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)

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COUNCIL

e-Focus

ICSI - WIRC e-Newsletter

September 2025

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Chairman's Communique

CS Hrishikesh Wagh
Chairman
WIRC of ICSI

Respected Seniors, Professional Colleagues, and Students,

दीपो नाशयते ध्वांतं धनारोग्ये प्रयच्छति । कल्याणाय भवति एव दीपज्योतिर्नमोऽस्तुते ॥

The lamp destroys darkness, brings health and prosperity, and stands for the welfare of all. I bow to the divine light.

Team WIRC wishes everyone a very Happy and Prosperous Deepawali! Let us all strive to be like the lamp—spreading light, knowledge, and goodwill wherever we go.

Season of Compliance and Commitment

With the conclusion of AGMs and the onset of the annual filing season, this period brings immense responsibility upon us as governance professionals. I urge all members to plan filings systematically, ensure accuracy and timeliness, and guide corporates to uphold the highest standards of compliance. Our diligence reflects the credibility of our profession.

Highlights of WIRC Activities

Despite the busy season, September and October were vibrant months for WIRC. Our Chapters and Study Circles conducted focused professional development programs across diverse themes — from annual filings and listing compliances to ESG and sustainability. A special mention goes to the successful organisation of the Annual Regional Conference (ARC) 2025 in Mumbai. Themed "Global Standards, Indian Values: Company Secretaries for Competitive India", the conference saw overwhelming participation from members across the region. Insightful deliberations by eminent speakers, engaging panel discussions, and networking among professionals made it a truly memorable event. My sincere thanks to all speakers, delegates, sponsors, and volunteers for making this flagship event a grand success.

Student and Career Initiatives

Our Chapters continued active engagement through career awareness programs, training sessions, and Student Month activities. The participation and enthusiasm of students reflect the bright future of the profession. WIRC remains committed to nurturing and guiding them towards professional excellence.

Looking Ahead

Several impactful programs and initiatives are lined up for November and December 2025. The schedule will be shared soon — I encourage you to mark your calendars and participate wholeheartedly. Let us continue working together for the cause of Good Governance and Compliance Excellence.

Let us get together, grow together!

Warm regards,

CS Hrishikesh Wagh

Chairman, WIRC of ICSI

Accounting for Construction Contracts under AS 7 and Ind AS 115: A Comparative and Practical Analysis

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The construction industry plays a pivotal role in shaping the economic growth and infrastructure development of a nation. As one of the largest contributors to GDP and employment, it is a key driver of urbanization, industrial expansion, and public welfare.
Construction contracts are unique in nature, often extending across multiple accounting periods and involving complex terms such as variations, escalation clauses, incentives, and penalties. Accounting for such contracts requires a framework that ensures faithful representation of revenue, costs, and profits over time. In India, Accounting Standard (AS) 7 governed construction contracts for several years, prescribing the percentage of completion method (POCM) as the primary approach. With the convergence to International Financial Reporting Standards (IFRS), Ind AS 115 – *Revenue from Contracts with Customers* – has replaced AS 7, aligning Indian practices with global norms.
This paper presents a comparative and practical analysis of AS 7 and Ind AS 115, with special emphasis on construction contracts. It explains the conceptual foundations of both standards, the shift from revenue recognition based on "cost-to-cost" methods under AS 7 to the "five-step model" under Ind AS 115, and the implications for contract accounting. Through practical examples, journal entries, and illustrations, the article highlights the differences in treatment of contract revenue, claims, variations, and

disclosures. Further, it explores the practical challenges faced by Indian construction and infrastructure companies during implementation and suggests ways forward.

The study concludes that while Ind AS 115 has enhanced transparency, comparability, and investor confidence, its application requires professional judgment, robust IT systems, and detailed disclosures, which increase compliance costs but strengthen financial reporting quality in the long run.

1. Introduction

Construction contracts occupy a critical role in the Indian economy, especially given the country's emphasis on infrastructure development, urban housing, highways, ports, railways, and industrial projects. Unlike typical sales transactions, construction contracts extend over multiple years, involve significant uncertainties, and demand continuous reassessment of revenue, costs, and profitability.

From an accounting standpoint, the central challenge is to determine **when and how to recognize revenue and profit**. Should it be only at completion of the project, or progressively as the work is performed? Should variations, escalation claims, or incentive payments be included in revenue upfront or only when realized? How should expected losses be recognized?

Historically, in India, **AS 7 (Construction Contracts)** provided guidance on these issues. It mandated the **percentage of completion method (POCM)**, ensuring that revenue and costs were recognized progressively, reflecting the actual performance on the contract. However, AS 7 lacked detailed guidance on multiple performance obligations, contract modifications, or variable considerations.

With India's convergence to IFRS, **Ind AS 115 – Revenue from Contracts with Customers** was introduced, replacing AS 7. Based on **IFRS 15**, it provides a comprehensive, principle-based framework for revenue recognition, applicable to all industries including construction. Its focus is on the **transfer of control** of goods or services, rather than merely the incurrence of costs.

This article critically examines both standards with a focus on construction contracts. It explains their provisions, presents comparative analyses, provides journal entry illustrations, and discusses practical challenges faced in the Indian context.

2. AS 7: Accounting for Construction Contracts

2.1 Scope and Applicability

AS 7 (Revised 2002) governs the accounting of revenue and costs associated with construction contracts. It applies to:

- Fixed-price contracts (where consideration is fixed but may be subject to escalation/variation clauses).
- Cost-plus contracts (where reimbursement of costs plus a margin/percentage is agreed).

The standard's central idea is that **contract revenue and contract costs should be recognized with reference to the stage of completion** (Percentage of Completion Method). This ensures that revenue recognition aligns with the actual progress of work.

2.2 Key Principles of AS 7

1. **Contract Revenue** includes:
    - Initial contract price agreed.
    - Variations in contract work (if probable and measurable).
    - Claims (if probable and measurable).
    - Incentive payments (if performance is likely to be achieved).

2. **Contract Costs** include:
    - Direct costs (materials, labor, site overheads).
    - Attributable indirect costs (insurance, design, technical assistance).
    - Costs specifically chargeable to the customer.

3. **Revenue Recognition**
    - If the outcome of a contract can be reliably estimated → use POCM.
    - If not reliably estimable → recognize revenue only to the extent of recoverable costs.
    -

4. **Stage of Completion** methods:
   - Cost-to-cost method (most common in India).
   - Surveys of work performed.
   - Physical proportion of contract work completed.

2.3 Example under AS 7 (Fixed-Price Contract)

Facts*:

- Contract Price: ₹100 crore
- Estimated Total Cost: ₹80 crore
- Costs incurred up to Year 1: ₹40 crore
- Costs incurred up to Year 2: ₹60 crore
- Costs to complete after Year 2: ₹20 crore
- Progress billings to client in Year 1: ₹35 crore, Year 2: ₹50 crore

Year 1 Accounting:

- Stage of Completion = (40 ÷ 80) × 100 = 50%
- Revenue to be recognized = 50% of ₹100 crore = ₹50 crore
- Costs = ₹40 crore
- Profit = ₹10 crore

Journal Entries (Year 1):

1. **<u>To record costs incurred:</u>**

Contract Work-in-Progress A/c Dr 40
To Materials/Bank/Creditors 40

2. **<u>To record revenue recognized:</u>**

Contractee A/c (or Debtors) Dr 35
Contract Work-in-Progress A/c Dr 15
To Contract Revenue A/c 50

3. **<u>To transfer costs:</u>**

Contract Revenue A/c Dr 40
To Contract Work-in-Progress A/c 40

4. **To transfer profit:**

Contract Revenue A/c	Dr 10
To Profit & Loss A/c	10

Year 2 Accounting:

- Stage of Completion = (60 ÷ 80) × 100 = 75%
- Revenue to be recognized till Year 2 = 75% of ₹100 crore = ₹75 crore
- Revenue recognized in Year 1 = ₹50 crore
- Additional revenue in Year 2 = ₹25 crore
- Costs = ₹20 crore (Year 2 incremental)
- Profit = ₹5 crore

Journal Entries (Year 2):

1. **To record additional costs:**

Contract Work-in-Progress A/c	Dr 20
To Bank/Materials/Creditors	20

2. **To recognize additional revenue:**

Contractee A/c (Debtors)	Dr 50
Contract Work-in-Progress A/c	25
To Contract Revenue A/c	75

3. **Profit recognition:**

Contract Revenue A/c	Dr 20
To Contract Work-in-Progress A/c	20

Contract Revenue A/c	Dr 5
To Profit & Loss A/c	5

2.4 Special Items under AS 7

- **Escalation Clause:** If costs rise due to steel/cement price hikes and are reimbursable, revenue is increased accordingly.
- **Claims:** Recognized only when probable and measurable (e.g., extension of time claim).
- **Expected Losses:** Entire foreseeable loss on a contract must be recognized immediately.

