



Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु। तृप्तये। अश्वमेधं ब्रु। कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Thursday, February 29, 2024

President

CS B Narasimhan

Vice President

CS Dhananjay Shukla

❖ Capital Market and Securities Laws

AMFI writes to MFs about SEBI concern over froth in small, mid-caps space (February 28, 2024)

Industry body Association of Mutual Funds in India (AMFI) has asked mutual funds to put in place safeguards to protect the interests of all investors in mid- and small-cap funds. AMFI sent this letter after markets regulator Securities and Exchange Board of India (SEBI) raised concerns of "froth building up in small and midcap segments" amid continuing flows in mid- and small-cap funds. AMFI cited SEBI's directive to fund houses, in a letter dated 27 February, 2024. SEBI has asked trustees of mutual funds to look into "appropriate and proactive" measures, including but not limited to moderating inflows, portfolio rebalancing, etc. The regulator has also directed mutual fund trustees (through the AMFI letter) to consider steps to ensure that investors are protected from first-mover advantage of redeeming investors.

For details: <https://www.livemint.com/market/stock-market-news/amfi-writes-to-mfs-about-sebi-concern-over-froth-in-small-mid-caps-space-11709133028375.html>

❖ Public Comment Invited by Regulators

RBI invites comments on the "Draft Disclosure framework on Climate-related Financial Risks, 2024" (February 28, 2024)

In pursuance of the announcement made in the Statement on Developmental and Regulatory Policies released along with the Monetary Policy Statement on February 08, 2023, the Reserve Bank of India has today placed on its website the Draft guidelines on Disclosure framework on Climate-related Financial Risks, 2024. These guidelines shall be applicable to all Scheduled Commercial Banks (excluding Local Area Banks, Payments Banks and Regional Rural Banks), All Tier-IV Primary (Urban) Co-operative Banks, All All-India Financial Institutions (viz. EXIM Bank, NABARD, NaBFID, NHB and SIDBI) and All Top and Upper Layer Non-Banking Financial Companies (NBFCs).

Comments / feedback, if any, may be sent by [e-mail](#) with the subject line "Comments on Disclosure framework on Climate-related Financial Risks, 2024", by April 30, 2024.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57408

❖ Direct Tax

CBDT approves Panjab University's for Scientific Research deduction u/s 35(1)(ii) [Notification No. 23 Dated February 26, 2024]

The Central Government approves 'Panjab University, Chandigarh (PAN: AAAJP0325R) under the category of 'University, college or other institution' for 'Scientific Research' for the purposes of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962.

For details: https://incometaxindia.gov.in/communications/notification/notification_23-2024.pdf

❖ International Labour Organisation

Impact of digitalization on work in developing economies revealed by new ILO research (February 28, 2024)

A new publication on the expansion of digital economic activity in developing economies, published by the International Labour Organization (ILO), examines what digitalization means for the structural and productive transformation of countries in the global south. The study points towards key policy actions that would be needed to direct digital economic transformation towards sustainable, fair and inclusive development.

For details: https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_914725/lang--en/index.htm

❖ **Pronouncement**

February 20, 2024	<p style="text-align: center;">Veena Ramanathapura Sreenivasarangan & Others (Appellants)</p> <p style="text-align: center;">Vs.</p> <p style="text-align: center;">Amruthamgamaya Nature Care and Leisure Private Limited & Anr (Respondents)</p>	<p style="text-align: center;">National Company Law Appellate Tribunal</p> <p style="text-align: center;">At Chennai</p> <p style="text-align: center;">Company Appeal (AT) (CH) No. 101/2022</p> <p style="text-align: center;">&</p> <p style="text-align: center;">I.A. Nos. 854 of 2022 & 146, 1326 of 2023</p> <p style="text-align: center;">(Arising out of the Impugned Order dated 08/06/2022 in</p>
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Whether NCLT is empowered to direct audit of a Company?**Brief Facts:**

A Petition under Section 241 of the Companies Act, 2013 was filed before NCLT and NCLT ordered investigation of accounts of the Company by appointing an Independent Chartered Accountant to investigate and audit accounts of the Company for the financial years ending on 31.03.2016, 31.03.2017 and 31.03.2018.

Learned Sr. Counsel appearing for the Appellant before the NCLAT stated that the Tribunal has erred in directing for Audit of the accounts of the Company through an independent Chartered Accountant without giving a finding of 'Oppression and Mismanagement' and without giving a finding of any fraud committed. It was also submitted that appointment of independent Auditor to investigate the books and records of the Company amounts to fishing and roving expedition despite the fact that the allegations made in the Petition were general and vague.

Judgement

The Hon'ble NCLAT reliance placed this Tribunal Order in the case of '*Archer Power System P. Ltd.*' Vs. '*Cascade Energy P. Ltd. & Ors.*', reported in 2020 SCC OnLine NCLAT 1241 and held that the Tribunal under Rule 11 of NCLT Rules, 2016 has the inherent powers to cause audit of accounts or to make such orders as may be necessary for meeting the ends of justice and we find no fault in the impugned order on this account. As a consequence, the present Appeal fails and is accordingly dismissed. No order as to costs. The connected pending Interlocutory Applications, if any, are closed.

S. No	List of ICSI Latest Publication 2023 Onwards
1	Charter of Audit Committee - January 2023
2	Corporate Governance from Compliance to Excellence (Handbook on Best Practices) Version 2.0 - March 2023
3	FAQS on SEBI (Real Estate Investment Trusts) Regulations, 2014 - March 2023
4	FAQS on SEBI (Infrastructure Investment Trusts) Regulations, 2014 - March 23
5	Handbook on IFSCA - April 2023
6	Handbook on Business Responsibility and Sustainability - May 2023
7	FAQS on Section 8 Companies 2 nd Edition - June 2023
8	Ready Reckoner for Private Companies (Revised Edition) - June 2023
9	One Person Company - A Referencer - July 2023
10	NBFC - A Quick Referencer
11	Handbook on Producer Companies
12	Chartered Secretary Collector's Series (First Edition) - September 2023
13	ICSI (Management and Development of Company Secretaries in Practice) Guidelines, 2023 – November 2023
14	Charter of Board of Directors
15	Charter of Nomination and Remuneration Committee - January 24
16	Guidance Note on Annual Secretarial Compliance Report (Revised Edition) - January 24
17	Company Law Exploring Procedural Dimensions VOL I / II / III - December 2023
18	SS-1 (Secretarial Standard on Meeting of the Board of Directors) - February 2024
19	SS-2 (Secretarial Standard on General Meetings) - February 2024
20	CHARTERED SECRETARY COLLECTOR'S SERIES (Second Edition)

Weblink for Purchase: <https://www.icsi.edu/home/icsipublications/>

❖ Market Watch

Stock Market Indices as on 29.02.2024

S & P BSE Sensex	72500.30(+195.42)
Nifty 50	21982.80 (+31.65)

Foreign Exchange Rates as on 29.02.2024 (<https://m.rbi.org.in//scripts/ReferenceRateArchive.aspx>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
82.92	89.86	105.03	0.55

Prepared by Directorate of Academics

For any suaestions. please write to academics@icsi.edu.