



SIRC MYSURU CHAPTER

# e-Magazine

July, 2023  
232<sup>nd</sup> Edition

### Vision

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

### Motto

सत्यं वद। धर्मं चर। इष्टकारं कुरु। शान्तिं कुरु।

### Mission

"To develop high calibre professionals facilitating good corporate governance"

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**CS Phani Datta D N**

**CHAIRMAN  
MYSURU CHAPTER**

*Dear*

*Professional Colleagues*

As we stand at the occasion of completion of 76 years of freedom, celebrating the 77th Independent Day of our mother land, I would like to wish all our readers *'A Very Happy Independence Day'*

**"India is a dream, a vision, and a hope of the greatest nation in the world."**

*- Jawaharlal Nehru*

Undoubtedly, this was the vision with which our leaders fought for the freedom of our country. It is our bounded duty to embrace this privilege with huge sense of responsibility. As the times progress, the burden of making India a greatest nation in the world is continuously raising on all of us.

At this juncture, I would like to recall the statement of our Hon'ble Prime Minister Sri Narendra Modi ji, that *'The way the CS professionals adhere to their responsibilities is how the 'corporate culture' in India is decided'*.

**"The price of freedom is eternal vigilance."**

*- Thomas Jefferson*

Being the torch bearers of Corporate Governance, we the Company Secretaries, have a huge role in shaping the Corporate Economy of India. Our acts and deeds impact the working and thought process of the corporates significantly. I would urge all the fellow Company Secretaries to inculcate this responsibility into their mindset while executing the professional responsibilities, so that each one of us contribute our own small part to the growth of this country as a whole.

Further, the month of July was filled with activities in the Chapter. We had various events for students under 'Student Month' including Vana Mahotsav, Study Circles, and Industrial Visits etc. Our members and students donated 18 units of blood as a part of the Blood Donation Drive exhibiting their responsibility towards the society at large – Congratulations to each and every one of them. Our executive student, Mr. Hitesh won the first place for his cultural performance at 'Jnanasangama' conducted by Bengaluru Chapter. Wishing all the students congratulations on putting up the great show all through. We also had a one day program for members and also facilitated the applications for peer review for practising company secretaries under the abled guidance of **CS Dwarakanath Chennur**, Central Council Member and Chairman of Peer Review Board.

The coming month is also expected to be filled with activities for both students and members in various ways. Looking forward for the continuous support of all the stake holders for the same.

Wishing all of you a wonderful month ahead and Happy Reading!

Thank you



THE INSTITUTE OF  
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

## Editorial Team

CS Vijaya Rao

CS Phani Datta D N (Chairman)

CS Parvati K.R

CS Ajay Madhaiah

CS Madhur N Agrawal

## Support team

Mr. Komal Kumar M

Ms. Mathruka B.M.

Ms. Aparna U

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# Toastmasters



## ICSI Mysuru RoyalPro Toastmasters Club

### Celebrating Success and Joy with ICSI Mysuru Royalpro Toastmasters Club

The most beautiful things are not associated with money; they are memories and moments. If you don't celebrate those, they can pass you by." - Alek Wek

What a wonderful month it has been for the ICSI Mysuru Royalpro Toastmasters club! We are delighted to share with you some of the amazing achievements and events that have made us proud and happy. Read on to find out more!

First of all, let us congratulate two of our outstanding members who have reached a milestone in their Toastmasters journey by completing levels in their chosen pathways. CS Sowmya Kiran completed her level 2 in the Strategic Relationships pathway, which helps members develop speechwriting, evaluation and public speaking skills through five levels of increasingly complex projects. In this path, participants gain insight on how to lead and best communicate with others. CS Vijaya Rao, our past Mysuru Chapter Chairperson, completed level 5 in the Effective Coaching pathway, becoming the first member in the club to achieve this feat. This path helps you build your skills as a positive communicator and leader. The projects on this path focus on understanding and building consensus, contributing to the development of others by coaching and establishing strong public speaking skills. Well done, Sowmya and Vijaya! You are an inspiration to us all!

Secondly, we had a blast at our 5th club officer's installation ceremony at the chapter premises on August 5, 2023. The newly elected club officers, who were announced in the previous month's edition (July 2023), were officially installed as the club officers of the ICSI Mysuru Royalpro Toastmasters club for the term July to December 2023. The ceremony was not only formal but also fun-filled, as it was a musical and cultural-themed event where all members of the club and their families showcased their talents in singing, dancing and playing instruments. It was a wonderful and blissful evening that reminded us of how Toastmasters has given us many memories and moments to cherish.

If you are interested in joining our Toastmasters club and reaping its benefits, please do get in touch with the club President CS Pracheta M at 98446-88622 or Chapter Chairman CS Phani Datta at 98862-14182 (only through WhatsApp please). We would love to have you as part of our family!

**Prajwal Rangaraju**  
CS Executive Student  
VP PR ICSI Mysuru RoyalPro TM Club  
Email: prajwalrangaraju99@gmail.com



# Level Completions of TM Sowmya Kiran and TM Vijaya Rao



# A Glimpse of 5th Installation Ceremony of our Club officers

Current Club president taking oath



Outgoing and Incoming Club officers



Fabulous Singing by TM Krishnegowda



Music Performance by TM Phani Datta D N, TM Prajwal Rangaraju and TM Hitesh M Prabhu



A musical melody by TM Raghuveer



Dance Performance by TM Vijaya Rao, TM Pracheta, TM Harsha, TM Pavithra, TM Arya Britto, and TM Davika



Group Picture of the Toastmasters from Various Clubs



# Chapter Activities

## Career Awareness Programs:

Chapter organized the following Career Awareness Programs during the month:

Sl. No.	Date	College	Speaker	No. of Students
1.	12th July 2023	Government First Grade College, K R Nagar	CS Abhishek Bharadwaj	150
2.	12th July 2023	Harannahalli Ramaswamy Institute Of Higher Education	CS Phani Datta CS Krishnegowda CS Padmanabha	80

## Study Circle Programs:

The Chapter had organized Student's Study Circle Meeting.

S No.	Date	Topic	No. of Students
1	July 01, 2023	Corporate Laws(First-hand Experience of Research)	16
2	July 15, 2023	Independent Director – An Enigma	13
3	July 25, 2023	The Indian Penal Code 1860 & The Code of Criminal Procedure, 1973c	02





## Vana Mahotsav:

As a part of the students' month celebrations, the Chapter celebrated the Vanamahotsava day on 01st July 2023. The saplings were planted in the presence of Guests, CS Thirupal Gorige, PCS, Bengaluru, CS Vijaya Rao, Past Chairperson. Along with them, CS Phani Datta, Chairman along with all the other Management committee members were present during the event and planted saplings.



## One day Seminar

The Chapter conducted one day seminar for members on 15th July 2023. CS Sabareeshan C.K. apprised and discussed various gathering about the opportunities, qualities and desired attributes expected from the Independent director through different case studies. CS Pracheta M. took the second session and explained the concept of Money Laundering, various sections applicable to Money laundering, latest notifications and its implications on CS. CS Dwarkanath Chennur, Central Council Member and Chairman of Peer Review Committee apprised and deliberated on the process of peer review, its benefits and interacted with members and students. Along with the seminar, the chapter facilitated the members who were interested in applying for peer review. The members appreciated the timely initiative taken by the MC for having the session of immense importance at that time line. CS Phani Datta, Chairman welcomed the gathering, CS Abhishek, Treasurer, moderated the event and CS Krishne Gowda, Secretary proposed the vote of thanks. Other management committee members CS Padmanabha V, Vice Chairman, CS Arun Kumar G, and CS Janhavi were also present during the event and it was attended by 18 members.



## Blood Donation:

As a part of the students' month celebrations, the Chapter conducted a Blood-Donation Drive on 21st July 2023 for both students and members in association with Lions Jeevadhara Blood Bank, Mysuru and with the support of Blood on Call club. The Chairman CS Phani Datta along with CS Krishnegowda, Secretary and CS Abhishek Bharadwaj, Treasurer inaugurated the event along with Mr. Devendra of Blood on call club. In all 18 units of blood was donated by several students and members.



