



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टं कुरु। श्रेष्ठं भवेत्।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Thursday, February 08, 2024

Info Capsule

President

CS B Narasimhan

Vice President

CS Dhananjay Shukla

❖ Ministry of Corporate Affairs

Relaxation of additional fees and extension of last date of filing of Form No. LLP BEN-2 and LLP Form No.4D under the Limited Liability Partnership Act, 2008 (February 07, 2024)

Ministry of Corporate Affairs (MCA) has issued general circular no. 01/2024 dated February 07, 2024 stating that, it has notified LLP (Significant Beneficial Owners) Rules, 2023 and prescribed E Form LLP BEN-2 to file return to the Registrar in respect of declaration under section 90 of the Companies Act, 2013. Similarly, MCA has notified LLP (Third Amendment) Rules, 2023 and prescribed E Form LLP No. 4D to file return to the Registrar in respect of declaration of beneficial interest in contribution received by the LLP.

In view of transition of MCA 21 from version-2 to version-3 and to promote compliance on part of reporting LLPs, it is informed that such LLPs may file form LLP BEN-2 and LLP Form No. 4D, without payment of any additional fees, upto 15.05.2024. The two forms shall be made available in version-3 for filing purposes w.e.f 15.04.2024.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=ui4J8CwvqBhepbNiu3putw%253D%253D&type=open>

❖ Capital Market and Securities Laws

• Consultation Paper on Relaxation in Timelines for Disclosure of Material Changes by Foreign Portfolio Investors (February 07, 2024)

The objective of the consultation paper is to seek comments/views/suggestions from the public on the proposal to give relaxation in timelines for disclosure of material changes by Foreign Portfolio Investors ('FPIs'). Pursuant to notification of the seven working-days disclosure timeline for FPIs, SEBI has received several representations from market participants regarding relaxation in the said timeline. The Comments/suggestions may be provided latest by February 28, 2024.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/feb-2024/consultation-paper-on-relaxation-in-timelines-for-disclosure-of-material-changes-by-foreign-portfolio-investors_81211.html

• Consultation Paper on framework for providing flexibility to FPIs in dealing with their securities post expiry of their registration (February 07, 2024)

The objective of the consultation paper is to seek comments/views/suggestions from the public on the following proposals:

1. Provide for facilitating disposal of securities, post expiry of registration of FPIs.
2. Framework for dealing with securities blocked in the accounts of FPIs, after expiry of prescribed timelines for liquidation.
3. Framework for dealing with securities written-off by the FPIs.

The Comments/suggestions may be provided latest by February 28, 2024.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/feb-2024/consultation-paper-on-framework-for-providing-flexibility-to-fpis-in-dealing-with-their-securities-post-expiry-of-their-registration_81210.html

❖ **Banking**

- **Monetary Policy Statement, 2023-24 Resolution of the Monetary Policy Committee (MPC) February 6 to 8, 2024 Ministry (February 08, 2024)**

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting held on February 8, 2024 decided to: Keep the policy repo rate under the Liquidity Adjustment Facility (LAF) unchanged at 6.50 per cent.; The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.

For details:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57275

- **RBI has shared list of 442 lending apps with IT Ministry (February 08, 2024)**

The Reserve Bank of India (RBI) has shared a whitelist of 442 unique digital lending applications with the IT Ministry which has resulted in a review of listing of such apps for customers, a top Finance Ministry official said. The Government is looking at more follow-up measures amid concerns over rising instances of financial frauds. A second review meeting on cybersecurity and financial frauds is scheduled to be held on February 9, Department of Financial Services' (DFS) Secretary Vivek Joshi said in an interaction with The Indian Express on February 07, 2024. He had chaired the first such meeting of the regulators and payment aggregators last November.

For details:

<https://indianexpress.com/article/business/banking-and-finance/rbi-has-shared-list-of-442-lending-apps-with-it-ministry-9149831/>

❖ **Market Watch**
**Stock Market Indices as on
08.02.2024**

S & P BSE Sensex	71,428.43 (-723.57)
Nifty 50	21,717.95 (-212.55)

Foreign Exchange Rates as on 08.02.2024

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
82.97	89.46	104.78	0.55

❖ **Pronouncement**

19.01.2024	<i>Sushil Kumar Mishra v. State Of U.P.And Another</i>	<i>High Court of Allahabad</i>
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This was an appeal filed by the claimant/award holder against the order passed by the District Judge, wherein the appeal was partly allowed and the rate of interest awarded by the Arbitrator was reduced from 14% to 6% per annum.

This case can be referred for understanding the law on the issue of reducing the interest by Award by the courts.

The Allahabad High Court has said that it is trite law, settled by a catena of Supreme Court judgements that the Court does not have the power under Section 34 of Arbitration and Conciliation Act, 1996 ("the Act") to modify an award. The Court under Section 34(2) of the Act has the power to sever parts of the award and set aside the same in toto, if the severance does not impact the remaining award that is upheld under Section 34 of the Act. The principle expounded by the Supreme Court in Larsen Air Conditioning and Refrigeration Company (supra) is specifically on the point of the modification of the rate of interest and Supreme Court has categorically held that no such modification is permissible under Section 34 of the Act.

The court *inter alia* also held that reduction of interest is nothing but a modification of the original arbitration award, and accordingly, the same is illegal and against the principles established by the Supreme Court.

❖ Legal News

144th report of department related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice (February 7, 2024)

The Department related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice considered the draft One Hundred Forty Fourth Report (144th) and adopted the same in its meeting held on 6th February, 2024.

Major recommendation accepted by the Government in the report are as under:

1. The Committee feels that the demand for having regional benches of the Supreme Court of India is about 'access to justice,' which is a fundamental right under the Constitution. There has been a long-standing demand for having regional benches of the Highest Court in the country for taking justice to the doorstep of the common citizen. The regional benches may also be seen as a solution to the overflowing caseload of the judiciary and to reduce the litigation cost to the common man.
2. The Committee notes that the preparation and publication of the Annual Report is like an appraisal of what that institution has done over the past year. There is no harm if each Court also, at the beginning of every year, takes stock of work that it had transacted last year. After all, Courts are also public institutions, and the preparation and publication of the Annual Report will highlight the work of the Judiciary and make it accessible to the public. The Supreme Court is already publishing its Annual Report also depicting the work done by all High Courts of the Country. For High Courts, only some of them are publishing their Annual Report on their own volition, the others need to do the same. Accordingly, the Committee recommends the Department of Justice to approach the Supreme Court of India requesting them to issue necessary directions to all the High Courts to prepare and publish their Annual Reports regularly, on their respective websites. In this regard, the Supreme Court may suggest the items to be included in the Annual Report, so that there is uniformity in the Report to be prepared by different High Courts.

Prepared by Directorate of Academics

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

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