



Info Capsule

Thursday, March 14, 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/>

❖ Niti Aayog

Niti Aayog bats for easy financing, e-commerce push to boost MSME exports (March 13, 2024)

Niti Aayog has called for easing of access to export finance and a concerted push to boost e-commerce exports to realise the potential of the country's micro, small, and medium enterprises (MSMEs). In a report released on March 13, 2024, the Aayog said small firms have encountered difficulties in tapping into export markets due to the inherent obstacles posed by economies of scale. "It proves more challenging for small enterprises to enter foreign markets, adhere to compliance requirements, achieve cost-effective production, and efficiently manage logistics for clients," it added.

"By modifying our business environment to facilitate seamless exports through e-commerce platforms, coupled with addressing essential ease-of-doing-business factors, we have the potential to catalyse a radical transformation of our MSME sector into a formidable growth engine," the report said.

As part of six key recommendations, Niti Aayog called for "green channel" clearances of MSME e-commerce exporters. It said that India has not been able to tap into e-commerce to work around market access barriers, unlike China. In 2022, China's e-commerce exports by MSMEs were worth \$200 billion, which is 100 times that of exports by Indian MSMEs.

"One key reason for this gap is the cumbersome compliance process associated with exports, especially when it comes to payment reconciliation, which is particularly challenging for a new or small exporter. To boost e-commerce exports, it is essential to create distinction between Exporter on Record (EOR) and Seller on Record (SOR), allow reduction in invoice value without any percentage ceiling for all e-commerce exports, introduce annual financial reconciliation process for e-commerce exporters, exempt import duties on rejects/returns, consider an exemption on reconciliation requirements for shipments up to \$1000 until NTN (National Trade Network) is implemented and creating a green channel clearance for e-commerce exports," the report said.

For Details: <https://www.business-standard.com/economy/news/niti-aayog-bats-for-easy-financing-e-commerce-push-to-boost-msme-exports-124031400003 1.html>

❖ Capital Market and Securities Laws

• SEBI decides to repeal circulars related to private placement of securities (March 13, 2024)

SEBI has decided to repeal certain circulars that provided relaxation in cases involving the allotment of securities through a private placement route. Under the Companies Act, 1956, the issuance of securities to 49 people was considered a private placement and the limit was increased to up to 200 under the Companies Act, 2013. In respect of cases under the Companies Act, 1956, involving the issuance of securities to more than 49 persons but up to 200 persons in a financial year, SEBI had said that companies may avoid penal action, subject to certain conditions. The conditions were that the entities had to "provide the investors with an option to surrender the securities and receive the refund amount at a price not less than the amount of subscription money paid along with 15 per cent interest p.a. thereon or such higher return as promised to the investors", as per the circular issued on March 13, 2024. Citing that considerable time has elapsed since the repeal of the Companies Act, 1956, SEBI said it has now decided to repeal the circular in this regard. They "shall stand rescinded with effect from 6 months from the date of issue of this circular, without prejudice to the operation of anything done or any action taken under the said circulars," it added.

For details:

https://www.business-standard.com/world-news/sebi-decides-to-repeal-circulars-related-to-private-placement-of-securities-124031301135_1.html

• Company finds novel reason to duck open-offer: driven by "intense passion for Indian classical music" (March 13, 2024)

Giving a novel reasoning, an agrochemical exporter said that it didn't make an open offer because it had loaned money to the promoters of the target company because of "intense passion to promote Indian classical music" and that it had no intention of taking over the target company. But the market regulator SEBI found otherwise and ordered the exporter Rutmarg Commercial Pvt Ltd to make a public announcement for an open offer. According to the market regulator's findings, Rutmarg crossed the threshold for an open offer for the target company Perfect-Octave Media Projects (POMPL) under the Substantial Acquisition of Shares and Takeovers (SAST) Regulations on September 12, 2016. It held 27.77 percent of the total shareholding in POMPL on that date. SEBI, in its order dated March 13, asked Rutmarg to make a public announcement to acquire POMPL's shares at the highest price calculated for the dates when the open offer was triggered.