## One Day Orientation Program

S No.	Date	Topics	Speaker	No. of Students
	20 July 2023			
1		Know your Institute About ICSI and Website	Mr. Dheeraj Gupta	9
		Syllabus of Executive & Professional Stage Pre Examination Test How to Prepare for CS Examination Role, Responsibility and Functions of CS	CS Janhavi A. N.	
		Benefits of Class Room Teaching Modalities of Practical Training How to become a Member of the Institute. The Skills and aptitude of a Company Secretary	CS Phani Datta D. N.	
		Open House Session, Feedback and Takeaways	Mr. Dheeraj Gupta CS Phani Datta D. N.	



## Participation in Jnanasangama:



As a part of the students' month celebrations, the Chapter conducted a Blood-Donation Drive on 21st July 2023 for both students and members in association with Lions Jeevadhaara Blood Bank, Mysuru and with the support of Blood on Call club. The Chairman CS Phani Datta along with CS Krishnegowda, Secretary and CS Abhishek Bharadwaj, Treasurer inaugurated the event along with Mr. Devendra of Blood on call club. In all 18 units of blood was donated by several students and members.

## Industrial Visit

The chapter has organized the industrial visit for the students on 29th July 2023 to SKANRAY which has a global presence in manufacturing and R&D and is a globally certified Medical Equipment Manufacturer (Retail/OEM) from India in the field of Diagnostic Medicine and Critical Healthcare. With its dedicated design teams in Europe and India, coupled with worldwide manufacturing facilities in India, Italy, and Latin America, Skanray Technologies is an internationally acclaimed firm in med-tech verse. Skanray presently has 80 plus patents going into 50 plus CE/FDA certified hi-end medical equipment in various categories that cater to all facades of healthcare delivery including but not limited to Diagnostic X-Ray systems, Surgical C-Arms, Dental Radiography Systems, Patient Monitoring Systems, Defibrillators, Critical Care Ventilators, Anaesthesia Workstations, ECG Machines, Central Nursing Systems and more. Skanray's facilities in India house the Manufacturing, Design & Development, Quality Control and Quality Assurance teams.

CS PHANI DATTA D. N. Chairman, leads 19 students of executive and professional stage who have participated in the Industrial Visit to the Corporate Office, Manufacturing facility and testing facility of the SKANRAY. CS Bhagya M G and CS Sowmya Kiran apprised students about the history, merger and acquisition in detail.

All students were fortunate to have 45 minutes session with Mr. Vishwaprasad Alva, Managing Director, Skanray who shared his experience and also discussed strategies for building the empire from dust.

CS PHANI DATTA D. N. Chairman, proposed formal vote of thanks on behalf of Mysuru Chapter of ICSI.



# Negotiating Leadership in Jet Airways Revival - Should the Leader Cede his Business or Position?

**Company brief:** Jet Airways was started as a private company in 1992 and began its operations as Air Taxi operator from 1993 with 4 leased Boeing 737 aircrafts. In the next year, it was granted a scheduled airline status and became a deemed public company on July 1, 1996. But on January 19, 2001, it was reconverted into a private company which went public in December 28, 2004<sup>1</sup>. It applied for a foreign collaboration for investment in Tail Winds along with Gulf Air and Kuwait Air. As of 2004, they were providing scheduled trips to 42 destinations in India and 2 international destinations, operating 1924 trips weekly. They had 42 aircrafts including 34 Boeing 737 together with 8 ATR 500 aircrafts. It tied up with South African Airways, Hertz for varied services and introduced 'check fare' system.

**Aggressive plans & IPO:** The Company had filed its draft Red Herring Prospectus with SEBI for its initial public offering of 17,266,801 (1.72 crore shares) equity shares of Rs 10 each for cash at a price to be decided through the book-building process. The value of each share would be Rs 870 and IPO funds to be used to fund its international expansion plans. The price band IPO was between Rs 950 and Rs 1,125 and the issue opened for bids on February 18 and closed on February 24. The total offer was for 1,72,66,801 equity shares of Rs 10 each for cash at a premium, subscribed 4.25 times on the 1st day.

It went in for a leasing agreement with South African Airlines, launched intercontinental flight from Mumbai to London, agreed with the Boeing Company for new aircrafts and created Braille in-flight manual. It entered into pacts with Gulf Air, American Airlines, and Lufthansa Airways and bought out Sahara Airlines for \$500million cash and introduced "Jet Airways Konnect" a new All Economy No-Frills services. In 2017, it used technology to manage its business by introducing pre-paid pass for travelers, using the app-based cab aggregator Uber for the last mile connectivity to air travelers, signed a MoU with Aeromexico for code share flights and a cooperation agreement with Air France-KLM.

**Challenges post 2006:** The Company became shaky due to cash purchase of Sahara Airlines, escalating operative costs with surging oil prices, competitive low cost players and scanty investments together with delayed decision making led to a reduced global business and dwindling margins. It posted a financial loss of \$36.7 mn in 2014 and the woes continued as the analysts predicted about over valuation and payment for Sahara Airlines. When Jet Airways halted operations in 2019, the government distributed its airport slots (the time-specific landing and take-off rights at various airports) among various other Indian carriers.

“

The Company

became shaky due to cash purchase of Sahara Airlines, escalating operative costs with surging oil prices, competitive low cost players and scanty investments together with delayed decision making led to a reduced global business and dwindling margins.”

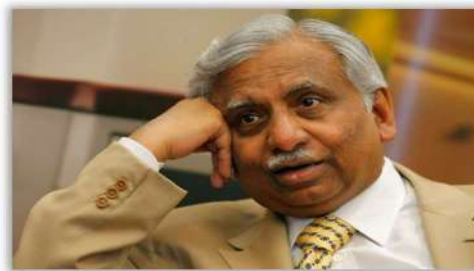
CS Dr. Padma Srinivasan  
Professor, Dayananda Sagar University  
Bangalore, Karnataka  
Email ID: padma@dsbs.edu.in



<sup>1</sup> Jet Airways (India) History | Jet Airways (India) Information - The Economic Times (indiatimes.com)

After 26 years in operation, the Company had its final flight, following a refusal by lenders for emergency funding<sup>2</sup> for \$1.2 billion debt<sup>3</sup>.

**Revival Plans:** The Company had posted a loss Rs. 1036 crores in Q4FY18 as against a Net profit posited in the same quarter last year. The Company had tried pay cuts and the next quarter result was deferred when the Board wanted more clarity from its auditors. KPMG affiliate BSR & Co refused to sign the result citing suspicion over the Jet Airways' ability to continue the business. The company started a Reduction Program for 2 years and there was a IT raid. NCLT had allowed the JALAN Kalrock Consortium to take over the Jet Airways after paying all the debts. The DGCA has renewed Airport Operator Certificate allowing Jet Airways to operate from July 28th 2023. Earlier the Company was having a very tough time with lenders who delayed revival. Jalan-Kalrock Consortium emerged as the successful bidder for Jet Airways during the insolvency resolution process.



**Negotiating Leadership:** Mr. Naresh Goyal started talks with Tata for debt payment and revival of company operations by investing in the Company but negotiations were stalled to consider Mr. Goyal's future role. The prospective investors wanted to **cede his favorite business or to cede control position?**

Later, Tata Son's Board met up to discuss a proposal to insist a 'No Compete Clause Agreement' from Mr. Goyal and gain the talks slowed down. Meantime, the flights were cancelled and aircrafts were grounded. Mr. Goyal initiated discussions with Etihad Airways which owned 24% stake in the company already. The Company had an EGM to clear bank led resolution plan including fresh allotment of shares to lenders **and founder Mr. Goyal stepped down the Board along with his wife**. Lenders called for expression of interest (EOI). Surprisingly, Mr. Goyal also put up his EOI. Etihad Airways, TPG Capital, Indigo Partners and NIIF participated. CEO Mr. Vinay Dube approached banks for emergency funding of Rs1000 crores which the bank/lenders did not consider favorably. Then Mr. Goyal withdrew his EOI and close down the company operations and approached NCLT for resolution process. During the resolution process, NCLT allowed the company to sell its premises in Mumbai to pay its debts.

