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243<sup>rd</sup> Edition



SIRC MYSURU CHAPTER

# eMagazine

## Vision

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

## Motto

सत्यं वद। धर्मं चर। इष्टको फेद त्प्राप्ते कोवेद हेतु फेद केद

## Mission

"To develop high calibre professionals facilitating good corporate governance"

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## From the Desk of Chairman

### Dear Professional Colleagues!

I am happy to interact with you all again through this eMagazine.

The chapter has celebrated 36<sup>th</sup> PCS Day on 15<sup>th</sup> June 2024 by conducting a session on the topic "Harnessing IT and AI in Practice". It was an enriching interactive session and lot of take aways to the participants, which will facilitate ease of professional work to a remarkable extent both for the practicing and Employed Company Secretaries.

The 44<sup>th</sup> Annual General Meeting ("AGM") of the Chapter was conducted on 15<sup>th</sup> June 2024, I extend my sincere thanks to our members for attending AGM of the Chapter and making the event successful.

Our Chapter conducted its flagship Program '**Manthan 2024**' on 21<sup>st</sup> & 22<sup>nd</sup> June 2024 at Hotel Le Ruchi the Prince, Mysuru. Prof. Loknath N. K, Hon'ble Vice Chancellor of the University of Mysuru was the Chief Guest of the Program, CS Pradeep B Kulkarni, Chairman, SIRC and CS Venkataramana R, Member, Central Council, ICSI, were special guests for the program. The Program was a huge success, We received an overwhelming response, the program was attended by about 130 Company secretaries, chartered accountants, cost accounts, insolvency professional etc., from across India.

The chapter celebrated 10<sup>th</sup> International Day of Yoga with the theme "Yoga for Self and Society" on 21<sup>st</sup> June 2024 at Hotel Le Ruchi the Prince, Mysuru.

The month of July is observed as Student Month and the chapter has planned various programs and competitions for Students and all the students are invited to utilize the opportunity by actively participating in all the programs.

We are planning to organize many more sessions for the members and students in the days to come....!

Thanking you,

CS Padmanabha V

Chairman,

Mysore Chapter



### PCS Day Celebrations

On 15-06-2024, in the chapter premises 36<sup>th</sup> PCS day celebrations were held, with the participation of the members and students of the institute. The celebration was marked by cake cutting following the session and about 13 members and 19 students participated in the event.



### ICSI Mysuru Chapter's 44<sup>th</sup> Annual General Meeting

The Annual General Meeting of the Chapter for the year 2023-24 was held on 15-06-2024, in the chapter premises. The members and the students participated in the meeting and the meeting proceedings were carried out as per the agenda.

### Session on Harnessing IT and AI in Practice

On 15-06-2024, a session was held **on Harnessing IT and AI in practice** in Mysuru Chapter Premises on the occasion of PCS Day. The session was led by the speaker CS Phani Datta DN, Immediate Past Chairman of the Mysuru chapter and were attended by about 30 members and students.



### International YOGA DAY celebration

On 21-06-2024, in the Hotel Le Ruchi The Prince premises, 10<sup>th</sup> International Yoga Day held under the leadership of CS Pramod Jain and about 25 members and students participated in the event.

### “MANTHAN 2024”

#### A unique 2 day Seminar/workshop on “Critical Issues in Corporate Laws”

“The role and responsibilities of Company Secretaries today are similar to roles and responsibilities of Diwans of Mysuru Kingdoms” said the Hon’ble Vice Chancellor of Mysuru University, at the inaugural session of “MANTHAN 2024”; 2 days Seminar/ Workshop on critical issues of Corporate Laws held by Mysuru Chapter of The Institute of Company Secretaries of India (ICSI), on 21<sup>st</sup> and 22nd June 2024, at Le Ruchi Hotel at Mysuru.

The inaugural session commenced with a ceremonial lighting of the lamp. Esteemed dignitaries, including Chief Guest of the session Prof. Loknath, Hon’ble Vice Chancellor of the Mysuru University, graced the occasion with their presence and shared their insights on the evolving role of Company Secretaries in today’s dynamic business environment.

Addressing the gathering, the Chief Guest Prof. Loknath said that “In our princely kingdoms, in Mysuru Samsthanam, the Wodeyars were appointing Diwans for better administration of the State. Diwans, who were well qualified, provided the Vision and Mission to our Kings to rule the state with high standards, mitigating the risk and enhancing the governance. Today, we may call those Diwans, as Company Secretaries who are also Corporate Governance Professionals, in independent India running and strategizing for all types and size of businesses ranging from a startup, all the way up to business groups / business houses”.

In his inaugural address CS Padmanabha, the Chairman of the Mysuru Chapter, emphasized the importance of continual professional development and the role of ICSI in fostering excellence among its members. “Professional development programs like “MANTHAN” must keep facilitating the CS Members in sharing their knowledge and wisdom” he stated.

Eminent panelists like CS Amit Gupta, PCS and IP, Lucknow, CS Anshul Kumar Jain, Asst Vice President, Corporate Secretarial, Reliance Retail Limited, CS Manoj Singh Bhisht, Senior Legal Counsel and Head of Corporate Secretarial, South Asia RGB India Limited, CS Thirupal Gorige, IP and PCS, Bengaluru, CS Karthik Varadarajan PCS from Bangalore lead the discussions over a period of 2 days. More than 130 Company Secretaries from across India took part in the workshop and put their brains in to providing solutions to more than 50 Critical Issues in the Corporate Law faced by varied professionals. Some notable names in the participants included CS Pramod B M, CS Amita Desai, CS Prachi Wazalwar and CS Mahadev Tirunagari among others.

