



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु तृप्तये शक्यते तु तत्र इत्यत्र

Mission

"To develop high calibre professionals facilitating good corporate governance"

Monday, January 15, 2024

Info Capsule

President

CS Manish Gupta

Vice President

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❖ ESG

What to Expect From ESG Trends in 2024? (January 15, 2024)

The year 2023 brought several challenges to the global fintech landscape, including economic uncertainties and geopolitical tensions. Nevertheless, the ESG (Environmental, Social, and Governance) fintech sector in the Asia Pacific region has emerged as a resilient outlier. Despite the prevailing headwinds, ESG trends in Asia Pacific have continued to progress steadily, driven by the imperative to transition towards a low-carbon emission model and the committed support of large corporations.

For details:

<https://fintechnews.sg/83352/green-fintech/esg-trends-2024-asia/>

❖ Ministry of External Affairs

First meeting of the India-Maldives High Level Core Group (January 14, 2024)

The first meeting of the India-Maldives High Level Core Group was held in Male on January 14, 2024. During the meeting, both sides held discussions on wide ranging issues related to bilateral cooperation towards identifying steps to enhance the partnership, including expediting the implementation of ongoing development cooperation projects. Both sides also held discussions on finding mutually workable solution to enable continued operation of Indian aviation platforms that provide humanitarian and medvac services to the people of Maldives. It was agreed to hold the next meeting of the High Level Core Group in India on a mutually convenient date.

For details:

https://www.mea.gov.in/press-releases.htm?dtl/37511/First_meeting_of_the_IndiaMaldives_High_Level_Core_Group

❖ Banking

Dr. Michael Debabrata Patra re-appointed as RBI Deputy Governor (January 12, 2024)

The Central Government has re-appointed Dr. Michael Debabrata Patra as Deputy Governor, Reserve Bank of India for a further period of one year with effect from January 15, 2024, or until further orders, whichever is earlier.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57123

❖ **Capital Market and Securities Laws**

• **Guidelines for AIFs with respect to holding their investments in dematerialised form and appointment of custodian (January 12, 2024)**

SEBI vide this circular has prescribed that any investment made by an AIF on or after October 01, 2024 shall be held in dematerialised form only, irrespective of whether the investment is made directly in the investee company or is acquired from another entity. The investments made by an AIF prior to October 01, 2024 are exempted from the requirement of being held in dematerialised form, except in the cases as specified by SEBI. However, the aforesaid requirement of holding investments in dematerialised form shall not be applicable to scheme of an AIF whose tenure ends on or before January 31, 2025 and scheme of an AIF which is in extended tenure as on date of this circular. Further provided that the custodian for a scheme of an AIF shall be appointed prior to the date of first investment of the scheme and the pilot Standard Setting Forum for AIFs ('SFA'), shall formulate implementation standards for reporting data on investments of AIFs that are under custody with the custodian. Such standards shall specify the format and modalities of reporting of data by the manager of AIF to the custodian and subsequently, by the custodian to SEBI.

For details:

https://www.sebi.gov.in/legal/circulars/jan-2024/guidelines-for-aifs-with-respect-to-holding-their-investments-in-dematerialised-form-and-appointment-of-custodian_80614.html

• **Ease of Doing Investments by Investors- Facility of voluntary freezing/ blocking of Trading Accounts by Clients (January 12, 2024)**

To enhance ease of doing business and ease of investment, SEBI has prescribed that the framework for Trading Members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients on account of suspicious activities shall be laid down on or before April 01, 2024, by the Brokers' Industry Standards Forum (ISF), which shall, inter-alia, contain necessary guidelines on detailed policy, action to be taken by the Trading Member, process for re-enabling etc. Further, the Stock Exchanges shall ensure that the guidelines so issued under the aforesaid Framework are implemented by Trading Members with effect from July 01, 2024. A compliance report to this effect shall be submitted to SEBI by Stock Exchanges latest by August 31, 2024.

For details:

https://www.sebi.gov.in/legal/circulars/jan-2024/ease-of-doing-investments-by-investors-facility-of-voluntary-freezing-blocking-of-trading-accounts-by-clients_80597.html

- **Ease of doing business- Changes in reporting (January 12, 2024)**

SEBI has taken various measures to safeguard investors' collateral lying with the stock brokers. For this purpose, Stock Exchanges and Clearing Corporations draw various reports from the stock brokers. In order to bring in efficiencies in reporting and a step towards ease of doing business, certain reports are being discontinued. Therefore, SEBI master circular on stock brokers dated May 17, 2023 has been modified accordingly.