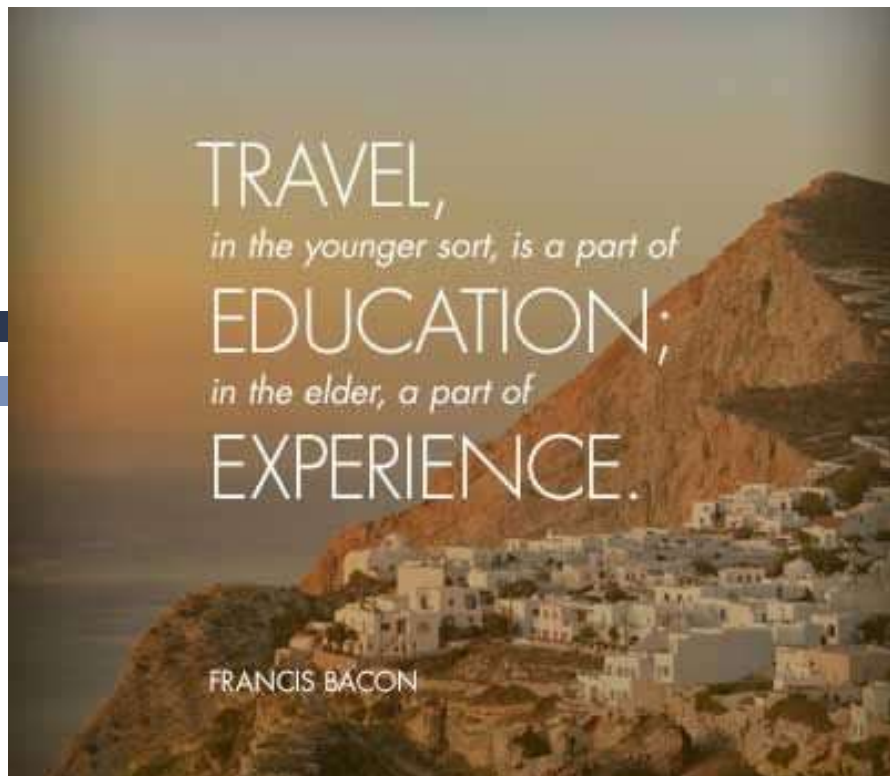
It was finally on 22nd August 2023, Mr. Sanjay Kapoor received the necessary security clearance from the Civil Aviation Ministry to become CEO OF Jet Airways. On July 28, Jalan Kalrock Consortium told the National Corporations Law Appeals Court (NCLAT) that the Creditors Commission (CoC) would not allow them to start operations even though they had received all the papers necessary with government permission. JKC would continue to work closely with all relevant authorities, industry partners and stakeholders to restart Jet Airways in the coming weeks," JKC said in a statement. -Airline friendly. This will be a "smart" full-service airline with a two-class cabin configuration including a business class designed according to global standards and a new generation advanced

<sup>2</sup> <https://www.aerotime.aero/articles/23007-jet>

<sup>3</sup> <https://mackinstitute.wharton.upenn.edu>

economy class that brings customers what they value most<sup>4</sup>. Mr.Naresh Goyal stepped down from the Board of Jet Airways on 25 March 2019. It is said that he will soon take over another airline company and will start up a new aviation company. In September 2019, the enforcement directorate of India questioned Goyal for investigating charges of foreign exchange violation against him.

To capture the ongoing transformations/ revival plans, Mr.Naresh Goyal had to cede his business as well as his Board position of Jet Airways. Being an entrepreneur, he will continue to create newer opportunities for himself and move on with his aviation ambitions<sup>5</sup>



<sup>4</sup> Jet Airways to get revived after the settlement of the bankruptcy | NewsTrack English 1 (newstracklive.com)

<sup>5</sup> Bombay High Court quashes ED's case against Jet Airways founder Naresh Goyal & wife - India Today

# Faceless Appeal Scheme, 2021 under the Income Tax Act, 1961

## Introduction

In the present era of globalisation, computer and internet has impacted every situation of our day to day life. Information technology has proved to be beneficial in human life if it is used wisely and effectively. Similarly, people also misuse the Information Technology as well. In the year 2000, The Information Technology Act, 2000 was passed to deal with various matters relating to uses and misuses of information technology. This act provides legal recognition to electronic communication, email, digital signatures, computerized documents and it also provides for legal remedies in case of misuse of information technology. Government departments deal with various entities and authorities. Due to enhancement of use of Information technology, all the government departments use the information technology for their day to day departmental activities in effective and efficient manner. Benefits of the Information technology in government department is that all the entities and persons who deal with different departments in very easy and transparent manner without any encumbrances.

Recently Central Board of Direct Tax, Department of revenue, Ministry of Finance issued the Notification regarding Faceless Appeal Scheme, 2021 in suppression of the Faceless Appeal Scheme, 2020 vide Notification S.O. 5429(E) on dated December 28, 2021.

## Definitions of Part of the Scheme

- All the definition prescribed under Faceless Appeal Scheme, 2020 shall cover under Faceless Appeal Scheme, 2021 except following definition,
  - Automated Examination tool
  - National e-Assessment Centre
  - Originator
- Following New definition inserted under new scheme as under,
  - National Faceless Assessment Centre shall mean the National Faceless Assessment Centre set up and notified under section 144B of the Act;

In the new scheme the National Faceless Assessment Centre will take place on National e-Assessment Centre.

“

Recently Central Board of Direct Tax, Department of revenue, Ministry of Finance issued the Notification regarding Faceless Appeal Scheme, 2021 in suppression of the Faceless Appeal Scheme, 2020 vide Notification S.O. 5429(E) on dated December 28, 2021.”

**Nikunj Pataliya**  
B.Com, LLB, CS Professional Student  
Email ID: nddp@rediffmail.com



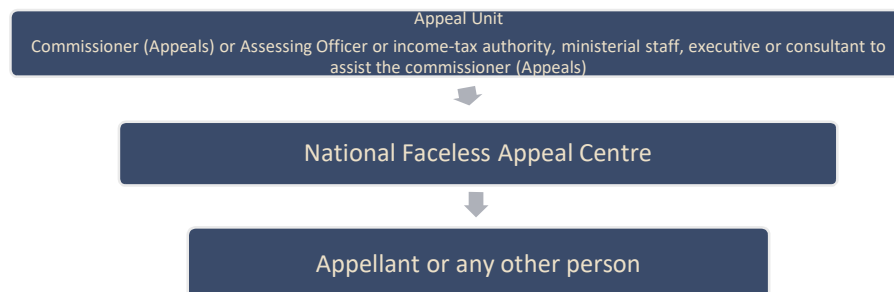


### The New Scheme consist the following Definitions

- Act
- Addressee
- Appeal
- Appellant
- Authorised representative
- Automated Allocation System
- Computer Resource
- Computer System
- Computer resource appellant
- Digital Signature
- Designated Portal
- E-Appeal
- Electronic record
- Email
- Hash Function
- Mobile App
- National faceless Assessment Centre
- Real Time Alert
- Registered Account
- Registered Email Address
- Registered Mobile Number
- Rules
- Video Conferencing or Video telephony