CS Pradeep B Kulkarni, Chairman, SIRC presided over the session along with CS Venkataramana R, Member, Central Council, ICSI. The members of the Managing Committee, CS Krishna Gowda C, Vice-Chairman, CS Reshma Anwar, Treasurer, CS Phani Datta D N, Immediate Past Chairman, CS Janhavi A N and CS Arun Kumar M G, members were also present during the session. CS Padmanabha V, Chairman of the Mysuru Chapter welcomed the gathering and CS Abhishek Bharadhwaj, Secretary of the chapter did the vote of thanks.





## ICSI Mysuru RoyalPro Toastmasters Club

### Leader – Nature or Nurture – Born or Made?

“Leaders aren’t born, they are made. And they are made just like anything else, through hard work.” Said Hall of Fame football coach Vince Lombardi.

#### Is that true?

Famous leaders are always made through hard work. Of course it is a point to debate. Many studies have done to see whether Leaders are born or made. The American Association of Colleges of Pharmacy in 2016 did an extensive study in this regard and concluded that it is both nature and nurture which is required to be a great leader. Leadership skill may be in our genes but without nurturing that skill, it won’t shine. That’s what exactly what Toastmasters does, nurturing the skill. It nurtures Leadership, Communication and Public Speaking skill. We at ICSI Mysuru RoyalPro club believe in that and we execute it. So our members as well as students can shine in their personal and professional life. With that in mind we have appointed our new leaders to take the ship forward. For the first time our executive student Komal Kumar M is leading the club.

Our institute looks at us to be the torchbearer of the corporates. In pursuit of that, our Institute is encouraging all the chapters to start the Toastmasters club. Toastmasters is an international organization having more than 14000 clubs all over the world and its focus is for the members to improve their public speaking and communication skill along with improving leadership skills. In line with our institute’s quest, Mysuru Chapter of ICSI SIRC has started “ICSI Mysuru RoyalPro TM Club” in June 2021. This is exclusively for CS members and students. As meeting happens online anyone can join the club and get the benefits. To know more about this and to join the meeting please contact club President TM Komal Kumar M at 77952-77906 or VP Membership TM CS Phani Datta D N at 98862-14182 (only through whatsapp please). We meet every Friday from 7:00 to 8:30 PM online. We would love to have you as part of our family.!





**02**

# Articles



# Opportunities for CS Professionals in ESG

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**“The Securities and Exchange Board of India (SEBI) stipulates that the disclosure must be made through a new format, namely the Business Responsibility and Sustainability Report (BRSR). BRSR reporting has been made mandatory from FY 2022-23 (voluntary for FY 2021-22). SEBI is also responsible for the implementation of an efficient ESG policy mechanism.”**

ESG stands for Environmental, Social, and Governance. It is a set of standards for a company's operations that socially conscious investors use to screen potential investments and performance in these three areas.

- Environmental
- Social
- Governance

In India, the emphasis on Environmental, Social, and Governance (ESG) practices has indeed been growing. This shift is driven by several factors, including regulatory changes, investor preferences, and a broader recognition of the importance of sustainable and ethical business practices. In India, ESG has been gaining significant traction as more businesses and investors recognize the importance of sustainable and ethical practices.

In general, ESG can be understood as stated below:

E	Environmental criteria, includes the energy your company takes in and the waste it discharges, the resources it needs, and the consequences for living beings as a result.
S	Social criteria, addresses the relationships your company has and the reputation it fosters with people and institutions in the communities where you do business.

G	Governance, is the internal system of practices, controls, and procedures your company adopts in order to govern itself, make effective decisions, comply with the law, and meet the needs of external stakeholders.
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### ESG Applicability

ESG, a tool to improve transparency and promote sustainable business practices, is not regulated by a single law in India, it does fall under various legislations, including mainly under the provisions of the followings:

- the Companies Act 2013 and
- the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

If we talk about the applicability norms, then ESG is mandatory for the top 1,000 listed companies by market capitalization and is regulated by the apex authority, Securities and Exchange Board of India (SEBI).

In 2013, India became the first country to mandate corporate social responsibility with the Companies Act of 2013.

The Securities and Exchange Board of India (SEBI) stipulates that the disclosure must be made through a



new format, namely the Business Responsibility and Sustainability Report (BRSR). BRSR reporting has been made mandatory from FY 2022-23 (voluntary for FY 2021-22). SEBI is also responsible for the implementation of an efficient ESG policy mechanism.

The Business Responsibility and Sustainability Report (BRSR), brings India's sustainability reporting to global reporting standards. BRSR is a departure from the Business Responsibility Reporting (BRR) format. The BRSR framework emphasizes disclosures on environmental impact, social responsibility (workforce, diversity etc.), and corporate governance practices.

#### Why ESG is Important:

- An effective tool to improve transparency and to promote sustainable business practices.
- Helps the companies to attract investors who are increasingly focused on ESG factors.
- Helps companies identify and address environmental, social, and governance risks
- Companies that proactively implement ESG practices are better prepared to comply with future regulations.
- A strong ESG performance can help build trust and attract a wider range of stakeholders.
- ESG practices can lead to lower operating costs by focusing on resource efficiency.
- ESG encourages companies to minimize their environmental footprint.
- A strong ESG performance can enhance brand reputation and attract a wider customer base.

and many more.....

ESG isn't just about being ethical; it's a strategic approach.

#### ESG Compliance - A brief Analysis:

Environmental Compliance:	Social Compliance:	Governance Compliance:
Minimize environmental impact	Labor practices	Corporate governance
Climate change mitigation	Diversity and inclusion	Business ethics
Waste management	Human rights	Risk management

Further, the Companies should disclose and report their ESG performance in a transparent and comprehensive

manner in order to allow stakeholders to assess a company's ESG practices and hold them accountable.