Illustration – Loss Recognition:
If Contract Price = ₹100 crore, Estimated Cost = ₹110 crore → expected loss = ₹10 crore, recognized in full in Year 1, regardless of stage of completion.

2.5 Limitations of AS 7

- Focuses only on construction contracts, not general service arrangements.
- Heavy reliance on estimates, increasing subjectivity.
- Limited disclosure requirements compared to global IFRS.
- No explicit guidance on multiple performance obligations or contract modifications.

3. Ind AS 115: Revenue from Contracts with Customers

3.1 Background and Objective

Ind AS 115 (converged with IFRS 15) replaced multiple revenue standards in India, including AS 7, from April 1, 2018. Its goal is to **create a single comprehensive framework for revenue recognition across all industries**. Unlike AS 7, which applied only to construction contracts, Ind AS 115 applies to **all revenue from contracts with customers**, unless another Ind AS specifically applies.

The fundamental principle:

Recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration expected.

3.2 The Five-Step Model

Ind AS 115 requires entities to apply a **five-step model**:

1. **Identify the contract with a customer**
   – Written, oral, or implied by customary business practices.
   – Criteria: approval, rights, payment terms, commercial substance, collectability.

2. **Identify performance obligations**
   – A performance obligation is a distinct good or service (or bundle).
   – In construction, each promise (design, build, handover) may or may not be distinct.

3. **Determine the transaction price**
   – Includes fixed consideration, variable consideration (claims, incentives), significant financing components, and non-cash consideration.
   – Must estimate variable amounts using expected value or most likely amount.

4. **Allocate the transaction price**
   – If multiple performance obligations exist, allocate based on stand-alone selling prices.

5. **Recognize revenue**
   – When (or as) the entity satisfies a performance obligation.
   – If control transfers over time → recognize revenue over time (similar to POCM).
   – If control transfers at a point in time → recognize revenue at delivery.

3.3 Revenue Recognition in Construction Contracts

For construction contracts, typically **control is transferred over time** because:

- The customer controls the asset as it is being created (customized building/infrastructure).
- The asset has no alternative use for the contractor.
- The contractor has enforceable rights to payment for work completed to date.

Hence, construction contracts usually recognize revenue **over time** using measures like:

- Cost-to-cost method (like AS 7).
- Milestones or progress certificates.
- Physical surveys of completion.

3.4 Example under Ind AS 115 (Variable Consideration & Multiple Obligations)

Facts:

- A construction company enters a ₹120 crore contract to build a specialized plant.
- Contract includes:
  - Design services (standalone price: ₹20 crore).
  - Construction work (standalone price: ₹100 crore).
- If completed within 18 months, incentive bonus = ₹10 crore.
- Total expected cost: ₹90 crore (₹15 crore for design, ₹75 crore for construction).
- At Year 1: Costs incurred ₹45 crore (₹15 crore design complete, ₹30 crore construction done). Probability of achieving bonus = 70%

Step1: Identify contract – Valid enforceable contract.

Step2: Identify performance obligations – Design (distinct), Construction (distinct).

Step3: Determine transaction price – Fixed ₹120 crore + variable ₹10 crore incentive × 70% = ₹7 crore = ₹127 crore.

Step4: Allocate transaction price – Based on standalone selling price:

- Design = (20 ÷ 120) × 127 = ₹21.17 crore
- Construction = (100 ÷ 120) × 127 = ₹105.83 crore

Step5: Revenue Recognition Year 1

- Design fully completed → Recognize full ₹21.17 crore revenue.
- Construction progress = 30 ÷ 75 = 40% → Recognize 40% of ₹105.83 crore = ₹42.33 crore.
- Total revenue = ₹63.5 crore.
- Costs = ₹45 crore.
- Profit = ₹18.5 crore.

3.5 Journal Entries under Ind AS 115 (Year 1)

1. **Costs incurred:**

   Construction in Progress (CIP) A/c Dr 45

   To Bank/Materials/Creditors 45

2. **Revenue recognition (Design + Construction):**

   Contract Asset (Unbilled Revenue) A/c Dr 63.5

   To Contract Revenue A/c 63.5

3. **Transfer costs to P&L:**

   Contract Revenue A/c Dr 45

   To Construction in Progress A/c 45

4. **Recognize profit:**

   Contract Revenue A/c Dr 18.5

   To Profit & Loss A/c 18.5

5. **If billed to customer (say ₹60 crore):**

   Debtors/Contractee A/c Dr 60

   To Contract Asset A/c 60

3.6 Key Distinctions vs AS 7

- **Performance Obligations:** AS 7 treats contract as a whole; Ind AS 115 can split into multiple obligations.
- **Variable Consideration:** Ind AS 115 requires probability-weighted/most likely estimate; AS 7 is more restrictive.
- **Transfer of Control:** Ind AS 115 focuses on "control" vs AS 7's "risks and rewards".
- **Disclosure Requirements:** Ind AS 115 demands extensive disclosures (judgments, methods, contract balances, unbilled revenue, obligations).

3.7 Special Issues under Ind AS 115

- **Onerous Contracts:** Losses recognized immediately (like AS 7).
- **Contract Modifications:** Accounted as new contract or cumulative adjustment, depending on scope/price.
- **Financing Components:** If payment terms are significantly deferred, adjust for time value of money.

4. Comparative Analysis of AS 7 and Ind AS 115

4.1 Conceptual Shift

- **AS 7** was a **specialized standard** dealing only with *construction contracts*.
- **Ind AS 115** is a **comprehensive standard** on revenue recognition, applicable to *all industries*, including construction.
- The focus has shifted from **risks and rewards (AS 7)** to **control transfer (Ind AS 115)**.

4.2 Side-by-Side Comparison Table

Aspect	AS 7 (Construction Contracts)	Ind AS 115 (Revenue from Contracts with Customers)
Scope	Only construction contracts (real estate, infrastructure, turnkey projects).	All customer contracts, including construction, software, services, etc.
Revenue Recognition Principle	% of completion method (POCM) if outcome reliably estimated; else, recognize to the extent of costs.	5-step model; revenue recognized when performance obligations are satisfied (over time or at a point in time).
Basis of Recognition	"Risks and rewards" of construction activity.	"Transfer of control" of goods/services.
Performance Obligations	Entire contract treated as a single unit.	Each distinct promise (design, build, maintenance) may be separate obligations.
Variable Consideration	Restricted; recognized when reasonably certain.	Requires estimation using expected value or most likely amount (probability adjusted).
Claims & Incentives	Recognized only when probable and measurable.	Considered part of transaction price subject to constraint.
Loss Contracts	Expected losses recognized immediately.	Same principle – onerous contracts must be recognized.
Disclosures	Limited.	Extensive disclosures: judgments, contract balances, methods, significant financing components, unbilled revenue.

4.3 Illustrative Journal Entry Contrast

Example:

A contractor signs a ₹100 crore project. Costs incurred ₹40 crore; estimated total cost ₹80 crore. Customer billed ₹38 crore.

Under AS 7:

- Revenue recognized = (40 ÷ 80) × 100 = ₹50 crore.
- Profit = 50 – 40 = ₹10 crore.

Journal Entries:

Work-in-Progress (WIP) A/c	Dr 40	
To Bank/Creditors		40
Contractee A/c	Dr 38	
To Billing on Contract A/c		38
Contract Revenue A/c	Dr 50	
To WIP A/c		40
To Profit & Loss A/c		10

Under Ind AS 115:

- First, assess whether performance obligations exist (e.g., design + build).
- If only one obligation (build), recognize revenue **over time**.
- Progress = 40 ÷ 80 = 50%.
- Revenue = ₹50 crore.
- Same profit = ₹10 crore.
- But Ind AS 115 may reallocate transaction price if multiple obligations exist.

Journal Entries:

Construction in Progress (CIP) A/c	Dr 40	
To Bank/Creditors		40
Contract Asset (Unbilled Revenue) A/c	Dr 50	
To Contract Revenue A/c		50

Contract Revenue A/c	Dr 40
To CIP A/c	40
Contract Revenue A/c	Dr 10
To Profit & Loss A/c	10
Debtors A/c	Dr 38
To Contract Asset A/c	38

Key Difference: Under Ind AS 115, the concept of **contract assets and liabilities** replaces "WIP and billings," making reporting more aligned with IFRS.

4.4 Practical Insights

1. **Complexity** – Ind AS 115 is more complex and judgment-based than AS 7.
2. **Transparency** – Disclosures under Ind AS 115 provide a clearer picture to investors and regulators.
3. **Impact on Profitability** – While total profit remains the same over the contract life, timing of recognition can vary, especially where variable consideration, financing components, or multiple obligations exist.
4. **System Requirements** – Companies adopting Ind AS 115 often need robust ERP and project management systems to track performance obligations and variable considerations.
5. **Global Alignment** – Ind AS 115 aligns Indian accounting with global IFRS 15, improving comparability for multinational investors.