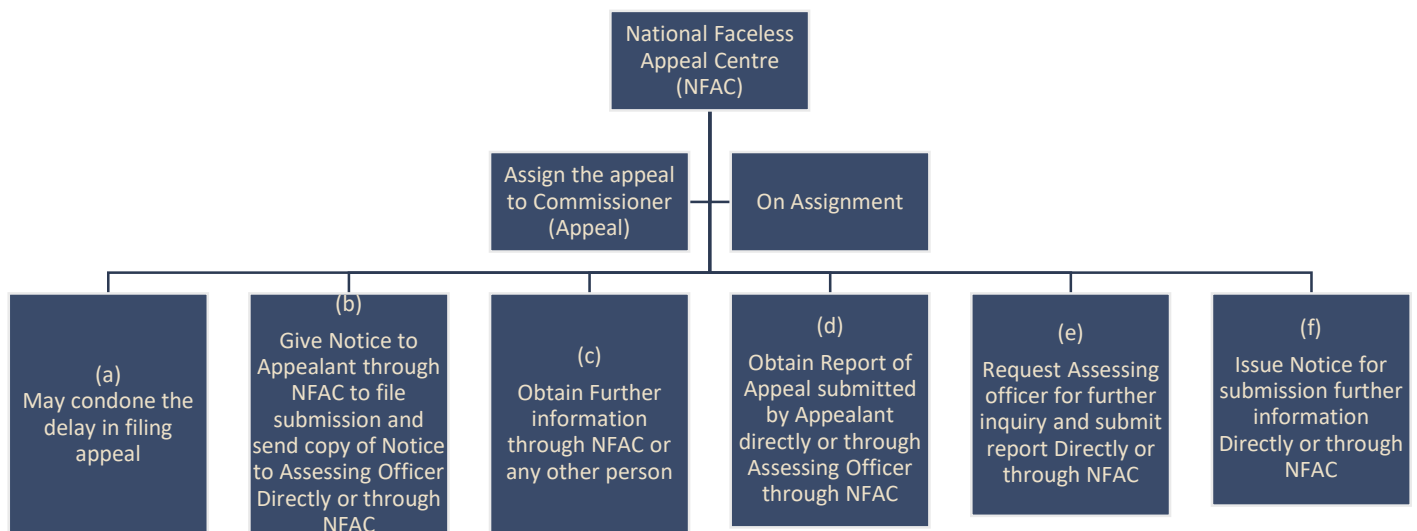
The scope of this scheme is very wide and assessment made in respect of such territorial area, or persons or class of persons, or incomes or class of incomes, or cases or class of cases, which may be prescribed by the Board.

### Faceless Appeal Centres



All communication between the Commissioner (Appeals) and the appellant or any other person or the Assessing Officer with respect to the information or documents or evidence or any other details, as may be necessary under this Scheme shall be through the National Faceless Appeal Centre.

### Procedure in Appeal



- Appellant or any other person shall furnish the response of the Notice Clause (b), (c), (f) above to the commissioner (Appeal) through NFAC.
- Assessing officer either directly or through NFAC furnish report in response of the Notice to in clause (d), (e), (f) above to the Commissioner (Appeal), through NFAC.
- The appellant may file additional grounds of appeal to the Commissioner (Appeals) through the National Faceless Appeal Centre.
- Additional Grounds of Appeals filed and comments communicated between Assessing officer and the commissioner (Appeal) through NFAC and if any evidences require to be furnish the same will furnished through NFAC and receipt the response from appellant through NFAC.
- The Commissioner (Appeals) intends to enhance an assessment or a penalty or reduce the amount of refund then show-cause notice will be furnishing and response will be get through NFAC.
- The commissioner (Appeal) shall, thereafter prepare in writing, an appeal order in in accordance with the provisions of section 251 of the Act stating the points for determination, the decision thereon and the reason for decision; and
- send such order after signing the same digitally to the National Faceless Appeal Centre along with the details of the penalty proceedings, if any, to be initiated therein
- the National Faceless Appeal Centre shall upon receipt of the order communicate the same to appellant and other authorities as the case may be.

### Penalty Proceeding

- Commissioner (Appeals) may, in the course of appeal proceedings, for non-compliance, as the case may be, send a notice to the appellant through the NFAC for initiation of any penalty proceedings calling upon the appellant to show cause as to why penalty should not be imposed upon him under the relevant provisions of the Act.
- The NFAC shall, upon receipt of notice, serve the same on the appellant or any other person, as the case may be.
- The appellant or any other person, as the case may be, shall furnish a response to the show-cause notice, within the date and time specified in such notice or such extended date and time as may be allowed on the basis of application made in this behalf, to the Commissioner (Appeals) through the National Faceless Appeal Centre.
- The NFAC shall send the response furnished by the appellant or any other person, as the case may be, to the Commissioner (Appeals) or where no such report is furnished, inform the Commissioner (Appeals) accordingly.
- The Commissioner (Appeals) shall, after taking into account all the relevant material available on the record, including the response furnished, if any, by the appellant or any other person, as the case may be
- Prepare a penalty order and send a copy of such order after digitally signing the same to the National Faceless Appeal Centre; or
- Drop the penalty after recording reasons, under intimation to the National Faceless Appeal Centre.
- In a case where the Commissioner (Appeals) has dropped the penalty, the National Faceless Appeal Centre shall send an intimation thereof, or where the Commissioner (Appeals) sends the order for imposition of penalty, the National Faceless Appeal Centre shall communicate such order, to,
  - the appellant or any other person, as the case may be; and
  - the Assessing Officer either directly or through the National Faceless Assessment Centre, as the case may be, for such action as may be required under the Act.

### Rectification Proceedings

- With a view to rectifying any mistake apparent from the record the Commissioner (Appeals) may amend any order passed by it in accordance with the provisions of the Act, by an order to be passed in writing.
- Subject to the other provisions of this Scheme, an application for rectification of mistake referred may be filed with the National Faceless Appeal Centre by
  - the appellant or any other person, as the case may be; or
  - the Commissioner (Appeals) who has passed the appeal order; or
  - the Assessing Officer either directly or through the National Faceless Assessment Centre, as the case may be.
- Where any application is received by the NFAC, it shall assign such application to a Commissioner (Appeals) through an automated allocation system.
- The Commissioner (Appeals) shall examine the application and send the notice to the National Faceless Appeal Centre for granting an opportunity.

- The NFAC shall serve the notice upon the appellant or any other person, as the case may be, or the Assessing Officer either directly or through the NFAC, as the case may be, calling upon him to show cause as to why rectification of mistake should not be carried out under the relevant provisions of the Act.
- The appellant or any other person, as the case may be, or the Assessing Officer either directly or through the NFAC, as the case may be, shall furnish a response to the notice, within the date and time specified therein, or such extended date and time as may be allowed on the basis of an application made in this behalf, to the NFAC.
- Where a response, is furnished by the appellant or any other person, as the case may be, or the Assessing Officer either directly or through the NFAC, as the case may be, the NFAC shall send such response to the Commissioner (Appeals), or where no such response is furnished, inform the Commissioner (Appeals) accordingly.
- The Commissioner (Appeals) shall, after taking into consideration the application and response, if any, furnished by the appellant or any other person, as the case may be, or the Assessing Officer either directly or through the NFAC, as the case may be, by an order in writing,
  - Rectify the mistakes; or
  - Reject the application for rectification, citing reasons thereof,



And send the order after digitally signing it to the NFAC.

- The National Faceless Appeal Centre shall upon receipt of rectification order, communicate such order,
  - to the appellant or any other person, as the case may be; and
  - to the Assessing Officer either directly or through the National Faceless Assessment Centre, as the case may be, for such action as may be required under the Act.

### Appellate Proceedings

- An appeal against an order passed by the Commissioner (Appeals) under this Scheme shall lie before the Income Tax Appellate Tribunal having jurisdiction over the jurisdictional Assessing Officer of the appellant assessee.
- Subject to the provisions of paragraph 3 of the scheme, where any order passed by the Commissioner (Appeals) is set-aside and remanded back to the Commissioner (Appeals) by the Income Tax Appellate Tribunal or High Court or Supreme Court, the National Faceless Appeal Centre shall assign the order to a Commissioner (Appeals) for further action in accordance with the provisions of this Scheme.

### Exchange of Communication Exclusively by Electronic Mode

- All communications between the National Faceless Appeal Centre and the appellant, or his authorised representative, shall be exchanged exclusively by electronic mode; and
- All internal communications between the National Faceless Appeal Centre, the National Faceless Assessment Centre, the Assessing Officer and the appeal unit shall be exchanged exclusively by electronic mode.
- Authentication of Electronic Record

- An electronic record shall be authenticated by affixing Digital Signature Certificate.
- Delivery of Electronic Record
- Every notice or order or any other electronic communication under this Scheme shall be delivered to the addressee, being the appellant, by way of-
  1. Placing an authenticated copy thereof in the appellant's registered account; or
  2. Sending an authenticated copy thereof to the registered email address of the appellant or his authorised representative; or
  3. Uploading an authenticated copy on the Mobile App of the appellant followed by a real time alert.

#### **No Personal Appearance in the Centers or Units**

- A person shall not be required to appear either personally or through authorised representative in connection with any proceedings under this Scheme before the income-tax authority at the National Faceless Appeal Centre or appeal unit set up under this Scheme.