#### ESG - An Emerging Opportunity for Company Secretary Professionals

Company Secretaries are the torch bearers of corporate governance and compliance in any organisation and their role goes beyond corporate law. Modern and industrialized era has transformed the corporate world to the core. The role of Company Secretary is more pronounced and recognized in practicing arena with audits, due diligence and compliance reports under various statutory laws. Additionally, the Company Secretary has been entrusted with the certification various documents and act as authorized Representatives before various Regulatory Authorities. ESG (Environmental, Social, and Governance) is indeed an emerging sector for professionals like us, the Company Secretaries, in India and globally.

The company secretary profession has also obtained new dimensions from being conscience keeper to compliance officer, governance professional, advisor, strategist for the growth of a corporate, etc. Presently, the CS profession has achieved a significant position in corporate world by stepping in a leadership role in guiding the corporates for the success and sustainable growth.

ESG is a very important and emerging sector for a country's business growth and the increasing emphasis on sustainable and ethical business practices has led to a growing demand for expertise in ESG, due to which there has been immense opportunity to the practising professionals such as Chartered Accountants, Cost and Management Accountants, Advocates and Company Secretaries in ESG domain.

ESG is a rapidly growing sector that presents a wealth of emerging opportunities for professionals including Company Secretary Professionals. Here's why:

1. Companies needs professionals to ensure compliance with mandatory ESG disclosures norms as prescribed by the regulatory authority like SEBI.
2. Companies needs professionals who can help the companies to enhance their ESG performance in order to meet the investors' expectations.

3. Companies need professionals who can integrate Corporate Responsibility practices into business strategies.
4. Companies need experts to navigate risks effectively in connection with climate change, social unrest, and governance issues.
5. Companies of all sizes are increasingly focusing on ESG practices to comply with regulations, attract investors, and manage risks. This creates a strong demand for professionals with ESG knowledge and skills.

#### Company Secretary as ESG Governance Professional:

Company Secretary (CS) may also provide their professional Excellency services to the stakeholders / investors, in the form of ESG consultant, advisor and / Governance Professional. With expert knowledge of the ESG provisions and advisory services, CS will protect the interest of the potential stakeholders & can create an eco-system wherein they get maximum benefits from ESG norms.

Company Secretaries are already playing a pivotal role in ESG domain with sound knowledge of the provisions, regulatory procedures, regulatory disclosures, investments belonging to any profession ranging from finance, law, taxation, accountancy, advisory, business management etc. The beauty of ESG is its cross-functional nature. Professionals with backgrounds in finance, law, engineering, environmental science, social responsibility, and communications can all find their niche within ESG.

#### Key Career Opportunities in ESG

Key Roles	Activities to be carried out
ESG Analyst	Data analysis, reports preparations, and provide insights on ESG metrics.
Sustainability Consultants	Development and implementation of sustainability strategies.
Corporate Social Responsibility (CSR) Experts	CSR activities, ensuring alignment with broader ESG goals.
Compliance Officers under ESG	ESG policy development, monitoring, and reporting. Key job is to ensure that a company complies with ESG-related regulations and standards.

Governance Advisors	Work on corporate governance issues, including board practices, executive compensation, and shareholder rights.
Project Manager	Key job is to manage ESG projects from planning to execution.

The ESG sector presents vast opportunities for professionals from various fields. Some universities are even offering dedicated ESG degrees or specializations within existing programs. ESG opens doors for career transitions and specializations.

#### Conclusion:

As businesses and investors increasingly prioritize sustainability, the demand for skilled ESG professionals is set to rise, making it a promising career path with significant impact and growth potential. ESG is an emerging opportunity for all professionals, especially for governance professionals like Company Secretaries.

The ESG sector offers exciting career opportunities for professionals like us with a passion for sustainability and responsible business practices. It's a dynamic field that will continue to evolve.

One can confidently believe that a career as company secretary is not only exciting but also rewarding. ESG has elevated the role of Company Secretary Professionals. A Company Secretary plays a forthcoming role in the arena of ESG in the form of Consultant, Representative, Governance professional, Compliance Expert and compliance officer.

"Opportunity is everywhere. The key is to develop the vision to see it." – An opportunity is always around us and we just need to have a vision and desire to grab it. A good professional attitude will lead to a better career growth and success.

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# Case Law in Focus: X v Gender Sensitization and Internal Complaints Committee & Ors. (Cal HC 2024)

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**“The Petitioner was a trainee officer of the Coast Guard. Subsequently, she was promoted to Deputy Commandant and she retired on 25 December 2021. Respondent was her commanding officer. Petitioner filed a sexual harassment complaint against the Respondent on 19 December 2019.”**

## Overview of the law

The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“Act”) and The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Rules, 2013 (“Rules”) were enacted for the prevention and redressal of complaints of sexual harassment at the workplace. The Calcutta HC recently had to decide on what constitutes sexual v non sexual behaviour in light of S.2 (n) of the Act which defines sexual harassment. The gist of the judgement has been discussed below:

## Summary of Facts and Contentions

A writ petition was filed by the petitioner (“Petitioner”) against the decision of the Internal Complaints Committee (“IC”) which had dismissed the Petitioner’s sexual harassment complaint against the Respondent.

## Brief Facts

The Petitioner was a trainee officer of the Coast Guard. Subsequently, she was promoted to Deputy Commandant and she retired on 25 December 2021.

Respondent was her commanding officer. Petitioner filed a sexual harassment complaint against the Respondent on 19 December 2019.

## Contentions of the Petitioner

The Petitioner contended that the Respondent used to stare inappropriately at her and tried to peep into her room, held her hand and tried to put his arm around her shoulder, would address Petitioner as ‘baby’ and ‘sweety’; had also used the term “hugging the coast”, inappropriately, with sexual overtones while speaking to the Petitioner. When Petitioner was operating the craft from the pilot’s seat, Respondent who was the co-pilot at the time deliberately blocked the inclinometer from her sight.