5. Practical Implications for Indian Construction Companies

The transition from **AS 7** to **Ind AS 115** is not merely a change in accounting mechanics; it has deep strategic and operational implications for the construction industry in India.

5.1 Financial Reporting Impact

- **Revenue Volatility**: Under AS 7, revenue recognition was relatively straightforward using the percentage of completion method. Under Ind AS 115, judgments on performance obligations and variable consideration create more fluctuations in reported revenue.
- **Balance Sheet Restructuring**: The replacement of *work-in-progress* with *contract assets and liabilities* provides a more realistic picture of rights and obligations, but also demands system upgrades.

5.2 Contract Structuring

- Construction companies now need to **draft contracts more carefully**, explicitly defining performance obligations, milestones, and payment terms.
- Variable elements such as **bonuses, escalation clauses, penalties, and claims** must be estimated upfront, requiring negotiation and legal involvement.

5.3 System & Process Changes

- ERP systems, project accounting modules, and billing software must be upgraded to capture:
  - Progress on performance obligations.
  - Transaction price allocation.
  - Contract assets/liabilities in real time.
- Internal controls over revenue recognition and disclosures must be strengthened, especially for listed companies subject to SEBI scrutiny.

5.4 Audit and Compliance

- Auditors must exercise greater judgment in assessing whether revenue recognition aligns with Ind AS 115.
- Companies face more **questions during statutory audits** regarding estimates, judgments, and disclosures.
- Greater transparency is beneficial for investors but increases compliance costs.

5.5 Investor and Stakeholder Perspective

- Detailed disclosures under Ind AS 115 help analysts and investors understand cash flow predictability, backlog, and future profitability.
- For NBFCs and banks financing infrastructure projects, contract asset/liability reporting provides better credit risk assessment.

6. Conclusion

The shift from **AS 7 to Ind AS 115** marks a paradigm changes in revenue recognition for construction companies in India.

- While AS 7 was narrow, rule-based, and limited to construction contracts, Ind AS 115 is **principle-based, judgment-driven, and globally aligned**.
- The new standard enhances **comparability, transparency, and investor confidence**, though at the cost of increased complexity and compliance burden.
- Companies must invest in **system upgrades, contract management processes, and staff training** to ensure smooth adoption.
- From a broader perspective, Ind AS 115 aligns Indian practices with **IFRS 15**, supporting India's integration into the global financial reporting framework.

For construction companies, accounting is no longer just about recording revenue but about demonstrating **true economic substance** of contracts. The evolution from AS 7 to Ind AS 115, though challenging, is ultimately a positive step towards strengthening corporate governance and financial reporting in India's rapidly growing infrastructure sector.

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Issue of Secured, Non-Convertible Debentures (NCD) by a Private Company

CS Dhaval Gusani

Introduction

Non-Convertible Debentures **('NCD')** is a type of debt instrument which offers fixed income in the form of interest to the debenture holders over a tenure of NCD. Section 2(30) of the Companies Act, 2013 defines Debentures - as it includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting charge on the assets of the Company or not. It can be secured or unsecured or convertible or non-convertible etc.

Types of Debentures

<u>Convertible and Non-Convertible Debentures</u>

Convertible Debentures are the kind of debentures which initially issued as a debt but it will be mandatorily converted into equity shares of the company on happening of some specified event or by efflux of time. This kind of instrument offers features of both fixed income instrument as well as equity shares. Hence, this is also called as hybrid / deferred equity instruments. While, Non-Convertible Debentures are the kind of debentures which are purely a debt instrument and which is / will not convertible into any other security / instrument.

<u>Secured and Unsecured Debentures</u>

Secured Debentures offers security to the debenture holders against the default in the repayment by the company. It is backed by the assets of the issuing Company, acting as a collateral and in case of default, debenture holders can exercise their claim on the collateral assets. While, unsecured debentures are not secured and doesn't have any collateral assets as a security for repayment. According to Companies (Acceptance of Deposit) Rules, 2014, company can't issue unsecured non-convertible debentures without being listed on the recognized stock exchange in India otherwise it will be treated as deposit which is expressly prohibited under Section 73 of the Companies Act, 2013.

Non-Convertible Debentures

NCD is preferred instrument for companies operating across all growth stages. For e.g: A Company in its initial stage / startups often encounter with a situation where equity dilution is not desirable to raise capital due to many reasons like under valuation, excessive stake dilution concerns etc. Hence, it may resort to raise funds via unlisted secured NCD while a Company in its growth / expansion stage may resort for listed NCD because it finds NCD cheaper than traditional borrowings from banks and financial institutions.

Regulatory framework for issue of Non-Convertible Debentures ('NCD')

A Private Company may issue secured NCD after following the due process as per the Companies Act, 2013 read with rules made thereunder. The regulatory framework for issue of secured NCD includes the following:

- ➔ Section 23, 42, 71, 77, 179 and 180 of the Companies Act, 2013;
- ➔ Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014;
- ➔ Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Conditions for issue of Secured Non-Convertible Debentures ('NCD')

The below conditions have to be fulfilled for issue of Secured NCD:

- ➔ The date of redemption shall not exceed ten (10) years from the date of issue. Provided that Infrastructure finance companies, Companies engaged in Infrastructure projects, Infrastructure Debt Fund Non-Banking Financial Companies and Companies permitted by Ministry or Department of Central Government or by RBI can issue Debenture beyond a period of 10 years but up to 30 years.
- ➔ Such an issue of debentures shall be secured by the creation of a charge on the properties or assets of the company or its subsidiaries or its holding company or its associates companies, having a value which is sufficient for the due repayment of the amount of debentures and interest thereon.
- ➔ The company shall appoint the debenture trustee before the issue of prospectus or letter of offer for subscription of its debentures and not later than sixty days after the allotment of the debentures, execute a debenture trust deed to protect the interest thereon.

Process of issue of Non-Convertible Debentures ('NCD')

A NCD can be issued by following process of private placement of securities as per Section 42 of the Companies Act, 2013 read with read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014. **'Private Placement'** means any offer or invitation to subscribe or issue of securities to a select group of persons **("identified persons")** by a Company (other than by way of public offer) through private placement offer-cum-application letter in form PAS-4. The following are the detailed step by step procedure for issue of NCD by private company:

- ➔ The Company must identify the persons / group of persons to whom offers shall be made and thereafter shall prepare the list of such identified persons.

- ➔ In case of issue of secured NCD, the Company shall appoint debenture trustee before the issue of letter of offer for subscription of its NCD and not later than 60 days after the allotment of the NCD and execute a debenture trust deed to protect the interest thereon.

- ➔ The Company shall in place a separate bank account for the receipt of NCD subscription amount. If not, it needs to open it.

- ➔ The Company shall identify the assets on which charge will be created for issue of secured NCD.

- ➔ The Company shall call a meeting of Board of Directors to discuss and approve the following matters:

- Approval of the Board for issue of NCD and approval of the terms of issue;
- Approval of draft form PAS-4 i.e Private placement offer cum application letter;
- Appointment of debenture trustee, if required;
- Approval of debenture trust deed to be executed with the debenture trustee;
- Opening of separate bank account, if required;
- Convening General Meeting of shareholders for their approval*.

**It is applicable for Public Companies where approval of shareholders by way of special resolution is required if the amount of NCD along with the existing borrowing exceeds the threshold specified in the Section 180.*

- ➔ Post Board approval, the Company shall have to file form MGT-14 with the Registrar of Companies (ROC) within 30 days of passing the Board resolution for issue of NCD.

- ➔ The Company shall prepare a record private placement offer letter in form PAS-5.

- ➔ The Company shall dispatch / email the private placement offer cum application letter in form PAS-4 together with all attachments to all identified persons, after filing of board resolution / special resolution, as the case may be, with the ROC.

- ➔ Every identified person willing to subscriber the issue shall apply in the private placement along with subscription money to be paid either by cheque or demand draft or other banking channel and not by cash. The Company shall receive the subscription amount from all the subscribers in the separate bank account opened for this purpose.

- ➔ Post receipt of subscription money, the company shall call a Board meeting for allotment of NCD by issuing a notice to all the Directors of the Company.

- ➔ The Board shall make allotment of NCD within 60 days from the date of receipt of subscription money. The Board shall pass the following resolutions:

- Allotment of NCD to the subscribers who have paid subscription money;
- Authorize one or more directors to issue and sign the debenture certificate;
- Creation of Charge on the assets of the Company;
- Filing of Return of Allotment in form PAS-3 with ROC within 15 days from the date of allotment of NCD.

- ➔ The Company shall file Return of Allotment in form PAS-3 with the ROC within 15 days from the date of allotment. The Company shall not utilize monies raised through private placement unless allotment is made and the return of allotment is filed with the ROC.

- ➔ The Company shall file form CHG-9 for creation of charge on the assets of the Company in favor of debenture trustee within 30 days from the date of creation of charge.