For details:

<https://www.moneycontrol.com/news/business/markets/company-finds-novel-reason-to-duck-open-offer-driven-by-intense-passion-for-indian-classical-music-12455171.html>

❖ Market Watch

Stock Market Indices as on 14.03.2024	
S & P BSE Sensex	73097.28 (+335.39)
Nifty 50	22146.65 (+148.95)

Foreign Exchange Rates as on 14.03.2024 (https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
82.87	90.66	106.02	.5603



ABOUT THE BOOK - “Company Law: Exploring Procedural Dimensions”

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. This publication is available at <https://www.icsi.edu/home/icsipublications/>

Motto
सत्यं वद। धर्मं चर।
इष्टांशे मेष्ट तृपतेः श्रेयते इयु मेष्ट भवः

Vision
“To be a global leader in promoting good corporate governance”

Mission
“To develop high calibre professionals facilitating good corporate governance”

ICSI THE INSTITUTE OF Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
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NBFC A QUICK REFERENCER

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Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

ABOUT THE BOOK - “NBFC- A Quick Referencer”

The publication focusing on vital concepts & compliances pertaining to NBFCs. The publication encompassing futuristic approach towards the financial ecosystem & Scope for Governance Professionals in the arena of NBFCs. This publication is available at <https://www.icsi.edu/home/icsipublications/>

❖ *Artificial Intelligence*

EU Parliament gives final nod to landmark AI law (March 14, 2024)

European Union lawmakers gave final approval to the 27-nation bloc's Artificial Intelligence (AI) law on March 13, 2024, putting the world-leading rules on track to take effect later this year. Lawmakers in the European Parliament voted overwhelmingly in favor of the Artificial Intelligence Act, five years after regulations were first proposed. The AI Act is expected to act as a global signpost for other governments grappling with how to regulate the fast-developing technology.

For details:

<https://economictimes.indiatimes.com/news/international/world-news/eu-parliament-gives-final-nod-to-landmark-ai-law/articleshow/108473484.cms?from=mdr>

❖ *Ministry of Commerce & Industry*

India signs protocol for establishment of its first bilateral institutional mechanism with Dominican Republic on trade and commerce

The protocol for establishment of Joint Economic and Trade Committee (JETCO) between India and Dominican Republic was signed at the Ministry of Foreign Affairs (MIREX) of Dominican Republic at Santo Domingo on March 12, 2024. The protocol was signed by H.E. Mr. Roberto Álvarez, Minister of Foreign Affairs of Dominican Republic and Mr. Ramu Abbagani, Ambassador of India to the Dominican Republic on behalf of the Department of Commerce.

The protocol envisages to strengthen and develop cooperation on trade, services, industrial technologies and various other sectors by means of technical assistance, training programmes and capacity building. It will be pivotal in mitigating challenges faced by the trade and industry and provide a platform for sharing of knowledge and best practices between the two countries. India primarily imports gold from the Dominican Republic and exports pharmaceuticals, marine products, motor vehicles, two and three wheelers etc. to them.

For Details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2014067>

❖ **Pronouncement**

07.03.2024	Rites Ltd v. Ahluwalia Contract (India) Ltd. & Anr.	High Court of Delhi
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Interest should not be awarded by Arbitrator if the parties agreed on this point.

In this case, the petitioner assailed an Arbitral Award, to the extent that the learned Arbitrator has awarded interest on the respondent's claim for recovery against outstanding bills.

The arbitral proceedings arose out of a contract agreement, by which the petitioner - Rites Ltd., as the constituted attorney of respondent No. 2, Delhi University ["the University"], entrusted respondent No.1 - Ahluwalia Contract (India) Ltd. ["Ahluwalia"], with the task of construction of hostels and flats in the North Campus of the University.

By the impugned Award, the learned Arbitrator has awarded claim few claims in favour of Ahluwalia, alongwith post-award interest and costs.

The High Court referred to the decision of Hon'ble Supreme Court in Garg Builders, in which the Court was concerned with a contractual provision which excluded payment of interest on earnest money deposit, security deposit or any monies due to the contractor. The learned Arbitrator awarded interest, which was set aside by this Court.

The court further held that clauses 9 and 25 (9) of the contract, are unambiguous. They specifically deal with the situations contemplated in Ahluwalia's claim. Clause 9 provides that the contractor would not be entitled to "any compensation or claims or damages by way of interest etc. in case of delay in payment". Clause 25(9) further restricts the power of the arbitrator to grant interest for the pre-reference or pendente-lite period on any amount found payable.

❖ **Terminology****Finfluencers**

Finfluencers are individuals with a significant presence on social media platforms who offer financial advice, share personal experiences related to money management, and discuss various investment topics. Their general discussion includes stocks, budgeting, property, cryptocurrency, and financial trends.

Prepared by Directorate of Academics

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

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