

## Testwale Current Affairs PDF

Current Affairs search results for: " SEBI makes it compulsory for the Mutual fund to pay dividend to investors within 7 days from record date"

### **1. IDFC AMC to be renamed as Bandhan Mutual Fund as SEBI approves change in ownership ( Dec. 1, 2022 )**

IDFC AMC to be renamed as Bandhan Mutual Fund

The name of the IDFC Asset Management Company Limited (AMC) which manages the Mutual Fund business of the IDFC will be changed to **Bandhan Asset Management Company Limited**. The IDFC Mutual Fund (MF) is proposed to be renamed as Bandhan Mutual Fund with **Bandhan Financial Holdings Limited (BFHL)** becoming the Sponsor of the Mutual Fund.

This has been done after [Securities Exchange Board of India \(SEBI\)](#) approved the change in ownership at the IDFC AMC. **SEBI is the regulator of Mutual Funds in India.**

The IDFC AMC was set up by IDFC financial company in 2010. It is the 9th largest Mutual fund in India.

In April 2022 a consortium of Bandhan Financial Holdings (BFHL), private equity firm ChrysCapital and Singapore's sovereign fund GIC had announced the acquisition of IDFC Asset Management Company for Rs 4,500 crore. **Bandhan Financial Holdings (BFHL) is the promoter of the private sector bank Bandhan Bank.**

The deal has already been approved by the Competition Commission of India and RBI.

Bandhan Financial Holdings (BFHL) will hold **60% of the shares** in the IDFC AMC, and ChrysCapital and GIC will hold **20% each**.

### **Bandhan Bank**

The Bandhan Bank started as an NGO and later it was converted into an **NBFC -MFI (Micro Financial institution)**.

It was converted into a private sector bank in 2015.

The Bank's Headquarters: **Kolkata**

MD and CEO: **Chandra Shekhar Ghosh**

Tagline: Aapka Bhala. **Sabki Bhalai.**

### **2. SEBI makes it compulsory for the Mutual fund to pay dividend to investors within 7 days from record date ( Nov. 26, 2022 )**

SEBI: Mutual fund investors to get dividend payments within 7 days

The Mutual fund regulator Securities & Exchange Board of India (SEBI) has issued a circular on 25 November 2022 directing the mutual fund houses to pay the dividends within **seven working days** from the record date. Earlier they had to pay the amount within 10 working

days to the investor. **Dividend** is the part of profit earned by the mutual fund which is distributed amongst the unit holders of the mutual fund.

### **Record date for receiving dividend**

SEBI has also directed that the record date should be **two working days** from the date of a public notice, for the purpose of payment of dividend. **Record date** is the date which is set by the mutual funds that determines which unit holders are eligible to receive the dividends.

In case of redemption or repurchase of units, the fund houses are told to pay out the proceeds within **three working days**.

### **Mutual Fund which invest in foreign assets**

In the case of schemes investing at least 80 percent of the money in securities overseas, upon such redemption or repurchase, the investors should be paid **within five working days** from the date of redemption. Redemption means the investors sell back the units it holds of a mutual fund scheme back to the mutual fund's Asset Management Company.

### **Penalty on the Mutual Funds**

If the fund house fails to pay dividend or redemption or repurchase pay out within the stipulated time period then the fund house is liable to pay **interest at the rate of 15 percent per annum** along with the pay out of dividend or redemption.

SEBI chairman : **Madhabi Puri Buch**