

Vision

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

Motto

सत्यं वद। धर्मं चर।
इष्टार्थं कुरु त्वात्तु. बोधते ह्यु कुरु कुरु

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Monday, August 21, 2023

President

CS Manish Gupta

Vice President

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 & Capital Market

• SEBI notifies rule, gives board representation to REITs' unit holders (August 18, 2023)

To boost corporate governance norms, markets regulator SEBI has notified rules introducing special rights to unit holders of REITs who can now nominate representatives on the boards. Also, the regulator has introduced the concept of a self-sponsored real estate investment trust (REIT). Further, principles of stewardship code would apply to members, nominated by the unit holders, on the board of directors of investment managers of REIT. Further, the director so nominated would recuse from voting on any transaction in which such nominee director or the unit holder who nominated such nominee director is a party. For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-notifies-rule-gives-board-representation-to-reits-unitholders/articleshow/102841260.cms>

• SEBI notifies rules to strengthen investor grievance redressal mechanism (August 18, 2023)

SEBI has notified rules to strengthen investor grievance redressal mechanism wherein complaints will have to be addressed by the entities concerned within 21 days. The new rules also come against the backdrop of increasing participation of investors in the securities markets. Now, merchant bankers, debenture trustees, registrar to an issue, share transfer agent and a know your client registration agency will redress investor grievances within 21 days, according to a notification issued by SEBI. The rules will also be applicable to portfolio managers, investment advisers and research analysts. SEBI can also recognise a body corporate for handling and monitoring the grievance redressal process within the stipulated time.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-notifies-rules-to-strengthen-investor-grievance-redressal-mechanism/articleshow/102841012.cms>

❖ **Banking**

• **Review of Regulatory Framework for IDF-NBFCs (August 18, 2023)**

In order to enable Infrastructure Debt Fund-NBFCs (IDF-NBFCs) to play a greater role in the financing of the infrastructure sector and to harmonise the regulations governing financing of infrastructure sector by the NBFCs, a review of the guidelines applicable to IDF-NBFCs has been undertaken, in consultation with the Government of India. The revised regulatory framework for IDF-NBFCs shall come into effect from August 18, 2023.

For details:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12528&Mode=0>

• **Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans (August 18, 2023)**

At the time of sanction of EMI based floating rate personal loans, Regulated Entities (REs) are required to take into account the repayment capacity of borrowers to ensure that adequate headroom/ margin is available for elongation of tenor and/ or increase in EMI, in the scenario of possible increase in the external benchmark rate during the tenor of the loan. However, in respect of EMI based floating rate personal loans, in the wake of rising interest rates, several consumer grievances related to elongation of loan tenor and/or increase in EMI amount, without proper communication with and/or consent of the borrowers have been received. In order to address these concerns, the REs are advised to put in place an appropriate policy framework meeting the specified requirements for implementation and compliance.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12529&Mode=0>

❖ **Technology & Automation News**

• **How AI, Blockchain technology are taking India's insurance industry to next level (August 20, 2023)**

We live in a VUCA world which stands for volatility, uncertainty, complexity, and ambiguity- no industry is safe from the uncertainties it brings. One must always seek a different approach to harness the organization's potential to survive and thrive in this evolving world. Insurance is also no exception to this VUCA world and must constantly adapt and embrace changes. As a sector, insurance has long followed the traditional business models, which involved largely manual processes.

Though the model has been quite robust, the insurance industry is reinventing itself to new heights where it is going through a profound change and transformation primarily driven by technological advancements focusing on enhancing the customer experience at each touch point. Insurance companies are leveraging their industry experience and the new age of innovative advancements to provide their customers with more personalized and customizable product solutions and related services.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/how-ai-blockchain-technology-are-taking-indias-insurance-industry-to-next-level/articleshow/102872373.cms>

❖ **Direct Tax**

• **Income-tax (Sixteenth Amendment) Rules, 2023 [Notification No. 61 Dated August 16, 2023]**

The CBDT has issued the Income tax Amendment (Sixteenth Amendment), Rules, 2023. The amendment provides that where a sum is received by an assessee for the first time under the life insurance policy during the previous year, the income chargeable to tax in the first previous year shall be computed in accordance with the formula A-B where, –

A = the sum or aggregate of sum received under the life insurance policy during the first previous year; and

B = the aggregate of the premium paid during the term of the life insurance policy till the date of receipt of the sum in the first previous year that has not been claimed as deduction under any other provision of the Act;

Where the sum is received under the life insurance policy during the previous year subsequent to the first previous year, the income chargeable to tax in the subsequent previous year shall be computed in accordance to the formula C-D, where-

C = the sum or aggregate of sum received under the life insurance policy during the subsequent previous year; and

D = the aggregate of the premium paid during the term of the life insurance policy till the date of receipt of the sum in the subsequent previous year not being premium which –

(a) has been claimed as deduction under any other provision of the Act; or

(b) is included in amount 'B' or amount 'D' of this rule in any of the previous year or years.

For Details:

<https://incometaxindia.gov.in/communications/notification/notification-61-2023.pdf>

• **CBDT notify "Urban Improvement Trust, Udaipur" under section 10(46) [Notification No. 62 Dated August 16, 2023]**

The Central Government notifies, 'Urban Improvement Trust Udaipur', (PAN AAALU0072E), a Trust constituted by the State Government of Rajasthan, for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961 in respect of the certain specified income arising to that Trust subject to fulfilment of certain conditions.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-62-2023.pdf>

• **CBDT notify "Haryana Water Resources (Conservation, Regulation and Management) Authority" under section 10(46) [Notification No. 63 Dated August 16, 2023]**

The Central Government notifies, 'Haryana Water Resources (Conservation, Regulation and Management) Authority' (PAN AADAH3590A), an Authority established by the State Government of Haryana, for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, in respect of the certain specified income arising to that authority subject to fulfilment of certain conditions.

For Details:

<https://incometaxindia.gov.in/communications/notification/notification-63-2023.pdf>

• **Income-tax (Seventeenth Amendment) Rules, 2023 [Notification No. 64 Dated August 17, 2023]**

The Central Board of Direct Taxes has issued the Income-tax (Seventeenth Amendment) Rules, 2023. The amendment provides that for the purpose of deduction of tax at source on any income payable in foreign currency, the rate of exchange for the calculation of the value in rupees of such income payable to an assessee outside India, to a Unit located in an International Financial Services Centre or by a Unit located in an International Financial Services Centre to an assessee in India, shall be the telegraphic transfer buying rate of such currency as on the date on which the tax is required to be deducted at source.

For Details:

<https://incometaxindia.gov.in/communications/notification/notification-64-2023.pdf>

❖ **Terminology for Today**

Escalation

The process through which investors can apply increasing levels of pressure on companies. Takes place beyond initial engagement but prior to divestment. Escalation efforts must be credible, being seen as potential precursors to the ultimate sanction of divestment.

Market Watch

**Stock Market Indices as on
21.08.2023**

S & P BSE Sensex	65,216.09(+267.43)
Nifty 50	19,393.60(+83.45)

Foreign Exchange Rates as on 21.08.2023

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
83.11	90.42	105.82	0.57

Prepared by Directorate of Academics

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

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