- ➔ The Company shall update its register of debenture holders.
- ➔ The Company shall pay the required stamp duty on debenture certificate and issue the same to the debenture holders.

Debenture Redemption Reserve and Debenture Redemption Investment

Debenture Redemption Reserve (DRR)

The creation of DRR is an accounting adjustment for keeping portion of profit for payment to debenture holders. The company shall create a DRR, which shall be 10% of the value of the outstanding debentures, out of profits of the company available for payment of dividend.

Exemption: NBFCs registered with RBI and for Housing Finance Companies registered with National Housing Bank, DRR is not required in case of privately placed debentures.

FAQs for DRR

1. Whether DRR is required for secured NCD or unsecured NCD?

DRR is required to be created for both secured as well as unsecured debentures subject to the provisions / exemptions provided in Rule 18(7) of Companies (Share Capital and Debenture) Rules, 2014.

2. It is required to be created in case of loss / inadequacy of profits?

It is required to be created out of profits of the company available for distribution of dividend. Hence, loss making companies need not create a DRR.

3. Is it required for compulsorily / partly convertible debentures?

It is required to be created only for NCD and not for compulsorily convertible debentures. If debentures are partially convertible then, DRR is required to be created only for the non-convertible portion.

Debenture Redemption Investment

In case a Secured NCD issued by a company, it shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year, ending on the 31st day of March of the next year in any one or more methods of investments or deposits as provided in below:

- in deposits with any scheduled bank, free
- in unencumbered securities of the Central methods of deposits or from any charge or lien; Government or any State Government;
- in unencumbered securities mentioned in sub-clause (a) to (d)and (ee) of section 20 of the Indian Trusts Act, 1882;
- in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882.

Provided that the amount remaining invested or deposited, as the case may be, shall not any time fall below 15% of the amount of the debentures maturing during the year ending on 31st day of March of that year.

Provided that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above. The amount credited to Debenture Redemption Reserve shall not be utilized by the company except for the purpose of redemption of debentures.

Conclusion

This article tries to cover the issues and process around issuance of secured NCD by a private limited company covering the provisions of the Companies Act, 2013. The process of issuance of NCD is a stringent and requires compliance of multiple sections and rules of the Companies Act, 2013. Hence, it is advisable to have professional supervision while issuance of NCD.

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Navigating Legalities: Setting up an Entity in India – A Step-by-Step Guide

Secretarial Team of InCorp Advisory Services Private Limited

Introduction

India is one of the most rapidly expanding economies among emerging nations, with an average annual GDP growth rate of 7%, India has risen to become the world's 5th largest economy by GDP. As a domestic-oriented economy, it's relatively insulated from global macro headwinds. With a demographic advantage, low operational costs, a vast trade network, with government initiatives to promote international trade, India offers numerous opportunities for foreign companies to establish a successful presence in the country. India also enjoys relative geopolitical stability compared to China, with strong bilateral and multilateral ties to the US, Europe, ASEAN, and the Middle East.

In this article, we will explore **Why and How India** could be the next strategic choice for Global Investors to establish a strong presence in the Asian Market.

1. Why Should You Consider Investing in India?

- **Fastest Growing Economy**
  - India is among the world's fastest-growing economies, with an annual growth rate exceeding 7%. (IMF)
  - India witnessed a real GDP Growth of 8.2% in FY 2023-2024. (Ministry of Finance)
  - The real GDP growth forecast in FY 2024-25 is predicted to be between 6.5% and 7% (IMF and Ministry of Finance)
  - India is on track to become the world's 3rd largest economy by 2027, with a GDP exceeding $5 trillion

- **Large Consumer Base** (BCG)
  - India ranks as the 5th largest consumer market in the world.
  - Projections indicate it will become 3rd largest by 2027.
  - It has approximately 500 million middle-class consumers.

- **Demographic Dividend** (Worldmetre)
    - India boasts the world's largest adolescent and youth population, with a median age of 28.2 years.
    - Over 65% of the population is below 35 years.

- **Growing Digital Economy**
    - India ranks second in the world in telecommunication, computer, and information services exports (MOF)
    - India offers promising prospects with over 300 Million internet subscribers.
    - The number of technology start-ups in India rose remarkably from around 2,000 in 2014 to approximately 31,000 in 2023, with EdTech being the top sector.
    - The IT sector employs 3.9 million people, making it the largest private sector job creator in the country.

- **Double Tax Avoidance Agreements**(India Briefing)
    - India has an extensive network of tax treaties, including over 94 comprehensive DTAAs and 8 limited DTAAs, protecting taxpayers against double taxation.

- **Free Trade Agreements**(India Briefing)
    - In the last five years, India has signed 13 FTAs with its trading partners.
    - It is actively negotiating with the UK, Canada, the EU, and Israel for additional FTAs.

- **Integration with Legal Frameworks**(India Briefing)
    - India is a WTO member and a signatory to major worldwide Intellectual Property Protection conventions, protocols, and agreements.

- **Foreign Direct Investments**(India Briefing)
    - With the largest emigrant population, India is the top remittance recipient country globally, with remittances reaching a milestone of USD 120 billion in 2023.
    - Net Foreign Portfolio Investment (FPI) inflows totalled USD 44.1 billion in FY 2024.
    - Additionally, India recorded the highest Foreign Equity Inflows (FEI) among emerging markets in FY 2024.

2. **Government Incentives to Boost the Indian Economy**

- **Production-Linked Incentive (PLI) Schemes** (ICRA)**:**
  - An outlay of 1.97 lakh crore (~USD 26 billion) for 14 production-linked sectors.
  - Based on sales, performance criteria, and local value addition over a 5-year period.
  - Attracted Rs 1.03 trillion in investments, creating 678,000 jobs by November 2023. Anticipates INR 3-4 trillion investments in the next four years, generating 200,000 jobs in semiconductor, solar module, and pharmaceutical projects.

- **Other Initiatives**
  - Make in India, the Industrial Corridor Development Program, the India Semiconductor Mission, and the National Logistics Policy have all contributed to pulling foreign investors and setting up stores here.

- **GIFT City:** (Gift Gujarat)
  - A global financial services hub in Gujarat.
  - Provides financial incentives, regulatory freedom, and world-class infrastructure.

- **Digitization in Compliances:**
  - Streamlined regulatory process from Incorporation to Winding up of Companies.
  - Initiatives like streamlined tax regulations and compliance procedures for foreign companies, flexible labor laws, and single window clearance systems for faster, Improved digital infrastructure (high-speed internet, data centers) have been a boon for Foreign Corporations.

- **Tax Incentives:**
  - Union Budget 2024-2025 reduced the corporate tax rate for foreign companies from 40% to 35%.
  - Tax incentives for eligible companies and startups.
  - Abolition of angel tax for all classes of investors in startups.

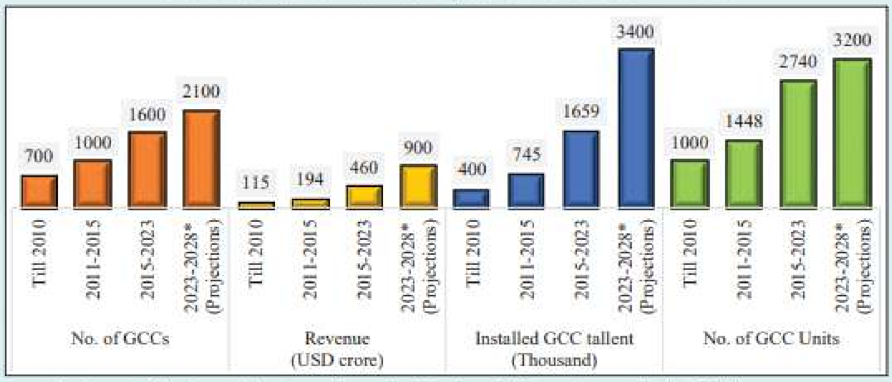
- **Massive Investment in Infrastructure:** (India Briefing)
  - Focus on port modernization, new port development, highways, railways, and dedicated freight corridors.

- **Industrial Zones and SEZs:**
    - Massive investments in Industrial zones, tax breaks, and duty-free exports for entities in Industrial Zones and SEZ

- **Climate Change and Energy Transition** (Economic Survey 2023-2024)
    - India has made significant progress on climate action. The installed solar power capacity increased by 15.03 GW in 2023-24, reaching a cumulative total of 82.64 GW on 30 April 2024.
    - India has achieved the target of 40% of India's installed energy generation through non-fossil fuel sources, nine years ahead of its target for 2030.

- **Growth of Global Capability Centre (GCC) In India** (Economic Survey 2023-2024)
    - In the last couple of years, more than 150 multinationals have set up their GCCs in India.
    - According to a PwC report, by 2028, the country is poised to have 2100 GCCs, with the market size of the centers touching USD 90 billion.
    - GCC accounts for more than 1 % of the country's GDP, and the share is expected to grow further.