Since Petitioner refused Respondent’s sexual advances Respondent retaliated by hindering her career progression. On two occasions Respondent deliberately recalled Petitioner from her leave. Respondent also ensured Petitioner failed an assessment carried out for ‘Captain of Craft’. Petitioner alleged that the Board of Officers constituted for selection had acted on the



dictates of the Respondent. Duty rosters were deliberately fixed to cause inconvenience to the Petitioner. Respondent also saw to it that a complaint was lodged against the Petitioner for not embarking a vessel.

### **Contentions of the Respondent**

Respondent denied the allegations of the Petitioner. Respondent mentioned that the staring and peeping allegations could have been checked against CCTV cameras but Petitioner deliberately raised the complaint after the retention period of the footage expired. Respondent denied holding hands and trying to put his arms around Petitioner's shoulder. Respondent claimed that the Petitioner was not able to produce any witness to corroborate her allegations.

The Respondent contended that use of the terms, 'baby' and 'sweety' had no sexual intention and that once the Petitioner expressed her discomfort the words were never repeated by the Respondent. Respondent mentioned that he was not instrumental in Petitioner not passing her assessment for Captain of Craft. The Board of Officers was constituted not just for Petitioner but for other officers also.

Respondent had recalled Petitioner from leave because she was required to participate in the Republic Day parade preparation. The second recall from leave was revoked and Petitioner was allowed to enjoy her entire leave period. Respondent had not interfered with the roster. Arrangement of roster in the Indian Coast Guard was not fixed due to the very nature of the job. Petitioner had already been informed that there was scope for improvement in her work. Respondent also contended that Petitioner was guilty of misdemeanour with other senior officers and had a history of disciplinary issues.

### **Summary of Judgement**

The court upheld the decision of the IC that the allegations were not proved. The court held that the IC complied with principles of natural justice and there was no flaw in their decision-making process. IC had elaborately dealt with all the allegations made by the Petitioner and had given sufficient opportunity of hearing to the Petitioner and appreciated the entire evidence adduced by both sides.

The judge observed that writ courts have to be careful and not substitute their own opinions for those of the

adjudicating authorities unless there is any patent unreasonableness, arbitrariness, mala fides, perversity and/or illegality evident on the face of the record.

With respect to the allegations, the court held that the allegations of staring and peeping could not be substantiated by any witness. The fact that the Petitioner waited for almost a year after the alleged incident to raise this allegation robbed the adjudicating body of the opportunity to look into CCTV footage to ascertain the veracity of the allegation.

The court held that while as per S.2 (n) of the Act, sexually coloured remarks and other unwelcome verbal conduct of a sexual nature amounts to sexual harassment, use of the expression's "baby" and "sweety" need not always be sexually coloured. Use of the expression "hugging the coast" is common usage in Coast Guard jargon. Staring could have various shades and did not always lead to sexual harassment. None of the witnesses were able to corroborate Petitioner's allegations. Petitioner had a history of misdemeanour and psychological issues and could have filed this complaint to safeguard herself.

### **Opinion on the Judgement**

While the court specifically called out that writ courts should be careful not to substitute their opinions for adjudicating authorities, it does appear that the court decided to give its opinion on the merits of the case. The court went so far as to say point out that this complaint could be malicious and made observations that the Petitioner could be a misandrist.

The fact that the Petitioner was apparently suffering from psychological issues seems to have been used against her. The court lost an opportunity to emphasise the need for ICs and courts to be empathetic when dealing with parties who may be suffering from mental health issues rather than calling out their complaint as a malicious complaint.

The court also observed that since the Respondent stopped using the words 'sweety' and 'baby' once he was confronted by the Petitioner it showed that that the words were not intended to sexually harass the Petitioner. In making such an observation the court overlooked the impact use of such terms could have on the Petitioner.

# Buyback – A Strategic Tool

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**“Buy-Back is a corporate action of repurchasing outstanding shares or other securities including ESOP from existing shareholders, that was issued earlier by the Company. Buy-Back brings down the number of outstanding shares and benefits the Companies and shareholders in numerous ways. Well planned Buy-Back may address various issues in one-go. The shares bought back under must mandatorily be physically destroyed and such shares should be removed from the capital of the Company.”**

Companies worldwide makes numerous strategies to remain competitive in the market. Buy-Back is one among such strategies, adopted by Companies for various reasons. In the year 2023 securities worth around fifty thousand crores are bought back in India, mirroring the effectiveness of Buy-Back in current scenario.

## **What is Buy-Back?**

Buy-Back is a corporate action of repurchasing outstanding shares or other securities including ESOP from existing shareholders, that was issued earlier by the Company. Buy-Back brings down the number of outstanding shares and benefits the Companies and shareholders in numerous ways. Well planned Buy-Back may address various issues in one-go. The shares bought back under must mandatorily be physically destroyed and such shares should be removed from the capital of the Company.

## **Why are Companies choosing Buy-Back widely?**

Every company long term goal is giving good returns to its shareholders as it decides the stability in the Company, even though we have crossed the fence of shareholders wealth maximization and are in the era of stakeholders' wellbeing, somewhere the priority hierarchy would start from good return to shareholders as they have invested their money in the Company. Some of the reasons for Buy-Back are discussed below:

Controlling price fluctuation – Shares are freely available for trading in the secondary market, hence monitoring demand and supply is crucial. Sometimes despite company's good performance in business, share price may tend to fall or may not spike as per market standard due to oversupply in the market. In the given scenario, Buy-Back helps the company to bring down the shares available in the secondary market. However, there are some instances where the Buy-Back has failed to boost the price of the shares for reasons like timing, execution, communication.

Improved shareholders return – Buy- Back leads to decrease in the number of shareholders, as a result return for existing shareholders increases. In a way if the company is declaring same dividend as earlier years, still the dividend will be much higher as the dividend will be distributed among lesser number of shareholders.