#### **Power to Specify Format, Mode, Procedure and Process**

The Principal Chief Commissioner of Income-tax or the Principal Director General of Income-tax, in charge of the National Faceless Appeal Centre shall, with the prior approval of Board, lay down the standards, procedures and processes for effective functioning of the National Faceless Appeal Centre and the appeal unit set-up under this Scheme, in an automated and mechanized environment, including format, mode, procedure and processes in respect of the following, namely:

- service of the notice, order or any other communication;
- receipt of any information or documents from the person in response to the notice, order or any other communication;
- issue of acknowledgment of the response furnished by the person;
- provision of —e-appeall facility including login account facility, tracking status of appeal, display of relevant details, and facility of download;
- accessing, verification and authentication of information and response including documents submitted during the appellate proceedings;
- receipt, storage and retrieval of information or documents in a centralized manner;
- general administration and grievance redressed mechanism in the respective Centers and units;
- filing of additional ground of appeal;
- filing of additional evidence.

#### **Application of Provisions of the Act**

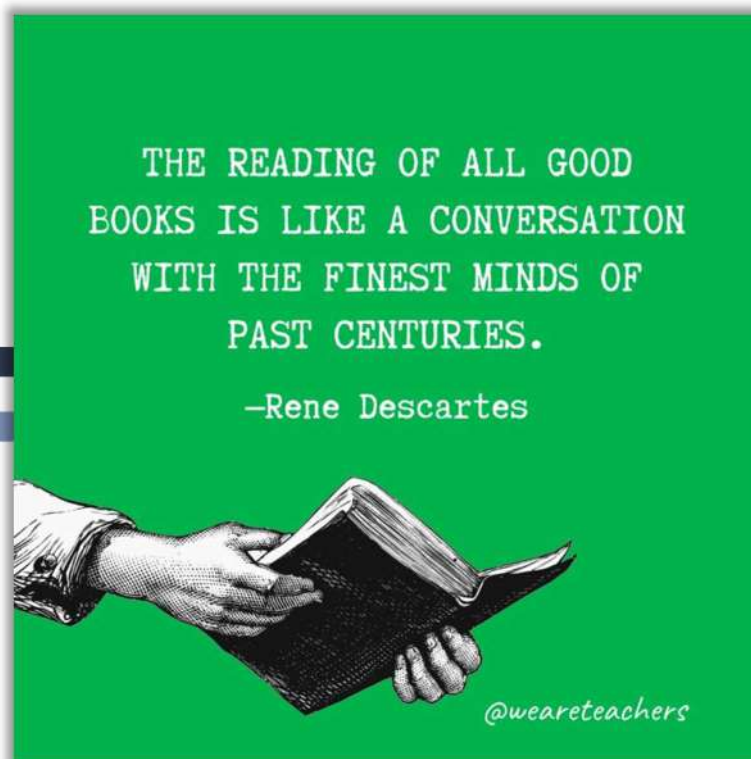
- Save as otherwise provided in this Scheme, the provisions of clause (16A) of section 2, section 120, section 129, section 131, section 133, section 134, section 136, section 140, section 154, section 155, section 282, section 282A, section 283, section 284, Chapter XX and Chapter XXI, and other provisions of the Act, shall apply to the procedure in disposal of appeal by Commissioner (Appeals).

### Conclusion:

As per above discussion we can conclude that the NFAC is the intermediary and the bridge between the Assesse and other units. The process is very law cumbersome and there is no any requirement of physical presence of Assesse. The Government use the Information Technology Act, 2000 very effectively and efficiently. The new era of Digitalisation begin in the Tax Department with the implementation of this scheme.

### Disclaimer:

*The entire content of this article have been prepare on the basis of relevant provisions and as per the information existing at the time of the preparation. The users of this information are expected to refer to the relevant existing provisions of applicable laws. The user of the information agrees that the information is not a professional advice and is subject to change without notice. I assume that no responsibility for the consequences of use of such information. In no event shall I Shall be liable for any direct, indirect, special or incidental damage resulting from, arising out of or in connection with the use of the information.*



# Global Thought on ESG

The world today is being characterized by a gamut of socio and environmental challenges. Though Companies strive for profits, financial benefits should not be the sole criteria. 'Giving back to the society' has become an important factor in today's world, more so after the world had encountered the biggest pandemic of the century - the Covid or the Corona.

Right now, as stated above, the world has just faced the biggest pandemic. To overcome this situation and to ensure development, new innovative ideas have to be framed. Conventional growth model may not be able to address these issues, hence it needs an overhaul. Economic growth should be in tandem with the overall development of the economy.

In this scenario, ESG becomes the need of the hour.

ESG stands for Environmental, Social and Governance

It was first used in the year 2004. It was published in a UN Report, "Who Cares Wins" wherein it was noted that in order to prosper and have good profits, companies should focus not just on financial performance but also on the positive contribution the Company has made on the society. The impact which the Company is able to make on the society should be considered. All along only the financial parameters were taken into consideration but with ESG coming into the picture, the non-financial yardsticks should also be taken into account.

## ESG, CSR and Sustainability

Sustainability highlights the fact that development should not be at the cost of future generations. Companies owe their existence to the society and as such they have a responsibility towards all the stakeholders. Hence, Sustainability becomes the key - 3Ps are emphasised: Profit, People and Planet. Keeping these in mind, Companies Act, 2013 came up with the concept of CSR.

Though ESG and Sustainability are used interchangeably, it should be understood that Sustainability encompasses many things in itself and ESG can be said to be a sub-set of Sustainability. In fact, Sustainability is an umbrella term; both ESG and CSR are a part of it.

CSR stands for Corporate Social Responsibility and it is a new concept introduced in the Companies Act, 2013. India is the first country to have a legislation pertaining to CSR.

“

**In the current set-up, it cannot be ignored that environmental and social issues have become a growing concern. In such a scenario, there are different Acts to monitor pollution such as Air Act, Water Act and Noise Act. However, in order to ensure transparency and have a unified method of measurement and a comprehensive framework, ESG should be implemented.”**

**CS V. Namita**  
Practicing Company Secretary  
Email ID: namita45@gmail.com



Section 135 and Schedule VII of the Companies Act talk about CSR. The list of activities included under the ambit of CSR are given in Schedule VII of the Act.

Philanthropic activities of Companies during the pandemic played a significant role in rebuilding the nation. It can be said that with the pandemic, scope of CSR has increased considerably

Charitable activities were taken up by each and every organisation – arranging isolation centres, setting up of oxygen plants, distribution of masks and sanitizers to name a few. In fact, Schedule VII of the Companies Act was amended to include some more activities which come under CSR keeping the pandemic situation in mind.

All said and done, there should be a proper yardstick to measure the result of their impact. It is here that ESG comes into picture.

What is measured in ESG?

E – How an organisation manages natural environment, pollution control, climate change and the like.

S – Inspects how a firm manages its relationships with the stakeholders at large.

G – Focusses on compliance issues such as management structure, compensation and regulations which are being followed.

Of late, there has been a growing concern regarding environmental issues all over the world. This has led to a growing need to address these issues which are basically the needs of the people as well as the planet. However, profits should not be neglected too. So, there has to be a balance between people, planet and profits. People, Planet and Profits are commonly referred to as PPP.

This can be done by making use of the ESG compliances. ESG helps in gauging an organisation's social impact.

The Environmental factor measures as to how a Company makes use of the natural resources; whether sustainability practices are incorporated.

The Social factor takes into account as to how the Company treats its stakeholders – employees, investors, suppliers, vendors and regulators to name a few.

The Governance factor measures as to how the Company's internal policies are formulated and whether they are in sync with the Government policies and compliances. It shows if a business is following good governance norms.

In the current set-up, it cannot be ignored that environmental and social issues have become a growing concern. In such a scenario, there are different Acts to monitor pollution such as Air Act, Water Act and Noise Act. However, in order to ensure transparency and have a unified method of measurement and a comprehensive framework, ESG should be implemented.

Sustainable Development Goals (SDGs)

Here, we need to discuss about Sustainable Development Goals (SDGs). SDGs were introduced considering the fact that societal well-being is more important than economic well-being. There came a time when threats to human existence have come to the fore such as climate change, pollution and the like. In order to address all these issues, countries made a pact to follow SDGs. These SDGs consist of 17 goals and 169 targets to be achieved by the member countries. They consist of the framework as to how humanity should move into the future so as to safeguard the resources for the next generations to come.