For details:

https://www.sebi.gov.in/legal/circulars/jan-2024/ease-of-doing-business-changes-in-reporting_80598.html

- **Consultation Paper on providing flexibility to Alternative Investment Funds (AIFs), Venture Capital Funds (VCFs) and their investors to deal with unliquidated investments of their schemes beyond expiry of tenure (January 12, 2024)**

SEBI has issued the consultation paper to seek comments / views / suggestions from public on the proposals to provide flexibility to AIFs registered under the SEBI (AIF) Regulations, 2012, 'VCFs' registered under the erstwhile SEBI (VCF) Regulations, 1996 and their investors to deal with unliquidated investments of their schemes beyond expiry of tenure. The comments / suggestions may be provided in MS Excel file as per the specified format, latest by February 02, 2024.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/jan-2024/consultation-paper-on-providing-flexibility-to-alternative-investment-funds-aifs-venture-capital-funds-vcfs-and-their-investors-to-deal-with-unliquidated-investments-of-their-schemes-beyond-expiry_80612.html

❖ Terminology

Sustainability-themed investing

An investment approach where investments are selected on the basis of a sustainability theme(s) such as climate change mitigation, pollution prevention, sustainability solutions and approaches that relate to one or more of the UN Sustainable Development Goals (SDGs).

Market Watch

Stock Market Indices as on 15.01.2024

S & P BSE Sensex	73,327.94 (+759.49)
Nifty 50	22,097.45 (+202.90)

Foreign Exchange Rates as on 15.01.2024

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
82.85	90.84	105.66	0.57

❖ **Pronouncement**

03/01/2024	In Re: Yogesh Pratap Singh (Informant) And PVR Ltd. (Opposite Party)	Competition Commission of India Case No. 40 of 2022
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Brief Facts

The Informant alleged that the Opposite Party, by virtue of controlling more than half of the upscale multiplex screens in India, is in a dominant position in the film exhibition market and has abused its dominance by according special treatment to films of powerful and monetarily affluent production houses and constraining the entry of films by independent filmmakers. It is also stated that Opposite Party has indulged in cartelization and vertical integration by entering into business of film production, film distribution and film exhibition with the big production houses. As per the Informant, his films suffered due to the alleged undercurrent of anticompetitive conduct by the Opposite Party, which is a result of collaboration/cooperation between big production houses and the Opposite Party, creating entry barrier for films by independent film producers.

CCI Order under Section 26(2) of the Competition Act, 2002

Hon'ble Competition Commission of India is of the view that the commercial wisdom of the exhibitors is largely governed by consumer demand and unless harm to competition is apparent, any intervention will only lead to undesirable consequence by taking away the autonomy of such undertaking and substituting the decision of such entity by the decision of the regulator. In the realm of competition law, it is widely understood that firms have an autonomy to choose their trading partners as long as the exercise of such autonomy does not affect the fair functioning of the markets. The Commission in its various orders has upheld the freedom enjoyed by the enterprises in the market subject to compliance of the provisions of the Act.

Hon'ble Commission is of the view that there must be autonomy available to the exhibitors to deal with movies the way they want, in alignment with their business requirements and subject to provisions of the Act. In this vein, nobody can ask for an absolute right to deal with a particular business. Similarly, there is no absolute right of refusal. This will depend upon the facts and circumstances of each case. Thus, the right to choose a movie for exhibition lies with Opposite Party and this freedom cannot be curtailed by compelling it to exhibit the movie of the Informant unless and until it causes any harm to competition.

CCI is of the opinion that, prima facie, as there appears no discernible competition concern in the matter, it would not be appropriate for the Commission to delve into allegations of abuse of dominant position which requires delineation of relevant market. Accordingly, the Commission does not deem it necessary to delineate the relevant market and undertake further assessment thereupon. With regard to applicability of Section 3(4) of the Act, the Commission is of the view that the existence of an agreement/arrangement between the parties is a sine qua non which aspect is neither captured in the Information nor any material evidence given in relation thereto. Further, the Commission notes that the mere fact that the Opposite Party is vertically integrating itself with film production does not per se amount to any contravention of Section 3(4) of the Act.

For details:

<https://www.cci.gov.in/antitrust/orders/details/1098/0>

❖ ***Pension Fund Regulatory and Development Authority (PFRDA)***

Partial Withdrawal of Accumulated Pension Wealth under the National Pension System (NPS) (January 12, 2024)

The Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) Regulations, 2015, as amended, allow subscribers to make partial withdrawals from their accumulated pension wealth in the National Pension System (NPS) for specific purposes.

For details:

https://www.npstrust.org.in/sites/default/files/circulars-documents/MASTER_CIRCULAR-Partial_Withdrawal.pdf

Prepared by Directorate of Academics

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

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