Compact share holding pattern – particularly in private companies, widely distributed shareholder base may fail to attract strategic investors like private equity, venture capitalists and the kind. These investors look for effectively structured companies as those will be apt to handle and mentor. The Companies looking for strategic investment may use Buy-Back as a tool to eliminate shareholders. Compact shareholding pattern is also essential in start-ups for quick and well aligned decision making, to cease the opportunities as and when arises.

Exit option – After reaching a certain valuation or after holding shares for certain years, shareholders may expect a feasible exit option. Buy-Back with giving good return to these shareholders is also a tax-efficient option from point of view of shareholders. Under Income Tax Act, the tax on Buy-Back is levied on the Company Buying Back the securities and is completely exempted in the hands of shareholders. Buy-Back will be a satisfied exit option for shareholders both from return and taxation point of view.

These points make Buy-Back an attractive option for Companies. However, it might also convey the message of short of business opportunities, as the process involves huge amount. Hence the company needs to highly cautious while going for Buy – Back.

#### **How much can be bought?**

A Company may buy-back up to 25% of its paid-up capital and Free Reserves, that is less than or equal to 25% of Paid-up equity share capital can be bought back and in no case the Buy-Back may exceed this limit.

If a Company is buying back equity shares in a financial year, 25% shall be of only paid-up equity capital in that

financial year, hence in case of buying Back of equity shares only equity paid-up capital shall be considered.

A Company Buying back securities must adhere to the below mentioned sections and rules:

- Sections 68, 69 and 70 strictly deals with the concept, procedure, and prohibition of Buy-Back in certain circumstances.
- Companies (Share Capital and debentures) rules, 2014
- SEBI (Buy-Back of Securities) regulations, 2018
- Secretarial Standards.

Buy-Back may seem like an expenditure for the Company but owing to its varied long term and short-term benefits, it has become a strategic tool for companies to navigate through various situations.



“There are some things that money just cannot buy, like manners, morals and intelligence.”



# 03 Columns



# HELP YOURSELF

FOOD FOR THOUGHT

• RECOGNITION

• ENTREPRENEURSHIP

• INTELLECTUAL

• RENEWABLES

• HAVE BETTER WITH MORE SUSTAINABLE

• JOBS FOR BEANS

• FOOD ADJUTANT



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**Indra Nooyi**

**Biography by Annapurna**

*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.*

"Amma?"

'Yes?'

"Ma'am, can I play Nintendo?"

'Have you completed your homework?'

"Yes. All done."

'Have you had your snack?'

"Yes."

'Okay. You can play Nintendo for half an hour.'

The receptionist of PepsiCo Inc. after having this conversation, leaves a voice message to the then CEO Indra Nooyi that the latter's daughter has completed homework and had her evening snacks and therefore has been allowed to play Nintendo for half an hour. The CEO's daughter having interesting conversations with the top executives at office or simply doing homework at office are no unusual sights to behold. Such is the company culture of PepsiCo Inc. An impressive work and family balance. Their celebrated former-CEO Indra Nooyi always saw her employees as people first and then employees. The highly interactive frequent dinner events with the employees along with their spouses say it all.

But what did it take to get there? What did it take to be on Forbes' list of Top 50 most Influential Women?

Indra often calls herself a strategist at heart. Her work has been phenomenal for all the companies that she has worked for because of her impeccable work style. The glimpses of strategist Indra that the book gives are must-read.

When one reads that Indra has been a topper in academics in school, got into IIT Calicut and later Yale University, one may assume that her journey was on an upward curve all the time. It is also important for one to know all the sacrifices it took to succeed.

It is delightful to know through the book the many roles she plays apart from being a stellar corporate leader. Her love for music and sports further makes her a rather interesting leader who applies lessons on teamwork that she learns from the sports she plays and watches.

Her parents, siblings, friends and family have big roles to play in her success and she keeps her Indian roots well-watered. Her frequent visits to India and always being genuine at heart while performing all her work is what makes her all that she is.

Indra confronted protests in India by consumers of PepsiCo without letting her company down nor her country of origin. This is a must-read from the book!

If you are here for the first time, this column intends to impart bite 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 new 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.

# RIDDLE

## ME

## THIS

### "Corporate Riddle"

1. I am a part of bundle rights available to shareholders
2. Record date plays a vital role in me
3. If there is a breach of the Articles of Association, I will be purported to be an initial public offer

Who are we?

If you know the answer then what are you waiting for..? Send us your answer along with your Photo to the below mentioned email id along with your full name, the first person to provide the answer will be published in the next edition with your Photo.

Email id: [enewsletter.icsimysore@gmail.com](mailto:enewsletter.icsimysore@gmail.com)

#### CS Pavithra P

Founder & Director

Accrescent Managed Services Pvt Ltd.

[pavithra@acms.pro](mailto:pavithra@acms.pro)



## Last Month's Corporate Riddle

1. We hold not more than 20,000 of nominal shares of the company
2. We have the right to propose a candidate for Directorship
3. We played a crucial role in Tata Mistry case.

Who am I?

**Answer: Small Shareholders**

Also received right answers from:

**Ms. Dhanyaa N** - CS Executive student,

**Ms. Rachana Kini** -CS Professional Student

Right Answer by

**Ms. Bhavyashree Hegde**

CS Professional Student







# Verdict Vistas



Case Provided by:

**CS Dushyantha Kumar K**

K Dushyantha & Associates



Analysed and Compiled by:

**CS Pavithra P**

Founder & Director, Accrescent Managed Services Pvt Ltd.

*pavithra@acms.pro*

Nature of Order: INTERIM ORDER

Bench: IN THE NATIONAL COMPANY LAW TRIBUNAL  
SPECIAL BENCH, BENGALURU

Date of Order: 8<sup>th</sup> February 2024

No. of order: CP No. 80 /BB/2021

Case Title: Mr. Basavraj Shrikant Badadale & Anr.  
against M/s. Jagajampi Auto Private Limited & 4 Ors.