SDGs consist of goals such as Gender Equality, No Poverty, Decent work and Economic growth, Peace, Justice and Strong Institutions to name a few. It can be noted that SDGs comprise of goals from all the parameters of ESG – Environmental goals, Social goals and Governance goals.

In a nutshell, it can be said that Companies should follow ESG practices in order to achieve Sustainability. Measuring Sustainability might not be easy but in order to measure ESG, there are yardsticks in place.

### India and ESG

ESG has now become a very important barometer for the investors. People want to invest in those Companies which are environment friendly and take up social causes; not just economic benefits.

The global investment framework has undergone a sea change in the past few decades; global challenges like climate change have made their way into key investment decisions. The world saw the development of SDGs (Sustainable Development Goals) and countries adopting them. All this triggered integrating enterprise goals with that of ESG goals. In other words, ESG was incorporated in the business models.

Moreover, COVID – 19 ushered a rising concern regarding ESG among the investors.

Let's see the journey of ESG in India.

The emphasis on ESG factors embarked in India in 2007.

The Reserve Bank of India (RBI) issued a letter advising all scheduled commercial banks regarding their role and responsibility on sustainable development, corporate social responsibility (CSR), and non-financial disclosure. This was the initial move towards integrating the notion of business responsibility and sustainability into business activities.

In 2009, the Ministry of Corporate Affairs (MCA) pioneered ESG reporting in India. Voluntary guidelines on CSR were issued. Henceforth, the ESG reporting scenario in India has come a long way with the release of several other guidelines, including Business Responsibility Report (BRR), Integrated Reporting (IR), and National Guidelines on Responsible Business Conduct (NGRBC)

Recently, the Securities and Exchange Board of India (SEBI) introduced Business Responsibility and Sustainability Report (BRSR) in May 2021.

Top 1000 listed enterprises (by market capitalization) shall file BRSR mandatorily from the financial year 2022- 23 and voluntarily for the financial year 2021-22. This BRSR will replace BRR. BRSR is the communication and disclosure of a company's ESG goals and the progress made towards achieving them. Right now, non-adherence to BRSR is not penal; however going further it will no longer be a tick and mark compliance but will be a stringent criteria for the Company.

The Paris Climate Agreement of 2015 also played a major role in India's outlook of ESG.

### Social Entrepreneurship and ESG

Every business is established with the object of earning profits. However, some people create organisations in order to help or serve the society. Such people are termed as 'Social Entrepreneurs'.

Social entrepreneurs have created an ecosystem wherein lot of facilities are being provided across various sectors – healthcare, education, small industries etc. Generally, people start business with profit motive. But these entrepreneurs venture into business with the sole aim of helping the society. Profit motive is not the only criteria for these entrepreneurs.

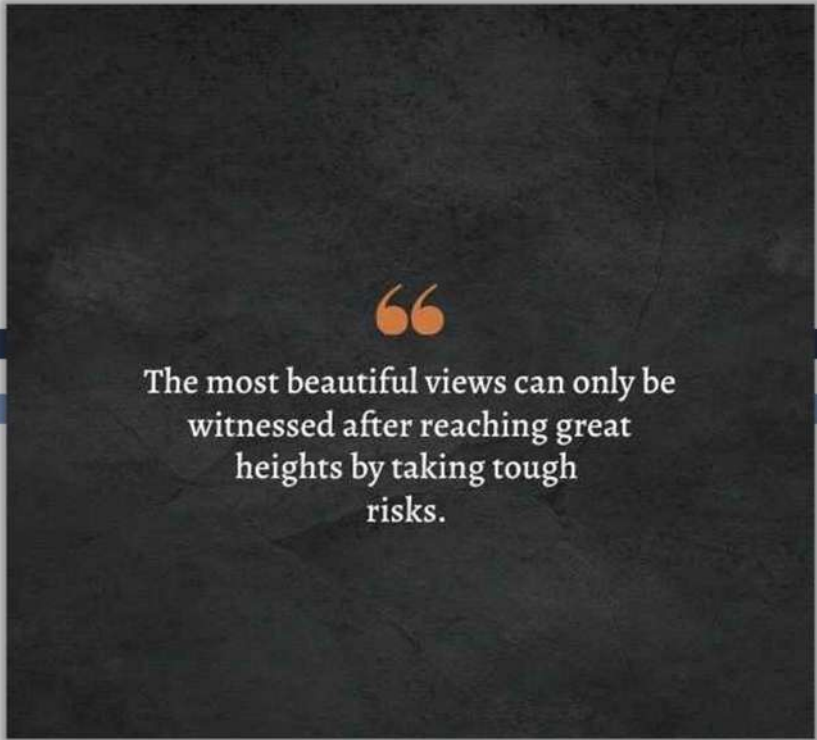
ESG and Sustainability too primarily focus on social good and holistic well-being. If social entrepreneurs start following ESG practices, it will be a win-win situation for the society.

Generally, banks and financial institutions offer loans to entrepreneurs. But most of the times, they are reluctant to lend to social entrepreneurs. From where do such people get funding? The answer is Venture Capitalists. They invest resources in risky projects and in the recent times, these investors are looking at what the business has to offer to the society. People, Planet and profits – these three issues are focussed and as such social entrepreneurs work on these goals. So, investment will be easy for them.

**Conclusion:**

As we all are aware, COVID has had a devastating impact on everyone across countries. It is only through Social Entrepreneurship, Sustainability and ESGs that we may bounce back to normal.

ESG is still evolving. There are different methodologies to measure ESG and Companies should take the lead to follow these practices.



# Whether a person can Surrender DIN – After Strike off of Company

## Rule 11 of Companies (Appointment and Qualification of Directors) Rules, 2014

Short Summary:

Many times, a person incorporates a company, but later on they don't continue the Company and file for strike off. Now, after striking off, if they want to surrender their DIN whether they are allowed to do the same.

The power of approval of surrender of DIN vested with Regional Director Northern Region, Delhi.

### A. LEGAL PROVISION:

As per Section 153:

Every individual intending to be appointed as director of a Company shall make an application for allotment of Director Identification Number to the Central Government in such form and manner and along with such fees as may be prescribed.

Rule 11 Surrender of DIN:

The Central Government or Regional Director (Northern Region), Delhi or any officer authorized by the Regional Director may, upon being satisfied on verification of particulars or documentary proof attached with the application received along with fee as specified in Companies (Registration Offices and Fees) Rules, 2014] from any person, cancel or deactivate the DIN.

### B. Grounds for Surrender of DIN:

As per provisions of Section 153 Companies Act read with Rule 11 of Companies (Appointment and Qualification of Directors) Rules, 2014 a person can surrender his/ her DIN on below mentioned grounds.

- i. The DIN is found to be duplicated in respect of the same person provided the data related to both the DIN shall be merged with the validly retained number;
- ii. The DIN was obtained in a wrongful manner or by fraudulent means;
- iii. of the death of the concerned individual;
- iv. The concerned individual has been declared as a person of unsound mind by a competent Court;
- v. If the concerned individual has been adjudicated an insolvent:

“

Every individual intending to be appointed as director of a Company shall make an application for allotment of Director Identification Number to the Central Government in such form and manner and along with such fees as may be prescribed.”

CS Divesh Goyal  
Practicing Company Secretary  
Email ID: csdiveshgoyal@gmail.com



vi. On an application made in Form DIR-5 by the DIN holder to surrender his or her DIN along with declaration that he has never been appointed as director in any company and the said DIN has never been used for filing of any document with any authority, the Central Government may deactivate such DIN.

#### C. Question to be Discuss:

- Whether, after striking off the company, a person can apply for surrender of DIN?  
or, in other words,
- Whether an individual (DIN holder) can surrender his DIN if such a person is not holding any directorship at present but held directorships in the past in any company which is now struck-off company or any active company?

#### D. Discussion on the Questions:

To understand the answer to the above-mentioned questions, we have to understand the grounds for surrender of DIN as mentioned above. As Hon'ble Regional Director Northern Region having power to approve Surrender of DIN of any person under Rule 11.

