the date of payment.

For details: https://dhccaseinfo.nic.in/jsearch/judgement.php?path=dhc/SMP/judgement/26-04-2024/&name=SMP26042024CW103322023_190400.pdf




**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

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सत्यं वद। वर्ज्यं वद। *speak the truth; abide by the truth*

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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

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