Under Section: U/s 241 & 242 of Companies Act,  
2013

## A. Facts of the case

a. Jagajampi Auto Private Limited was initially established on trust among friends, primarily revolves around the sales and dealership of motor vehicles.

b. Respondent No. 2, one of the directors of the respondent company has allegedly diverted the funds earmarked for RTO Registrations into a separate Bank Account with the knowledge of the petitioner, one of the directors of the company and the primary signatory for a primary bank account

c. An amount of Rs.1,55,00,000 was transferred from this separate A/c to the individual accounts of Respondent No.2 and other family members, subsequently returned to the Company's main A/c and recorded as Loans from Directors in the Company's books.

d. The funds were used to purchase luxurious cars for personal use by Respondent No. 2 and paid the instalments from the company's account.

e. The petitioner along with another director was removed by forging their signature on the resignation letter without their knowledge.

f. The petitioner filed the petition seeking the following.

i. Direct an independent audit and investigation of the Respondent No.1 Company through Independent Chartered Accountant / Company Secretary.

ii. Direct the Respondents 2, 3, 4 & 5 to refrain from acts of oppression as against the Petitioners herein.

iii. Direct the Respondent No.2, 3, 4 & 5 to refrain from acts of mismanagement of the Respondent No.1 Company.

iv. Direct the Respondent No.2, 3, 4 & 5 to compensate the Respondent No.1 Company for the misappropriation of the funds out of the Respondent No.1 Company.

v. Direct the Respondent No.2, 3, 4 & 5 to make good the amounts indicated by the independent audit & investigation report by transferring the amounts into the Respondent No.1 Company.

vi. To declare that the Petitioner No.1 is the fit and proper person to have administrative power and control over the Respondent Company, including day to day affairs, in order to secure the interest of all stakeholders.

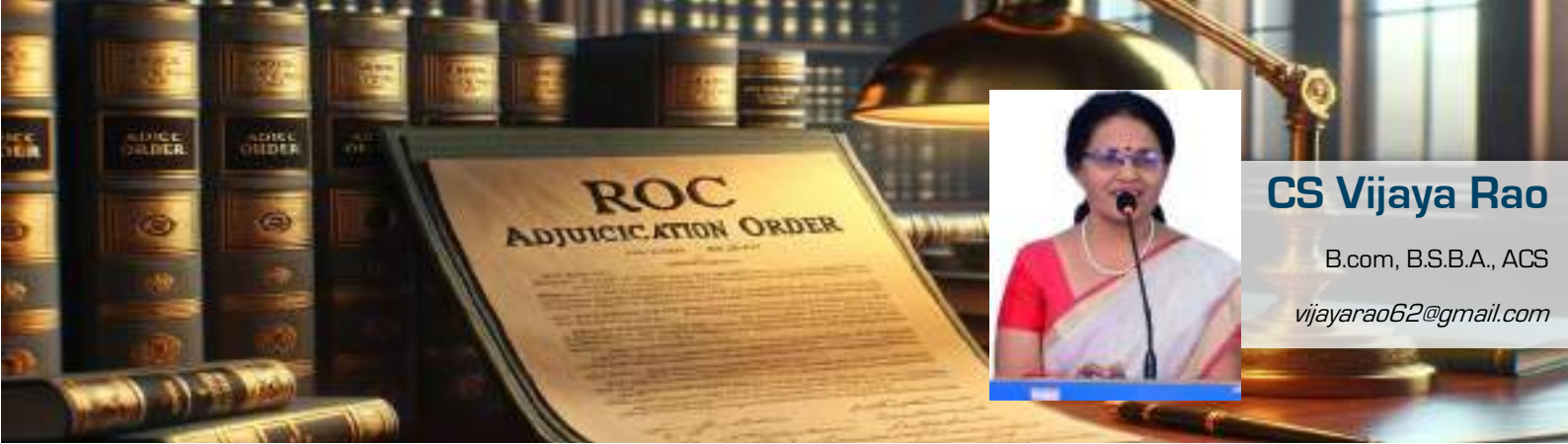
## **B. Findings by NCLT**

- a. NCLT noted that the petitioner had served the notice to all the respondents and the same was duly delivered.
- b. The Bench has forfeited the right to file reply by Respondents as there is no representation on behalf of the Respondents and also no replies have been filed by them in spite of granting sufficient time.
- c. The ledger account of the company were perused to check the alleged irregularities and mismanagement of the funds of the respondent company.

## **C. Interim Directions given by the Bench:**

- a. Independent Chartered Accountant was appointed to conduct an independent audit of the respondent company with reference to the allegations made by the petitioner and submit report to the Tribunal.
- b. The Respondents are directed to maintain the status quo with respect to all the existing Directors in the Respondent No.1 Company as on 04.03.2020 till the final disposal of this Petition.

**"NO MAN IS ABOVE THE LAW AND NO  
MAN IS BELOW IT; NOR DO WE ASK  
ANY MAN'S PERMISSION WHEN WE  
ASK HIM TO OBEY IT. OBEDIENCE TO  
THE LAW IS DEMANDED AS A RIGHT,  
NOT ASKED AS A FAVOR."  
~ THEODORE ROOSEVELT**



**CS Vijaya Rao**

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### **Order for Violation of Section 118 (10) of the Companies Act 2013 Issued by Registrar of Companies, Goa, Daman & Diu on 15th April 2024**

#### **Legal Provisions:**

Section 118 (10) Every company shall observe secretarial standards with respect to General and Board Meetings specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 (56 of 1980), and approved as such by the Central Government.