Above we have mentioned 6 (six) grounds as per Rule 11 for surrender of DIN. We have to focus on ground No. vi to find out the answer.

Rule 11(f) states when a person made application in DIR-5 for surrender of his DIN the RD has to ensure following conditions:

- That he has never been appointed as director in any company; and
- The said DIN never been used for filing of any document with any authority.

As per above provisions, a person can apply for surrender of DIN only in the situation when “DIN is unused and never used for appointment as director in any Company” (except situations like unsound mind, death, and insolvent).

Therefore, one can opine that, if a person held directorship in any company during his life using such DIN, that DIN can't be surrender before death, unsound mind etc.

#### Conclusion:

A person can't surrender their DIN even after striking off or resigning from the Company. If he ever gets an appointment at any Company, his DIN can be surrendered only after his or her death. Before death, they are required to file DIR-3 KYC every year to save themselves from non-compliance with the provisions of the Companies Act, 2013.

*Disclaimer: The entire contents of this document have been prepared based on relevant provisions and as per the information existing at the time of the preparation. Although care has been taken to ensure the accuracy, completeness, and reliability of the information provided, I assume no responsibility, therefore. Users of this information are expected to refer to the relevant existing provisions of applicable Laws. The user of the information agrees that the information is not professional advice and is subject to change without notice. I assume no responsibility for the consequences of the use of such information.*

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# Analysis & Impact of Delhi High Court Judgement Interpreting ‘Net Worth’ under the Companies Act, 2013

In a recent judgment (March 21, 2023), the Delhi High Court interpreted the term ‘net worth’ in the context of inclusion or non-inclusion of the ‘preference shares’ in the said calculation. The observations of the High Court are important from the perspective of interpreting the other provisions of the Companies Act, 2013 and Rules, where the concept of ‘net worth’ or ‘share capital’ is referred. This article is analysis of the Delhi High Court order in TEQ Green Power XIII (P.) Ltd. v. REMC Ltd. [2023] 149 taxmann.com 211 (Delhi).

**Facts of the case:** TEQ Green Power XIII (P.) Ltd. (‘TEQ Green’) – petitioner company – was a wholly owned subsidiary of company incorporated outside India. TEQ Green was primarily engaged in generation and supply of power for the purposes of procurement by various nodal agencies and distribution companies. The Respondent company – REMC Ltd. – was a joint venture company between Ministry of Railways and Rites Limited, holding 49% and 51% stake in REMC respectively. REMC Ltd. was the nodal agency of Indian Railways for implementation of renewable energy projects.

REMC Ltd. issued a Notice Inviting Tender (‘NIT’), inviting bids for and on behalf of Indian Railways, for selection of project developers for supply of 1000 MW Round-the Clock (RTC) Power from Grid-Connected Renewable Energy (RE) Power Projects. The Request for Selection, which was issued along with the NIT, laid down the procedure for bid evaluation and the requisite eligibility criteria to be fulfilled by prospective applicants.

TEQ Green submitted the relevant documents along with the technical bid and financial bid. REMC Ltd. opened the technical bids submitted by the applicants.

TEQ Green thereafter discovered that other bidders had received advance intimation to participate in the reverse auction. Therefore, TEQ Green wrote to REMC Ltd. inter alia stating that it had not received any intimation regarding the reverse auction process despite satisfying the requisite criteria and accordingly requested that the reverse auction be deferred until the said issue was resolved.

REMC Ltd. issued the decision, inter alia communicating that TEQ Green’s bid stood excluded on the grounds that it was disqualified at Technical Stage based on the Net Worth of the Parent company was less than the required criteria after exclusion of redeemable preference shares in net worth calculation.

“

With reference to the case, there is a very interesting observation by the Delhi High Court. It observed that the preference shares Redeemable at instance of Issuer Company without any fixed term or tenure attached to these shares will form part of paid-up share capital, which in turn is a component of net worth and, thus, cannot be treated as a liability.”

Gaurav Pingle  
Practicing Company Secretary  
Email ID: gp@csgauravpingle.com



Challenging the decision of REMC Ltd. disqualifying TEQ Green from further stage of the tender process, TEQ Green had approached Delhi High Court.

**Issue before Delhi High Court:** Whether the value of preference shares could be included while computing 'net worth' and accordingly, whether REMC Ltd. erred in declaring TEQ Green ineligible to participate in the tender process in terms of the Request for Selection.

**Observations of Delhi High Court:** The observations of the Delhi High Court are summarised as follows:

- i. After perusing section 55 of Cos. Act, the High Court observed that the preference shares cannot be redeemed within the share capital of the company, i.e. it, therefore, means that other than two sources i.e., out of profits and out of proceeds of fresh issue of shares, no other source can be used for redemption of preference shares. By referring to the tender documents, High Court observed that the Clause 4.3.1 (c) of NIT states that net worth is to be considered in accordance with the Companies Act and that the preference shares are not specifically excluded from the definition of net worth.
- ii. The High Court noted that the preference shares in question are preference shares redeemable at the instance of the issuer without any fixed term or tenure attached to these shares. It was observed by the High Court that "A perusal simpliciter of the aforesaid provisions makes it amply clear that such shares would form part of paid-up share capital which in turn is a component of net worth. Therefore, the shares in question can form a part of the net worth within the scheme and mandate of the Companies Act."
- iii. The High Court then referred to section 2(40) of the Companies Act which defines 'financial statement' in relation to a company includes a balance sheet which is to be prepared in accordance with section 129 of the Act. The High Court observed that "It does not deal with net worth of a company. Calculation of net worth and drawing up of a balance sheet are, therefore, separate concepts. It is well settled that if the preference shares are not redeemed, the holder of the preference shares does not assume the status of a creditor. Even if 'O2' is governed by the Indian Companies Act (which is actually not as it is a company incorporated in Singapore and is governed by the laws of Singapore), the preference shares issued by 'O2' are not redeemable at the option of shareholders, and therefore, cannot be categorized as a debt."
- iv. The High Court observed that "A perusal of the above would show that the mode of calculation of net worth which has been adopted by the respondents to exclude the petitioner from further stages of the tendering process is contrary to the Sections of the Companies Act. Clause 4.3.1(c) of the NIT does not exclude preference shares from the definition of net worth rather it states that net worth is to be considered for this clause shall be the total net worth as calculated in accordance with the Companies Act, 2013, then the net worth has to be calculated as per the Companies Act, 2013 and no other method can be permitted to be adopted. There is no reason as to why the tender must exclude preference shares while calculating the net worth. Respondents cannot be permitted to adopt a method which runs contrary to the provisions. Even though there are no allegation of mala fides or that the method has been calculated to favour any particular party, since the decision has been arrived at in violation of the statute, the Court cannot be a party to uphold any decision which is contrary to the plain reading of the statute."
- v. The Delhi High Court then referred to the Accounting Standards and observed that "Even if it were the case that the legality of the Impugned Decision was to be tested within directions laid down by Accounting Standard 32, the preference shares in question would be treated as a liability only in certain circumstances and not always."

vi. After referring to few Supreme Court judgment, it was noted by the Delhi High Court that the scope of interference by the Courts in exercising jurisdiction under Article 226 of the Constitution of India in contractual matters is extremely limited and that the Court interferes in contractual matters only when the decision making process is faulty or that the decision arrived at by tenderer is calculated to favour somebody or that the decision is so irrational that no man of prudence would have come to that conclusion. In the facts of the present case, the Delhi High Court observed that “the tenderer has decided to exclude preference shares from the definition of net worth on a wrong notion that preference shares is a liability which is contrary to the sections in Companies Act. Only when the preference shares are redeemable at the instance of the shareholders then only the preference shares can be called as a liability and not in all cases. Preference shares are redeemed out of profits or out of a fresh issue meant for the purpose and not from the existing share capital. Since the entire basis of calculating net worth by the respondent is contrary to the provisions of the statute, this Court has no other option but to hold that the decision of the tenderer to exclude preference shares from the calculation of net worth is arbitrary and irrational.”