Chart IV.14: Remarkable growth of GCCs in India



Source: PwC report 'Six imperatives to scale up the global capability centre market in India'

3. Who Can Invest in India

India encourages investment from citizens and entities of nearly all countries.
However, beginning in April 2020, there have been significant changes for investors from countries that share a land border with India, such as **Pakistan, Afghanistan, Bangladesh, China, Nepal, Bhutan, and Myanmar.**

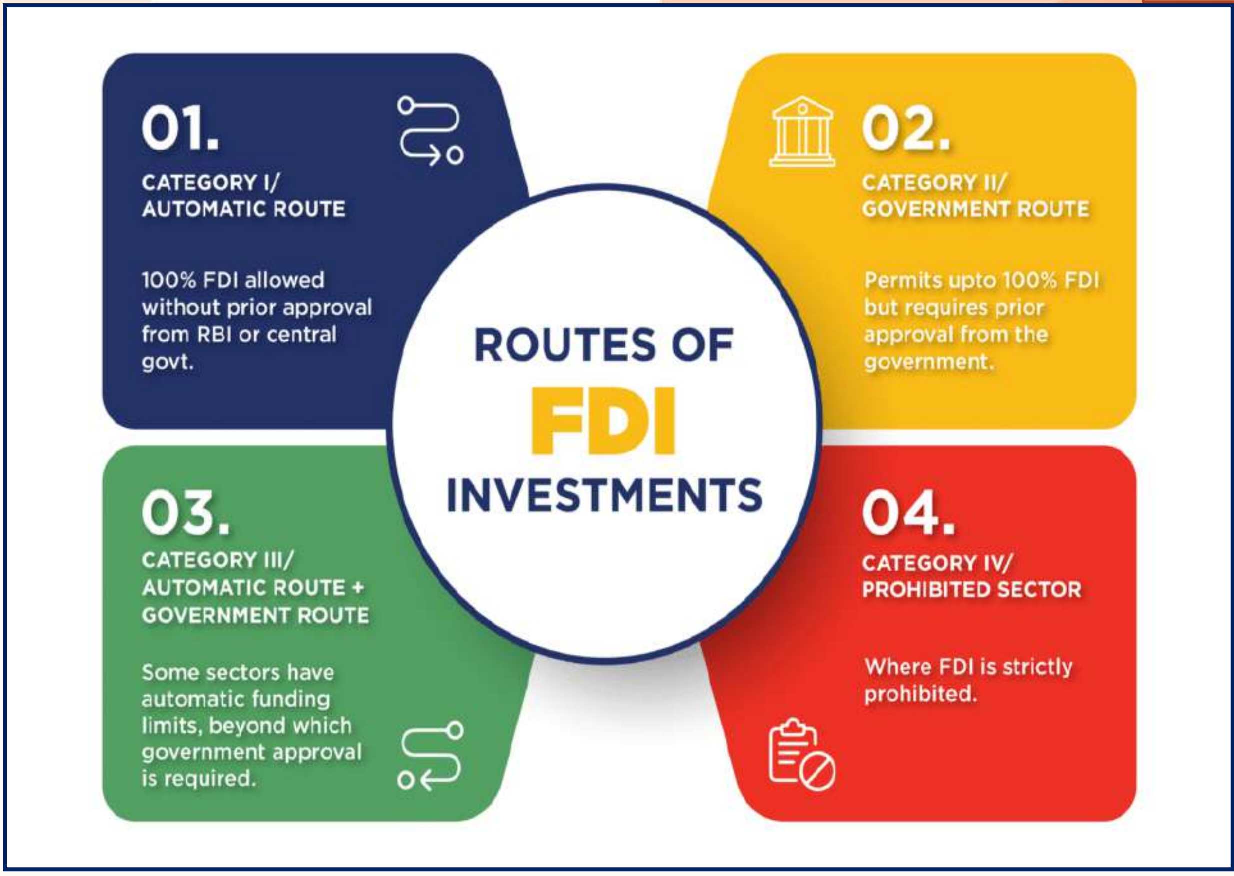
These investors must now obtain **approval from the Government of India** and receive **security clearance from the Ministry of Home Affairs** before engaging in corporate activities like establishing a company, appointing directors, applying for Director Identification Numbers, conducting private placements, transferring shares, or pursuing mergers.
Additionally, this requirement extends not only to entities and investors from the aforementioned bordering nations but also to entities from other countries that have beneficiaries from these nations.

4. Sectors Permissible for Investments in India

Foreign investment in India is freely permitted in almost all sectors and under remaining sectors are allowed on a permission basis.

FDI can be made under two routes— **Government Route** and **Automatic Route**

- **Government Route** - Prior approval of the Government of India, Ministry of Finance, Foreign Investment Promotion Board (FIPB) is required.
- **Automatic Route** - The Foreign Investor or the Indian Company does not require any approval from the Government of India for the investment.
- **Prohibited Sectors** – Investment in these sectors is prohibited.



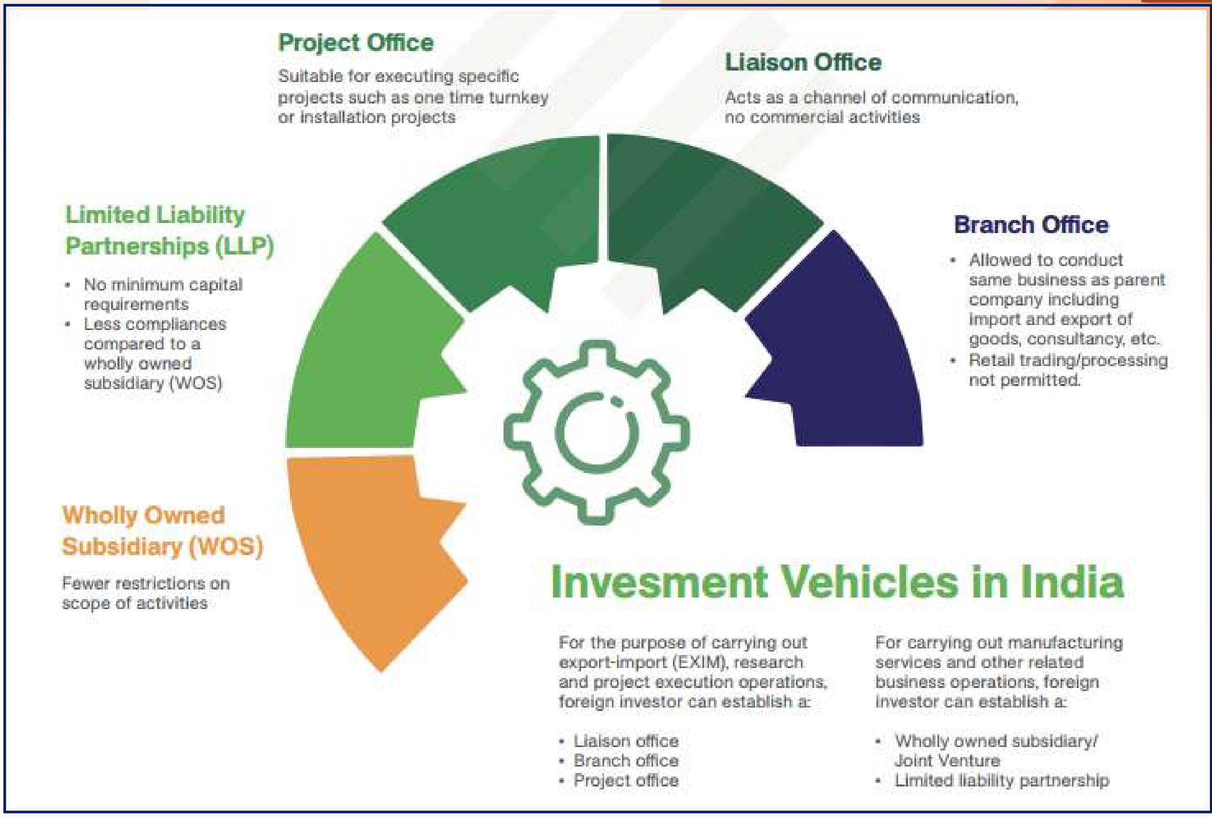
Graphic from © India Briefing

5. Establishing a Presence in India

When setting up operations in India foreign companies must choose the type of entity structure that suits their needs and business objectives which helps them establish a solid presence in the Indian market.

A Foreign investor or Company may be set up as an unincorporated entity or an incorporated entity in India.

- ✓ **Unincorporated Entities:** Liaison Office, Branch Office, Project Office.
- ✓ **Incorporated Entities:** Private Limited Company, Limited Liability Partnerships, Joint Ventures.



Graphic from © India Briefing

6A. Setting up Unincorporated Entities – For Exploring the Markets in India

A Foreign Company can use Unincorporated Entities to do business in India via 'offices' of certain types.