Any default made under this provision will be liable as per section 118 (11) If any default is made in complying with the provisions of this section in respect of any meeting, the company shall be liable to a penalty of twenty-five thousand rupees and every officer of the company who is in default shall be liable to a penalty of five thousand rupees.

#### **Fact:**

Fact of the case in discussion is, Wind World (INDIA) Limited is a company registered with ROC Goa, Daman and Diu. An enquiry conducted under section 206 of the Companies Act 2013 (Power to call for information, inspect books and conduct inquiries) authorities have found that company did not follow section 118 (10). Meeting held on 29th Nov 2007 was missing the following information, which was required by Secretarial Standard issued by ICSI, regarding Board and General Meetings Maintenance of Minutes. Company did not followed directions regarding the date, place of signature and it was not bound properly. Though company try to correct the mistakes' done, the Authority was not satisfied and issued penalty under section 118 (11). For not having the minute books bound it issued Rs. 5,000 for each director and Rs. 25,000 for the company. For not have the place of signature and not mentioning the date, it issued Rs. 5,000 for each of the director and Rs. 25,000 on the company. Total penalty issued was Rs 90,000.

#### **Conclusion:**

What we can draw from this order is as Minutes of the meeting is a permanent record, Authority can inspect the permanent record of the company any time as in this case it was after 16 years. Statue of limitations does not apply to permanent records.

### **Order for Violation of Section 149 (4) of the Companies Act 2013 Issued by Registrar of Companies, Odisha, Cuttack on 5th July 2024.**

Legal Provision: Section 149 (4) Every listed public company shall have at least one-third of the total number of directors as independent directors and the Central Government may prescribe, the minimum number of independent directors in case of any class or classes of public companies.

Rule 4 of the companies [Appointment and Qualification of Directors] Rules 2014, 4 (1) says, the following class or classes of companies shall have at least two directors as independent directors

- (i) the Public Companies having paid up share capital of ten crore rupees or more: or
- (ii) the Public Companies having turnover of one hundred crore rupees or more: or
- (iii) the Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees.

Section 172 of the Act provides inter alia that, If a company is in default in complying with any of the provisions of this Chapter, and for which no specific penalty or punishment provided therein, the company and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees, and in case of continuing failure, with a further penalty of five hundred rupees for each day during which such failure continues, subject to a maximum of three lakh rupees in case of the company and one lack rupees in case of an officer in default.

**Facts:** Shivom Minerals Limited Registered under ROC Odisha



Fact of the case is that one e-mail was received dated 30.01.2024 wherein allegations of noncompliance of different provisions of companies act 2013 i.e non appointment of independent directors and non-transfer of shares in to dematerialized form were made. Accordingly, a formal notice was issued to the company on 06.02.2024. The company in its reply accepted the violations. It is observed from the reply that the company has not complied with the said provisions for the period FY 2015-16 till 31st Dec 2020 by not appointing independent directors.

Maximum penalty has been assessed which is 3,00,000 on the company and 1,00,000 each on all 4 officers in default. Yet to see whether company goes for appeal or not.

Conclusion: From this one can draw that even if the authority receives an email from an unknown person they will go for investigation and if find guilty penalty will be assessed.

**THE INSTITUTE OF Company Secretaries of India**  
**भारतीय कम्पनी सचिव संस्थान**  
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 (Under the provision of Ministry of Corporate Affairs)

**SOUTHERN INDIA REGIONAL COUNCIL**

**48th Regional Conference of Company Secretaries**  
**On July 26 - 27, 2024 at Bengaluru\***  
 Being Hosted by ICSI - Bengaluru Chapter

**DISTINGUISHED GUESTS & SPEAKERS**  
 (In Alphabetical Order)

**Chief Guest**

**CA Venkatraman Narayanan**  
 Managing Director & CFO  
 Happiest Minds Technologies Ltd, Bengaluru

**Speakers**

**Dr. Ashay Singh**  
 Assistant Professor of Law  
 Gujarat Maritime University  
 Gujarat

**CS Ashish Garg**  
 Past President, The ICSI &  
 Practising Company Secretary  
 New Delhi

**Dr. Ashok Kumar Mishra**  
 Government Nominee, The ICSI &  
 Ex-Technical Member  
 MCLAT, New Delhi

**CS Bijoy P Pulipra**  
 Advocate and Senior Partner  
 Aris Law House, Kerala

**CS Devendra V. Deshpande**  
 Past President, The ICSI &  
 Practising Company Secretary  
 Pune

**CS Gopafakrishna Hegde**  
 Past Council Member, The ICSI &  
 Director, Sri-Gem Corporate  
 Services Pvt Ltd., Bengaluru

**CS J Sundharasan**  
 Past Chairman, The ICSI -  
 Bengaluru Chapter & Practising  
 Company Secretary, Bengaluru

**CS Manish Gupta**  
 Immediate Past President, The ICSI  
 & Practising Company Secretary  
 New Delhi

**CS Nagendra D. Rao**  
 Past President, The ICSI &  
 Practising Company Secretary  
 Bengaluru

**CS P.S. Rao**  
 Practising Company Secretary  
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 Practising Company Secretary  
 New Delhi

**CS Pradeep B. Kulkarni**  
 Chairman, SIRC, The ICSI

**CS Mahadev Thirugopal**  
 Secretary, SIRC, The ICSI

**CS Venkatesh Sun**  
 Chairman, Bengaluru

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# Brainy Bits

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## Practicing Company Secretary

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### CROSS WORD - 3

(Based on SEBI LODR Regulations)

[illegible]

