

Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु तपः। कुरुते ह्यु तद्विद्वत्

Mission

"To develop high calibre professionals facilitating good corporate governance"

Wednesday, June 14, 2023

Info Capsule

President

CS Manish Gupta

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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

Execution-only platform providers for MF schemes must get registered: SEBI (June 13, 2023)

The Securities and Exchange Board of India (SEBI) has made it mandatory for providers of execution-only platforms for direct plans of mutual fund schemes to get registered in case they wish to offer services. While investors may find it convenient to avail services of such online platforms, those who are not clients of such intermediaries under the regulations may not have recourse or protection for the risks associated with the transactions.

In order to strike a balance between investor convenience and protection, SEBI laid necessary regulations. The execution only platforms (EOPs) may be granted registration under two categories - Category 1 EOP as an agent of asset management companies (AMC), registered with AMFI, or Category 2 EOP as an agent of an investor, registered as a stock broker. The need to put in a framework to facilitate execution-only platforms (EOPs) for direct plans of mutual fund schemes was proposed by the market regulator in December last year. The regulator on June 13, 2023, Tuesday provided the detailed framework, which will come into force from September 1, 2023.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/execution-only-platform-providers-for-mf-schemes-must-get-registered-sebi/articleshow/100971538.cms>

❖ **Banking**

• **Indian banks, NBFCs can weather global banking stress: Report (June 14, 2023)**

Credit profiles of Indian banks and Non-Banking Financial Companies (NBFCs) will remain resilient despite the challenging global environment, Moody's Investors Service and ICRA said in a report on June 13, 2023. The credit quality of these lenders will be aided by strong domestic demand, improving credit conditions for bank borrowers, strengthened solvency and funding of rated Indian financial institutions.

For details:

<https://www.financialexpress.com/industry/banking-finance/indian-banks-nbfcs-can-weather-global-banking-stress-report/3124928/>

• **Disinflation process to be slow, protracted: RBI Guv Shaktikanta Das (June 14, 2023)**

Reserve Bank of India Governor Shaktikanta Das on June 13, 2023 said the disinflation process in the country is likely to be slow and protracted, with the 4 per cent inflation target to be reached only over the medium-term. The RBI has been mandated by the Government to keep Consumer Price Index-Based Inflation (CPI) at 4 per cent with a band of +/- 2 per cent. Das said there are signs of some softening in inflation, with headline CPI inflation easing to 4.25 in May from the peak of 7.8 per cent in April 2022. In April, CPI eased to an 18-month low of 4.7 per cent from 5.7 per cent in March.

For details:

<https://indianexpress.com/article/business/banking-and-finance/disinflation-process-to-be-slow-protracted-rbi-guv-8661418/>

❖ **ESG**

EU proposes new shake-up of ESG ratings agencies (June 13, 2023)

The European Union on June 13, 2023 proposed new regulations for firms selling environmental, social and governance (ESG) ratings that could force some to restructure their businesses in a major shake-up of the industry. According to the EU's draft legislation, providers must stop providing consulting services to investors, the sale of credit ratings and the development of benchmarks among other things, to avoid potential conflicts of interest.

For details:

<https://www.reuters.com/sustainability/eu-proposes-greater-regulatory-scrutiny-esg-ratings-providers-2023-06-13/>

❖ **Business and Economic News**

PLI Schemes contribute to increase in production, employment generation, and economic growth (June 13, 2023)

The Production Linked Incentive (PLI) Schemes have led to a significant increase in production, employment generation, economic growth and exports in the country. Addressing a press conference in New Delhi today, Shri Rajesh Kumar Singh, Secretary, DPIIT said that due to PLI Schemes, there was a significant increase of 76% in FDI in the Manufacturing sector in FY 2021-22 (USD 21.34 billion) compared to previous FY 2020-21 (USD 12.09 billion). The PLI schemes as envisioned by the Prime Minister, Shri Narendra Modi with the objective of making India 'AatmaNirbhar' is built on the foundation of 14 sectors with an incentive outlay of Rs. 1.97 lakh crore (about US\$ 26 billion) to strengthen their production capabilities and help create global champions.

Sectors for which PLI schemes exist and have seen an increase in FDI inflows from FY 2021-22 to FY 2022-23 are Drugs and Pharmaceuticals (+46%), Food Processing Industries (+26%) and Medical Appliances (+91%). PLI Schemes have transformed India's exports basket from traditional commodities to high value- added products such as electronics & telecommunication goods, processed food products etc. As on date, 733 applications have been approved in 14 Sectors with expected investment of Rs.3.65 Lakh Crore. 176 MSMEs are among the PLI beneficiaries in sectors such as Bulk Drugs, Medical Devices, Pharma, Telecom, White Goods, Food Processing, Textiles & Drones.

Actual investment of Rs. 62,500 Crore has been realized till March 2023 which has resulted in incremental production/ sales over Rs. 6.75 Lakh Crore and employment generation of around 3, 25,000. Exports boosted by Rs 2.56 Lakh Crore till FY 2022-23. Incentive amount of around Rs. 2,900 Crore disbursed in FY 2022-23 under PLI Schemes for 8 Sectors viz. Large-Scale Electronics Manufacturing (LSEM), IT Hardware, Bulk Drugs, Medical Devices, Pharmaceuticals, Telecom & Networking Products, Food Processing and Drones & Drone Components.

For details:

<https://pib.gov.in/PressReleaselFramePage.aspx?PRID=1932051>

❖ **Market Watch**

Stock Market Indices as on 14.06.2023	
S & P BSE Sensex	63228.51 (+85.35)
Nifty 50	18755.90 (+39.75)

Foreign Exchange Rates as on 13.06.2023 (https://www.geojit.com/currency-futures)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
82.42	88.65	103.40	0.59

❖ **IFSCA****Consultation paper on the proposed IFSCA (Payment Services) Regulations (June 13, 2023)**

International Financial Services Centre Authority (IFSCA) enjoys powers under the Payment and Settlement Systems Act, 2007 to license and regulate payment systems, authorisation and regulation of payment services requires a differentiated approach with issues like protection of customers funds, customer service etc. to be dealt with at a more granular level. Several projects currently in the IFSCA Fintech sandbox and some being considered for inclusion in the sandbox are payment services as they support the process of payments. For such systems to go live after successfully exiting the sandbox, due legal recognition of their role as a supporting service for enabling payments needs to be ensured.

In view of above, IFSCA issued the Consultation paper on the proposed IFSCA (Payment Services) Regulations. These regulations *inter alia* provides for:

1. Procedure for applying to provide a “Payment Service”
2. Types of authorisations
3. Providing initial capital
4. Governance requirements
5. Exemption from the requirement of authorisation
6. Safeguarding the funds of the users

The draft regulations are placed on the website of the IFSCA at below mentioned link:

<https://ifsc.gov.in/PublicConsultation> .

General public and stakeholders are requested to forward their comments/suggestions through e-mail to Mr. Supriyo Bhattacharjee at supriyo.b@ifsc.gov.in and Mr. Vaibhav Sattavan at vaibhav.sattavan@ifsc.gov.in on or before July 5, 2023, in the attached format. The comments may be provided in MS Word or MS Excel format only.

For details:

<https://ifsc.gov.in/Viewer?Path=Document%2FReportandPublication%2Fdraft-ifsc-payment-services-regulations-2023-for-public-consulation-web-1-13062023113322.pdf&Title=Consultation%20paper%20on%20proposed%20IFSCA%28Payment%20Services%29%20Regulations%2C%2020XX&Date=13%2F06%2F2023>

Prepared by Directorate of Academics

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

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