Structure	India Liaison Office/ Representative Office	India Branch Office	India Project Office
Role/Purpose	• Acts as a representation of Foreign establishment in India. • Tool to explore market opportunities in India	• Extension of a Parent Company • Should be engaged in the activity in which the Parent Company is engaged	A Project Office (PO) is normally established to manage large-scale projects like major construction, civil engineering, and infrastructure development.

Eligibility/Prerequisite/ Criteria for Setup	Applicant Foreign entity should have: • 3 Years of Profitable Track Record in the Home Country. • Net Worth > USD 50,000 or its equivalent	Applicant Foreign entity should have: • 5 Years of Profitable Track Record in the Home country. • Net Worth > USD 1,00,000 or its equivalent	• FC should have secured a contract to execute a project in India from an Indian company **and** • The Project is funded by: _a. Inward remittances from abroad **or** b. International Financing Agency (Eg: World Bank or IMF) **or** c. Indian entity awarding the contract has availed a term loan from a PFI or a Bank in India for funding the project.
Tentative Time Frame for Incorporation	~ 2 Months	~ 2 Months	Registration:~15 days. Set up PO within 6 months of receipt of the approval letter.
Prohibited Business Activity	Not allowed to undertake any business activity in India	Manufacturing and Processing Activities, Retail or Trading Activities in India	Activities other than those related to the specific project

Validity	**~Generally, for 3 years (Renewal of registration - Permissible)**	**No specific time frame, generally 2-3 years.**	**As per the tenure of the project.**
Formalities/Compliances	Low	Medium	Medium
Acquisition of property	Not allowed	Allowed	Allowed
Permissible Activities	1. Representing Parent Company (PC) in India 2. Promoting Export and Import (EXIM) from/to India. 3. Promoting technical/financial collaborations. 4. Communication channel between the Parent Company (PC) and Indian Company (IC).	1. Export/Import of Goods 2. Rendering Professional and Consultancy Services 3. Research in areas in which the PC is engaged 4. IT and Software Development in India 5. Technical and Financial Collaboration between PC and IC 6. Acting as a buying/ selling agent of PC in India.	Limited to the activity relating to and incidental to the project

Structure	**India Liaison Office/ Representative Office**	**India Branch Office**	**India Project Office**
Revenue	Cannot earn any income in India.	Can earn only from activities allowed by the RBI.	-
Expenses to be met from	Inward remittances from	Inward remittances from the Parent Company **or** Through revenue	Inward remittances from the Parent Company

	the Parent Company	generated from the Indian operation	
Tax Rate	Not subject to taxation as no commercial activity allowed.	~35% depending on income. (Budget 2024) *(Excluding Surcharge and Cess)*	~35% (Budget 2024) *(Excluding Surcharge and Cess)*
Remittances back to HO	Not Applicable as they cannot earn any Income in India.	Freely repatriable after taxes are paid and submission of requisite documents.	Intermittent remittances are permitted subject to the satisfaction of Authorized Dealer Category 1 Bank.
Incorp Views	*A Foreign Liaison Office helps global companies make their mark in India and connect with local businesses.* *It offers a convenient way for foreign companies to step into the Indian market without the need to create a complete local branch office.*	*When a Foreign Company establishes a Branch Office in India, it operates as an extension of the foreign entity without forming a new legal structure.* *However, a Branch Office is restricted in the scope of activities it can undertake and is subject to a high income tax rate.*	*Foreign companies engaged in turnkey construction or installation usually set up a project office for their operations in India.* *A project office is a branch office set up with the specific purpose of executing a particular project.*

Common Conditions	
Regulatory framework	The **FEMA Regulations** and **Companies Act 2013** regulates the set-up operations and closure of LO/ BO/ POs. Also, all three entities require RBI approval to be established.
Indian Representative	Parent Company must appoint an Indian Resident with a valid PAN as a local authorized representative **(Mandatory Requirement)**
Annual filing	File **Annual Activity Certificates (AAC**) from Chartered Accountants, at the end of March 31, along with the audited Balance Sheet on or before September 30 of that year
Net Worth	As per the **latest** Audited Balance Sheet or Account Statement **certified by a Certified Public Accountant** or any Registered Accounts Practitioner by whatever name.
Entity Name	Must be the **same** as the Parent Company.
Bank Account	All three forms of entities are required to maintain a **Bank account in India.**
Liabilities	Parent Company's **liability is unlimited** for all acts and omission of LO/BO/PO

6B. Setting up Incorporated Entities - For Expanding in India

A Foreign Company can incorporate a separate legal entity to do business in India in the form of :

Structure	Limited Liability Partnership	Private Limited Company/ Wholly Owned Subsidiary
Governed by	The Limited Liability Partnership Act 2008	The Companies Act 2013
Charter Documents	LLP Agreement	Memorandum of Association **and** Articles of Association
Permissible Activities	More suited for the Service sector.	All types of business activities are permitted, such as in the Manufacturing/ Marketing/ Service sectors.

Ownership and Management	Minimum 2 Designated Partners (DP)*	Minimum 2 Directors and Minimum 2 Shareholders*
Indian Representative (Mandatory Requirement)	Mandatory to have at least 1 DP who is an Indian Resident. (ie: Residing in India for 121 days or more during the Financial Year)	Mandatory to have at least 1 Director who is an Indian Resident. (ie: Residing in India for 183 days or more during the Financial Year)
Annual Compliances	• LLP is not required to conduct Board meetings or AGM. • Statutory audit is not required if the turnover is below INR 4 MN.	• 4 Board Meetings are mandatory in the Calendar year • AGM within 6 months from the end of the Financial Year. • Companies must conduct a statutory audit.
Foreign Investments (FDI)	Foreign investments are allowed only where 100% FDI is allowed by automatic route.	Foreign investments are allowed subject to FDI Policy.
Funding	LLPs raise funds through contributions from Partners and loans from Banks and Financial Institutions.	Companies can raise funds from angel investors and venture capitalists and also have an option for raising funds via debt.
Winding up	Easy	Difficult
Punishment for Default	Mild to Moderate	High
Other Statutory Compliances	Medium	High

6. Conclusion

Investing in India unveils a great opportunity due to its robust economic growth, large and young population, supportive government policies, competitive labor costs, and positive demographics. Government measures like the Bankruptcy Code, Corporate Tax Cuts, And Relaxed Foreign Ownership rules have significantly streamlined business operations in the country. With its progressive outlook and potential for growth, India stands out as an exceptional investment as a part of the global portfolio. Happy investing! 😊

7. Frequently Asked Questions

a. What are the Important Prerequisites to remember for establishing a Liaison Office (LO)?

- ✓ Mandatorily required to get registered with the Ministry of Corporate Affairs after obtaining RBI approval.
- ✓ Obtain a Permanent Account Number (PAN) and Tax Deduction Account Number (TAN)
- ✓ Allowed to open only a non-interest-bearing INR current account in India.
- ✓ Foreign Insurance Companies and Banks need prior approval from IRDA and RBI to set up a LO in India.

b. Can a Liaison office be converted into another type of entity?

Yes. The liaison office can be converted into a Branch office or a Wholly Owned Subsidiary (WOS) to establish a more permanent business setup in India.

Conversion from Liaison Office to Branch Office

- ✓ To engage in revenue-generating activities in India
- ✓ Needs to obtain approval from the Reserve Bank of India (RBI)
- ✓ Can continue using the same bank account after re-designating it as a branch office account

Establishing a Wholly Owned Subsidiary (WOS)

- ✓ To expand business operations by having a separate legal entity with a more permanent presence in India
- ✓ WOS allows the Foreign Parent Company to limit its liabilities to the subsidiary
- ✓ The name of WOS can be different from the Parent Company

Factors to Consider

- ✓ Evaluate business objectives, expansion plans, and regulatory requirements before conversion
- ✓ The process and timelines for conversion may vary depending on the RBI and other regulatory approvals
- ✓ Need to consider the tax implications and compliance requirements

c. Points to ponder upon before setting up a business entity via a Limited Liability Partnership (LLP) Structure

The choice between a Company and LLP structure depends on the nature of the business, sector, tax planning, and compliance preferences.

- Foreign Direct Investment Regulations

- ✓ FDI is permitted in LLPs in sectors allowing 100% FDI under the automatic route
- ✓ FDI in LLP is not permitted in Prohibited Sectors like aviation, financial services, private security, etc.

- Investment Structuring

- ✓ FDI in an LLP can be via capital contribution or profit share acquisition/transfer.
- ✓ Foreign partners can provide debt financing to the LLP they invested in.

- Tax Considerations

- ✓ LLPs have more favorable tax treatment than companies as partner profits aren't taxed in their hands, whereas dividend paid by a company is subjected to tax in the hands of the shareholders.
- ✓ Potential 20% savings compared to taxed dividends for foreign shareholders of companies.
- ✓ However, LLP are subject to higher tax rates of 30-34% on profits in India compared to Companies' tax rates of 25-28%. However, this could be used to an FI's advantage depending on his tax jurisdiction.
- ✓ It may benefit foreign investors as they could claim the tax paid on LLP's profits in India as a set-off against their collective tax liability in their home jurisdiction.