#### **Analysis & impact of Delhi High Court judgment interpreting ‘net worth’ under the Companies Act:**

With reference to the case, there is a very interesting observation by the Delhi High Court. It observed that the preference shares redeemable at instance of issuer company without any fixed term or tenure attached to these shares will form part of paid-up share capital, which in turn is a component of net worth and, thus, cannot be treated as a ‘liability’. However, conversely, it meant that only when the preference shares are redeemable at the instance of the shareholders, only such preference shares can said to be ‘liability’ and not in all cases. These observations may have an impact on the inclusion or non-inclusion of preference share capital in the share capital of the company. Since convertible preference shares was not part of the facts of case, there was no reference such convertible preference shares (whether compulsory or optional). However, in my view as no liability is created as such convertible preference shares are sometime going to be converted into equity shares. Therefore, such convertible preference shares will form part of ‘share capital’ and ultimately the ‘net worth’. Only with respect to the preference shares redeemable at the option of the shareholders is a ‘liability’. Such kind of instrument may be issued in case of investment by Private Equity investor in a company, though in most cases such investors prefer – compulsory convertible preference shares. The terms ‘share capital’ and ‘net worth’ have been referred to in many provisions of the Companies Act. In some provisions, there is reference to ‘paid-up equity share capital’, whereas in some provisions, there is reference to ‘paid up share capital’. Few provisions where there is reference of ‘paid-up share capital’ and/or ‘net worth’ are: section 180(1)(c) of the Act, section 186(2) of the Act, section 92(2) of the Act, section 180(1)(a) of the Act, section 135(1) of the Act. Based on the observations of Delhi High Court, in my view, depending upon the type of redeemable preference shares – the paid-up share capital and net worth would be interpreted and calculated.



# Help Yourself

Food for Thought

## Win Your Inner Battles

- Darius Foroux

*Disclaimer:* This article does not endorse any book and is not sponsored by any author or publication. Content shared here is for knowledge and learning purposes only.

"Courage is resistance to fear, mastery of fear, not the absence of fear." - Mark Twain

Aren't we all battling something inside of us? In today's article, let's face it.

What are your fears and how often do you ponder about them? When was the last time you faced your fear? How did you feel?

Self-help genre of books may seem repetitive when you read a lot of it over time but one huge advantage is that it allows you to face your beliefs- relearn, renew and churn them from time to time. This book that we discuss today, 'Win Your Inner Battles' urges you to face your fears, become aware of them, learn their types, and ponder upon how practical they are. Are they even real to begin with? For there is a famous quote by Michael Jordan- "Limits, like fears, are just illusions."

Fear of course has played a major role in helping humans survive and evolve. So, our brain is wired in a certain way which in the modern world may turn counterproductive if not made aware of and dealt with properly. This book is a great tool to become self-aware, face our fears and win those battles inside so our actions outside follow suit.

"Everything is created twice, first in the mind and then in reality." - Robin Sharma

One very game changing takeaway from this book is that our brain cannot differentiate between an actual physical threat and something we have made up in our minds. Sometimes we do not even fear something specifically! Have you noticed?



The book also talks briefly about stoicism, a school of philosophy that can help you take a very interesting approach to life. I'd leave that to you to explore from the book by yourself.

If you are here for the first time, this column intends to impart byte sized knowledge from self-help books, biographies, autobiographies and other related genres, relevant specifically to corporate professionals and aspiring professionals. Not every learning that a book enshrines can be fit in here, so writing a summary or a book review is not the aim of this column. The intent is to give you a touch of acquaintance to a book, in every issue of this e-magazine, hoping that it will make you want to grab it and read for yourself. So, help yourself with food for thought.

The book shows techniques that help us face our fears, break them down, mainly by self talk and self awareness. These techniques are simple but powerful that help us dismantle our negative loop of thoughts and thereby win the battle inside. Once that is done, it feels like a lot is put off our chest. Isn't it in the mindset that follows that we are able to perform our best? So, why wait, grab this book and give it a read!

*Columnist:*

**Aparna U**  
Executive Student  
Email ID: [aparnakumar14@gmail.com](mailto:aparnakumar14@gmail.com)





# Regulatory Updates

## SEBI Act, 1992

### Updates on Circulars

Reduction of timeline for listing of shares in Public Issue from existing T+6 days to T+3 days

The SEBI has decided to reduce the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The T+3 timeline for listing shall be appropriately disclosed in the Offer Documents of public issues.

The timelines for submission of application, allotment of securities, unblocking of application monies and listing shall prominently be made a part of pre-issue, issue opening and issue closing advertisements issued by the Issuer for public issues in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations")

SEBI has also issued indicative timeline of activities along with General Instructions.

Applicability of this Circular.

Notwithstanding anything contained in Schedule VI of the ICDR Regulations, the provisions of this circular shall be applicable:-

On voluntary basis for public issues opening on or after September, 2023 and Mandatory for public issues opening on or after December 1, 2023.

**SEBI/HO/CFD/TPD1/CIR/P/2023/140**

Timeline for the Exit Option Window Period for Change in Control of AMC

Procedure for Change in Control of AMC

In partial modification of para 17.8.1(III) of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the aforesaid para shall read as under:

"The unit holders are given an option to exit on the prevailing Net Asset Value (NAV) without any exit load within a time period not less than 15 calendar days from the date of communication. However, in case of change in control resulting in consolidation

or merger of schemes, the unit holders are given an option to exit on the prevailing Net Asset Value (NAV) without any exit load within a time period not less than 30 calendar days from the date of communication”

**SEBI/HO/IMD/IM-POD-2/P/CIR/2023/142**

Transactions in Corporate Bonds through Request for Quote (RFQ) platform by FPIs

SEBI has been taking steps to increase the liquidity on RFQ platform of stock exchanges and to enhance the transparency and disclosure pertaining to trading in secondary market in corporate bonds.

with a view to increase liquidity on RFQ platform vis-à-vis trading in Corporate Bonds by FPIs., it is decided that FPIs shall undertake at least 10% of their total secondary market trades in Corporate Bonds by value by placing/seeking quotes on the RFQ platform of stock exchanges, on a quarterly basis.

This requirement shall come into force with effect from October 01, 2023.

**SEBI/HO/AFD/AFD-POD-2/P/CIR/2023/138**

*Compiled by:*

**Mathruka B M**  
Professional Student  
Email ID: mathruka30@gmail.com





**THE INSTITUTE OF  
Company Secretaries of India**

**भारतीय कम्पनी सचिव संस्थान**

IN PURSUIT OF PROFESSIONAL EXCELLENCE  
Statutory body under an Act of Parliament  
(Under the jurisdiction of Ministry of Corporate Affairs)

**CSBF**

**COMPANY SECRETARIES  
BENEVOLENT FUND**



## What exactly is CSBF?

The Company Secretaries Benevolent Fund (CSBF) is a Society registered under the Societies Registration Act, 1860 and is recognized under Section 12A of the Income Tax Act, 1961.

The CSBF was established in the year 1976 by the ICSI, for creating a security umbrella for the Company Secretaries and/or their dependent family members in distress.

The amount of ₹ 7,50,000 (in the case of death of a member under the age of 60 years) has been increased to ₹ 10,00,000

The subscription amount is being increased from ₹ 10,000 to ₹ 12,500 soon

### Is it the right time to enrol in CSBF?

CSBF is the protection you and your family need to survive the many ups and downs in life, be it a serious illness or a road accident which derails your plans for the future.

### Is it a requirement?

Yes, as your dependents need the protection. Your dependents be it your parents, your spouse, or your children will have to bear the brunt of paying off your home/education personal loans and even for managing day-to-day expenses without your contribution.

If you do not want to leave behind such a situation in your absence, enrol in CSBF today.

## Advantages of enrolling into CSBF

- 1 To ensure that your immediate family has some financial support in the event of your unfortunate demise
- 2 To finance your children's education and other needs
- 3 To ensure that you have extra resource during serious illness or accident
- 4 Subscription/Contribution to CSBF qualifies for deduction under Section 80G of the Income Tax Act, 1961

Become a proud Member of CSBF by making a one-time online subscription of ₹ 10,000/- (to be changed soon) through Institute's web portal ([www.icsi.edu](http://www.icsi.edu)) along with Form 'A' available at link <https://www.icsi.edu/csbf/home> duly filled and signed.

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