

### Vision

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

### Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु। तृणैः कुरु। कुरु। कुरु।

### Mission

"To develop high calibre professionals facilitating good corporate governance"

Monday, July 31, 2023

# Info Capsule

**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 at an early stage of considering simplification of the process of on-boarding of clients by adoption of risk based approach (July 29, 2023)**

This is with reference to some media articles speculating that SEBI is seeking to curb retail participation in derivative markets. In this regard, SEBI has clarified that there is no proposal to curb retail participation in derivative markets. Currently, for trading in the derivative segment, SEBI Circular dated December 03, 2009 (now incorporated under Master Circular for Stock Brokers dated May 17, 2023), inter alia, prescribes that the stock broker shall have documentary evidence of financial capability for all clients.

*For details:*

[https://www.sebi.gov.in/media/press-releases/jul-2023/sebi-at-an-early-stage-of-considering-simplification-of-the-process-of-on-boarding-of-clients-by-adoption-of-risk-based-approach\\_74617.html](https://www.sebi.gov.in/media/press-releases/jul-2023/sebi-at-an-early-stage-of-considering-simplification-of-the-process-of-on-boarding-of-clients-by-adoption-of-risk-based-approach_74617.html)

- **Framework for Corporate Debt Market Development Fund (CDMDF) (July 27, 2023)**

Chapter III-C has been inserted vide amendments to SEBI (Alternative Investment Funds) Regulations, 2012 vide Gazette notification no. SEBI/LADNRO/GN/2023/132 dated June 15, 2023 in order to facilitate constitution of an Alternative Investment Fund namely, Corporate Debt Market Development Fund ("CDMDF" or "the Fund"), to act as a Backstop Facility for purchase of investment grade corporate debt securities, to instil confidence amongst the participants in the Corporate Debt Market during times of stress and to generally enhance secondary market liquidity by creating a permanent institutional framework for activation in times of market stress. CDMDF shall comply with the Guarantee Scheme for Corporate Debt (GSCD) as notified by Ministry of Finance vide notification no. G.S.R. 559(E) dated July 26, 2023, which includes the Framework for Corporate Debt Market Development Fund. The fund shall deal only in Low duration Government Securities, Treasury bills, Tri-party Repo on G-sec, guaranteed corporate bond repo with maturity not exceeding 7 days. Corporate debt securities to be bought by CDMDF during market dislocation include listed money market instruments.

*For details:*

[https://www.sebi.gov.in/legal/circulars/jul-2023/framework-for-corporate-debt-market-development-fund-cdmf-\\_74416.html](https://www.sebi.gov.in/legal/circulars/jul-2023/framework-for-corporate-debt-market-development-fund-cdmf-_74416.html)

## ❖ **Banking**

### • **RBI sets targets for lenders on CBDC, unclaimed deposits (July 31, 2023)**

The Reserve Bank of India (RBI) has taken a cue from the Finance Ministry, implementing a system of assigning business targets to banks for promoting initiatives like the Central Bank Digital Currency (CBDC) and the recovery of unclaimed deposits. Bankers said the regulator is constantly monitoring actions of lenders to meet the targets. For instance, RBI has given a target to generate one million daily digital currency transactions by December, despite bankers' saying benefits of the Central Bank Digital Currency is limited, considering the popularity of the Unified Payments Interface (UPI) platform.

*For details:*

<https://www.livemint.com/industry/banking/rbi-sets-targets-for-lenders-on-cbdc-unclaimed-deposits-11690743187700.html>

### • **Banks start making provisions ahead of RBI's ECL norms (July 31, 2023)**

While the Reserve Bank of India is yet to announce the final guidelines on the Expected Credit Loss (ECL) based provisioning by banks, some lenders have started building up provisions even before migration to the new ECL regime. Higher provisions are based on internal assessments done by these lenders on required loan-loss provisions under the proposed framework. However, a few lenders said they will start making provisions once the RBI releases the final ECL guidelines.

*For details:*

<https://indianexpress.com/article/business/banking-and-finance/banks-start-making-provisions-ahead-of-rbis-ecl-norms-8868327/>

## **Market Watch**

### **Stock Market Indices as on 31.07.2023**

S & P BSE Sensex	66527.67 (+367.47)
Nifty 50	19753.80 (+107.75)

### **Foreign Exchange Rates as on 28.07.2023**

*(<https://www.geojit.com/currency-futures>)*

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
82.08	90.73	105.85	0.59

❖ **Pronouncement**

July 26, 2023	Shrikant Ishwar Mendke (Informant) And Insurance Regulatory and Development Authority of India and Indian Institute of Insurance Surveyors and Loss Assessors (Opposite Parties)	Competition Commission of India Case No. 15 of 2023
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***Statutory Functions of IRDAI are not within the jurisdiction of the Competition Commission of India (CCI)***

Hon'ble CCI in its Order under Section 26(2) of the Competition Act, 2002 inter alia observed that IRDAI is a statutory body created under the IRDAI Act, 1999 and IISLA is a body promoted by IRDAI in the discharge of its functions under Section 14(2) (k) of the IRDAI Act, 1999. Further, membership of IISLA has been made mandatory by IRDAI for grant and renewal of licences for Surveyors and Loss Assessors. Such functions, being regulatory in nature, are not *per se* amenable within the jurisdiction of the Commission as held by the Hon'ble Delhi High Court in its judgment dated 02.06.2023 in the case of *Institute of Chartered Accountants of India v. Competition Commission of India & Ors.* The relevant extracts of the decision are as follows:

*"55..... The statutory authority, which is vested with the regulatory powers can alone exercise such powers. The Competition Act does not contemplate the CCI to act as an appellate court or a grievance redressal forum against such decisions, which are taken by other regulators, in exercise of their statutory powers and are not interfaced with trade or commerce. A statutory body may in course of its functions, also make decisions which involve trade and commerce. As an illustration, the concerned body may purchase equipment and consumables or avail services of professionals. There is no cavil that any decision in this regard may, if it falls foul of the provisions of the Competition Act, be examined by the CCI."*

*"62. It is relevant to state that there are several statutory corporations and bodies, which are constituted under legislative enactments and are charged with specific functions. Some of them may also involve providing of services. If those economic activities are not a part of its regulatory functions, the same would obviously be subject to scrutiny by the CCI. However, a decision in exercise of regulatory powers, is required to be taken by the regulator and its discretion to do so can only be fettered by the provisions of the statute, which clothes the regulator with such powers. The regulatory powers are not subject to review by the CCI."*

*"66. It is important to note that the CCI's power is for regulating of markets; it does not extend to addressing any grievance regarding arbitrary action by any statutory authority...."*

Resultantly, the Commission is of the opinion that the alleged anti-competitive conduct by the Opposite Parties are outside the ambit of the provisions of the Act and no case of contravention of the provisions of the Act is made out. The Information filed is directed to be closed forthwith in terms of the provisions of Section 26(2) of the Act. Consequently, no case for grant of relief(s) as sought under Section 33 of the Act arises and the prayer for the same is also rejected.

For details: <https://www.cci.gov.in/antitrust/orders/details/1080/0>

**Prepared by Directorate of Academics**

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu)

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