- Compliance Formalities

- ✓ LLPs have fewer compliances like filing the partnership agreement, annual returns, and a statement of account as compared to Companies.

- Other Considerations

- ✓ LLPs offer a mix of flexibility of partnership and protection through limited liability.
- ✓ LLPs suit small businesses and professionals, while companies are better for larger complex operations.

d. Key differences in compliances between an LLP and a Company in India

LLPs have fewer compliances as compared to companies.

Minimum Capital Requirement

- ✓ Minimum Authorized Share Capital of at least ₹1 lakh (INR 0.1 Million) is mandated for a Company registration.
- ✓ There is no minimum Paid-Up Capital requirement to form a Company or LLP.
- ✓ However, in the case of LLP partners are required to make some form of investment to establish an LLP.
- ✓ The investment/contribution of a partner might be in the form of tangible, moveable, immovable, and/or intangible property, as well as any other benefit to the LLP.

Statutory Audit

- ✓ Companies are required to conduct a statutory audit regardless of turnover or capital.
- ✓ For LLPs a statutory audit is not required if their annual turnover is less than ₹40 Lakh (INR 4 Million) or capital contribution is less than ₹25 Lakh (INR 2.5 Million).

Annual Filings with MCA

- ✓ Companies are required to file annual returns (Form MGT-7/7A) and financial statements (Form AOC-4).
- ✓ LLPs are required to file annual statements of accounts and solvency (Form 8) and annual returns (Form 11).

Fines and Penalties

- ✓ Companies can incur higher penalties for failing to comply with regulations set by the MCA.
- ✓ A flat fee of INR 100 per day is levied on LLP if the non-compliance continues.

Meetings

- ✓ Companies must hold at least 4 (Four) board meetings in every financial year with a gap of not more than 120 days between two board meetings.
- ✓ Director must mandatorily attend at least 1 (One) Board Meeting each Financial Year.
- ✓ All shareholders must attend a mandatory meeting once a year (ie: Annual General Meeting)
- ✓ LLPs are not required to have any mandatory meeting requirements.

e. What are the key differences in funding potential between an LLP and a Company in India

Companies have a clear advantage over LLPs in terms of raising funds. They can access a wider range of funding sources, especially equity investments from investors, which LLPs cannot.

Equity Funding

- ✓ Companies can secure funding by offering shares to investors such as angel investors, venture capitalists, and the public via an Initial Public Offering (IPO).
- ✓ Fundraising can be done via instruments such as equity, debt, and convertible instruments.
- ✓ As there is no concept of equity shareholding in LLP, it cannot raise funds by issuing shares to investors.

Debt Funding

- ✓ Companies can raise funds from Banks, NBFCs, and other Financial Institutions or by issuing debentures.
- ✓ LLPs have the option of obtaining loans from banks and financial institutions.

ICSI- WIRC Program Activities for the month of July-September 2025

(Workshops /Seminar / Professional Development Program)

<table>
<tr><th>Sl. No.</th><th>Activities Conducted</th><th>Remark</th></tr>
<tr><td>01</td><td>ICSI-WIRC organized Program on Compliance Insights 2025 – Annual Filings & Listing Compliances Demystified</td><td>ICSI-WIRC in the month of September organized Compliance Insights 2025 – Annual Filings & Listing Compliances Demystified on 13.09.2025 at Radisson Hotel, Grand Blossom Banquet at Techniplex Complex Opp. Veer Savarkar Flyover, Goregaon West, Mumbai- 400 062.

Sessions were conducted on the following key areas –

<table><tr><td>13.09.2025</td><td>Compliance Insights 2025 – Annual Filings & Listing Compliances Demystified</td><td>Ms. Aparna Mudiam, Deputy Director, Western Region, MCA
CS Narayan Shankar, Former, Executive Vice President and Company Secretary, Mahindra & Mahindra Ltd
CS Deepti Joshi, Partner, MMJC</td></tr></table>
This Program was through Physical mode received an overwhelming response and was attended by 194 delegates.</td></tr>
<tr><td>02</td><td>ICSI-WIRC in association International Financial Services Centres Authority (IFSCA) organized a pioneering outreach</td><td>ICSI-WIRC in association International Financial Services Centre Authority (IFSCA) in the month of September organized a pioneering outreach session on the theme “Opportunities for Professionals & Technology Services Providers at GIFT-IFSC” on 19.09.2025 at NSE Ltd, Bandra-Kurla Complex, Mumbai.

Sessions were conducted on the following key areas –

<table><tr><td>19.09.2025</td><td>Opportunities for Professionals &</td><td>Mr. K. Mahipal Reddy, Executive Director, IFSCA</td></tr></table></td></tr>
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<td>session on the theme "Opportunities for Professionals & Technology Services Providers at GIFT-IFSC"</td>
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<td>Technology Services Providers at GIFT-IFSC</td>
<td>Mr. Sathyaraj CM, General Manager, IFSCA
Ms. Bahroze Kamdin, Partner, Deloitte, India
Shri Satyendra Shrivastava, Senior Partner, Consortia Legal; Shri Jugal Kajaria, Partner, E&Y, India
Shri Neeraj Aggarwal, Head of Commercial India, Mauritius & Middle East, Apex Group
Mr. Kalpesh Mehta, AGM, IFSCA</td>
</tr>
</table>
This Program was through Physical mode received an overwhelming response and was attended by 194 delegates.
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ICSI- WIRC Study Circle Meeting Activities for the month of July-September 2025

<table>
<tr><th>Sl. No.</th><th>Activities Conducted</th><th>Remark</th></tr>
<tr><td>01</td><td>Aditya Birla (Corporate) Study Circe of the ICSI organized Study Circle Meeting on Related Party Transactions: Can Corporates ever meet SEBI's expectations?</td><td>Aditya Birla (Corporate) Study Circle of the ICSI in the month of September organized Study Circle Meeting on "Related Party Transactions: Can Corporates ever meet SEBI's expectations?" on 01.09.2025 from 2.30 PM to 5.00 PM at 21st Floor, One Unity Centre, Prabhadevi, Mumbai - 400013.

Sessions were conducted on the following key areas –

<table><tr><td>01.09.2025</td><td>Related Party Transactions: Can Corporates ever meet SEBI's expectations?</td><td>Mr. Subramanian Narayan, CS: Larsen & Toubro Ltd</td></tr></table>
This Program was through Physical mode received an overwhelming response and was attended by 43 delegates.</td></tr>
<tr><td>02</td><td>Reliance Industries Limited (Corporate) Study Circle of ICSI on Recent amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</td><td>Reliance Industries Limited (Corporate) Study Circle of ICSI in the month of September organized Study Circle Meeting on "Recent amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015" on 02.09.2025 from 11.00 AM to 1.00 PM at Auditorium, Ground Floor, Building No. TC-30, Reliance Corporate Park, Thane Belapur Road, Ghansoli, Navi Mumbai – 400701.

Sessions were conducted on the following key areas –

<table><tr><td>02.09.2025</td><td>Recent amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</td><td>CS Savithri Parekh - Company Secretary & Compliance Officer, Reliance Industries Limited</td></tr></table>
This Program was through Physical mode received an overwhelming response and was attended by 68 delegates.</td></tr>
</table>

<table>
<tr><td>03</td><td>Kandivali Study Circe of the ICSI organized Study Circle Meeting on Road Map to IPO & Beyond</td><td>Kandivali Study Circle of the ICSI in the month of September organized Study Circle Meeting on “Road Map to IPO & Beyond” on 07.09.2025 from 9.30 AM to 12.30 PM at Sarovar Banquet Hall, 2nd Floor, Payyade International Hotels Pvt. Ltd, Vasanji Lalji Road, Near Railway Station Kandivali (West), Mumbai.

Sessions were conducted on the following key areas –

<table><tr><td>07.09.2025</td><td>Road Map to IPO & Beyond</td><td>CS Neelakshee R. Marathe, Practicing Company Secretary, Neelakshee R. Marathe & Co.</td></tr></table>
This Program was through Physical mode received an overwhelming response and was attended by 63 delegates.</td></tr>
<tr><td>04</td><td>Sangli Study Circle of the ICSI organised Study Circle Meeting on Annual Filing of Companies under V3</td><td>Sangli Study Circle of the ICSI in the month of September organized Study Circle Meeting on "Annual Filing of Companies under V3" on 09.09.2025 4.00 PM to 6.00 PM at Hotel Icon In, Sangli - Miraj Rd, Saraswati Nagar, Vishrambag, Sangli- 416415.

Sessions were conducted on the following key areas –

<table><tr><td>09.09.2025</td><td>Annual Filing of Companies under V3</td><td>CS Amrut Parekh Practicing Company Secretary, Kolhapur</td></tr></table>This Program was through Physical mode received an overwhelming response and was attended by 14 delegates.</td></tr>
<tr><td>05</td><td>Adani (Corporate) Study Circe of the ICSI organized Study Circle Meeting on Recent Amendments: Companies Act, 2013 & SEBI Listing Regulations</td><td>Adani (Corporate) Study Circe of the ICSI organized Meeting on “Recent Amendments: Companies Act, 2013 & SEBI Listing Regulations” on 15.09.2025 from 4.00 PM to 6.00 PM at Adani Corporate House, 4th Floor, Lecture Room, Shantigram, Ahmedabad.

Sessions were conducted on the following key areas –

<table><tr><td>15.09.2025</td><td>Recent Amendments: Companies Act, 2013 & SEBI Listing Regulations</td><td></td></tr></table>
This Program was through Physical mode received an overwhelming response and was attended by 27 delegates.</td></tr>
</table>

ICSI- WIRC Student Training Programmes and Other Activities for the month of July-Sept 2025

Sl. No.	Activities Conducted	Remark
01	ICSI-WIRC organized Student Training Program during the month of July-September 2025	1. 5th Batch of Three Days Orientation Program (TDOP) was organised for Executive Students of ICSI from September 02 2025 to September 04, 2025. Total 44 students have enrolled for the batch. 2. 6th Batch of Three Days Orientation Program (TDOP) was organised for Executive Students of ICSI from September 02 2025 to September 04, 2025. Total 47 students have enrolled for the batch. 3. 7th Batch of Three Days Orientation Program (TDOP) was organised for Executive Students of ICSI from September 05, 2025 to September 07, 2025. Total 48 students have enrolled for the batch. 4. 8th Batch of Three Days Orientation Program (TDOP) was organised for Executive Students of ICSI from September 05, 2025 to September 07, 2025. Total 48 students have enrolled for the batch. 5. 9th Batch of Three Days Orientation Program (TDOP) was organised for Executive Students of ICSI from September 08, 2025 to September 10, 2025. Total 48 students have enrolled for the batch. 6. 10th Batch of Three Days Orientation Program (TDOP) was organised for Executive Students of ICSI from September 11, 2025 to September 13, 2025. Total 50 students have enrolled for the batch. 7. 11th Batch of Three Days Orientation Program (TDOP) was organised for Executive Students of ICSI from September 23, 2025 to September 25, 2025. Total 50 students have enrolled for the batch. 8. 63rd Batch of 15 Days Classroom Mode Executive Development Program is scheduled from September 10, 2025 to September 24, 2025. 9. 64th Batch of 15 Days Classroom Mode Executive Development Program is scheduled from September 30, 2025 to October 18, 2025. 10. 33rd Batch of 15 days Classroom Mode Non-Residential Corporate Leadership Development Program (CLDP) was organized for the Professional / Final Passed Students of ICSI from September 15, 2025 to September 29, 2025.

		11. 34th Batch of 15 days Classroom Mode Non-Residential Corporate Leadership Development Program (CLDP) was organized for the Professional / Final Passed Students of ICSI from September 26, 2025 to October 14, 2025. 12. 11th Batch of 15 days Corporate Leadership Development Program ((CLDP) Webinar Mode) was organized for the Professional / Final Passed Students of ICSI from August 29, 2025 to September 15, 2025. 13. 12th Batch of 15 days Corporate Leadership Development Program ((CLDP) Webinar Mode) was organized for the Professional / Final Passed Students of ICSI from September 22, 2025 to October 08, 2025.
02	ICSI-WIRC organized Career Awareness Program during the month of July 2025	1. Conducted Career Awareness Programme at Maniben Nanavati Women's College, Vallabhbhai Road, Vile Parle (W), Mumbai on September 09, 2025. Around 80 Students from various class of TY B.Com Students have attended the session. 2. Conducted Career Awareness Programme at Thakur College of Science & Commerce, Kandivali, Mumbai on September 12, 2025. Around 535 Students from various class of TY B.Com Students have attended the session. 3. Conducted Career Awareness Programme at Viva College of Arts, Commerce and Science, Viva College Road, Virar(W), Dist. Palghar on September 23, 2025. Around 205 Students from various class of FY B.Com Students have attended the session. 4. Conducted Career Awareness Programme at Shriniwas Bagarka Junior College of Arts Commerce and Science, Shri Rajasthani Seva Sangh, J B Nagar (Chakala Metro Station), opp. Kohinoor Hotel, Andheri (East), Mumbai-400059 on September 26, 2025. Around 600 Students from various class of FY J C Students have attended the session.
04	Interaction with Vice President through Virtual Mode	As an initiative during the ICSI Student Month – July 2025, ICSI-WIRC has organised virtual session on "Interaction with Vice President" for the student of the Western Region on Saturday, July 19, 2025 from 3:00 pm to 4:30pm. CS Pawan G Chandak, Vice President, The ICSI had direct interaction with students during this Interactive Session. He provided guidance to the students on aligning with the evolving role of Company Secretaries in emerging India. Around 170 Students have registered and attended the session and discussed various queries related to internship, training and academics.

05	Teacher's Conference	• ICSI-WIRC organised **Teacher's Conference** for Degree College on the theme **"Empowering Educators"** on **Thursday, September 11, 2025** from 10:30 am to 01:30 pm at ICFAI Business School (IBS) Board Room, Ground Floor, Hiranandani Gardens, Hiranandani Knowledge Park, Opp. Hiranandani Hospital, Off. Technology Street, Powai, Mumbai Maharashtra - 400076. 60 academicians participated in the event. • ICSI-WIRC organised **Teacher's Conference** for Junior College on the theme **"Empowering Educators"** on **Monday, September 15, 2025** from 10:30 am to 01:30 pm at Sonpant Dandekar Shikshan Mandal, Junior College, Kharekuran Road, Palghar (W), Pin - 401404. 110 academicians and 15 staff volunteers participated in the event.
06	Career Fair 2025	Conducted Career Fair 2025 organised by Thakur College of Science & Commerce, Kandivali, Mumbai on September 12, 2025. Around 535 Students from various class of TY B.Com Students have attended the event.

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GALLERY OF PROGRAMS AT WIRC – ICSI

1. Teacher's Conference for Degree College on the theme Empowering Educators on September 11, 2025 at ICFAI Business School (IBS).

2. Program on Compliance Insights 2025 – Annual Filings & Listing Compliances Demystified on September 13, 2025 at Radisson Hotel.

3. IFSCA associate program with WIRC of ICSI on September 19, 2025 at NSE, Mumbai.

GUIDELINES FOR MEMBERS CONTRIBUTING ARTICLES TO BE PUBLISHED IN e-FOCUS

Regional Council ("WIRC") of The Institute of Company Secretaries of India ("ICSI") is pleased to bring out a monthly magazine for corporate executives and other professionals, viz., "FOCUS" under the guidance of its newly formed Editorial Board.
However, the Editorial Board wouldn't be able to succeed in releasing e-FOCUS unless allthe members of ICSI put in some efforts to make release of e-FOCUS a success. What better than writing articles for e-FOCUS and getting a 'FOCUSSED' recognition! "Start writing, no matter what. The water does not flow until the faucet is turned on." — Louis L'Amour Well, if the above quote inspires you and you decide to author an article to be published in e-FOCUS, following are a few guidelines for authoring the articles for e-FOCUS ("Guidelines for e-FOCUS articles").

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The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants. An article can be jointly written by not more than two (2) members. Case studies and research-based articles with empirical data which would be of practical relevance to the company secretaries are welcome. Unless a particular theme is provided by WIRC, articles on topics related to management, international trade, finance, tax and other related areas may be written and submitted for e-FOCUS.

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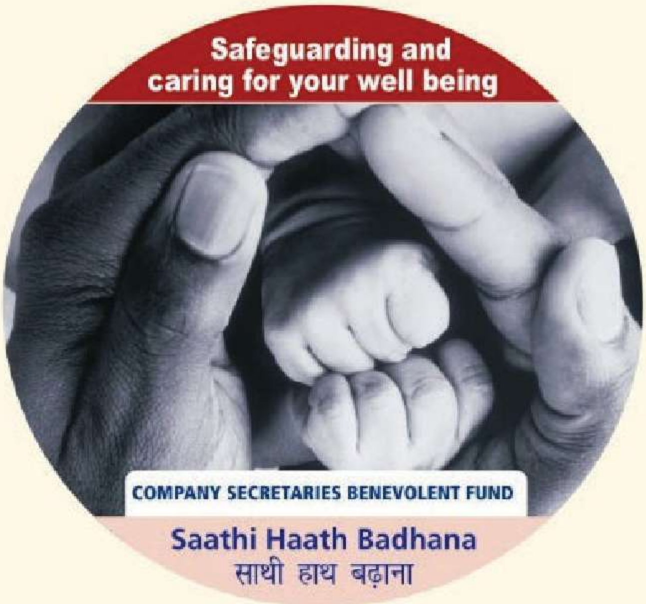

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