**Across:**

1. The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than \_\_\_\_\_ from the occurrence of the event or information, in case the event or information is emanating from within the listed entity. [11]
2. The listed entity shall not make material modification to the structure of the debenture without prior approval of the stock exchange(s) where the \_\_\_\_\_ debt securities in terms of coupon, redemption or otherwise. [14]
3. In case of delisting of non-convertible debt securities or non-convertible redeemable preference shares, the listed entity shall obtain approval from all the holders of such securities within \_\_\_\_\_ days from the date of notice of delisting. [14]
4. In order to remove any difficulties in the application or interpretation of the SEBI LODR regulations, the Board may issue clarifications through \_\_\_\_\_(s) or circulars from time to time. [12]
5. The role of Audit committee includes reviewing of utilization of loans / advances from / investment by the company in \_\_\_\_\_ exceeding Rs. 100 crores or 10% of the asset size of the \_\_\_\_\_. [10]

**Down:**

1. An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his / her knowledge, attributable through processes of board of directors, and with his her consent or connivance or where he /she had not acted \_\_\_\_\_ with respect to the provisions contained in these regulations. [10]
2. The validity of the No-objection letter of stock exchanges shall be \_\_\_\_\_ from the date of issuance, within which the draft scheme of arrangement shall be submitted to the Court or Tribunal. [9]
3. The ratings obtained by the listed entity with respect to non-convertible securities shall be reviewed at least once a \_\_\_\_\_ by a credit rating agency registered by the Board. [4]
4. Non receipt of \_\_\_\_\_ from the debenture trustee in case of proposal for delisting of non-convertible debt securities shall be deemed to be the failure of the delisting proposal. [11]
5. An issuer whose \_\_\_\_\_ are listed on a stock exchange shall get the same valued at the end of each quarter by an independent valuer. [16]

**Answer for this month brainy bits may be sent to**

**[Enewsletter.icsimysore@gmail.com](mailto:Enewsletter.icsimysore@gmail.com)**

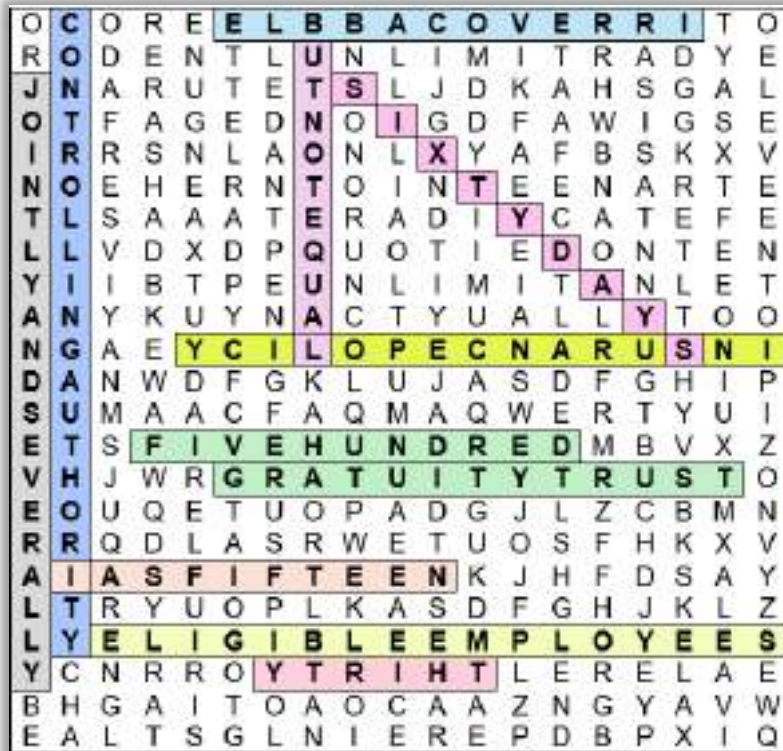
**Along with your details and photo. Winner's  
Photo and names shall be published in the next  
edition along with the Right Answers**



# Answers to last month

## Brainy Bits

(Based on Karnataka Compulsory Gratuity Insurance Rules, 2024)



1. Every employer shall obtain valid **INSURANCE POLICY** in the manner as prescribed under sub-section (4) of Section 4A of the Act for his liability for payment towards the gratuity to all eligible employees under the Act from the Life Insurance Corporation of India or any other insurance company. (5, 5)

2. The **CONTROLLING AUTHORITY** shall have to recover the amount of the Gratuity payable to an employee, as determined by the employer in case of any disputes directly from LIC or any other insurance company with whom an insurance has been taken. (11, 9)

3. Every employer shall submit Form - I to get his establishment registered within **THIRTY** days from the date of obtaining insurance. (6)

4. Every existing employer shall obtain the insurance policy within **SIXTY DAYS** from the date of ~~commencement~~ of this rules. (5, 4)

5. Every employer who had an approved gratuity fund in respect of his employees and desires to continue such arrangement and every employer having **FIVE HUNDRED** (4, 7) or more employees shall register a **GRATUITY TRUST** (8, 5)

6. The trust so formed shall be with five **BUT NOT EQUAL** number of representatives of the employer and employees with the registration authority. (3, 3, 5)

7. The out-flow of the gratuity fund shall be only to the **ELIGIBLE EMPLOYEES** and shall not be withdrawn for any other purposes under any circumstance either by employer or by the gratuity trust other than payment of Gratuity. (8, 9)

8. The Gratuity Trust shall adhere to **IAS FIFTEEN** (Employee Benefits) and any law applicable to the trust. (3, 7)

9. The employer gratuity trust and the insurance company are **JOINTLY AND SEVERALLY** responsible for ~~fulfilment~~ of their liabilities under the Act. (7, 3, 9)

10. The employer shall at all times maintain the gratuity trust and gratuity fund, as an **IRREVOCABLE** system. (11)

Right Answer by

**Mr. Santhosh Kumar G B**

CS Professional Student







### Comptroller and Auditor General (CAG)

Chartered Accountants conduct Statutory Audit, Company Secretaries conduct Secretarial audit and Cost auditors conduct Cost Audit of companies and other business organisations. Who conducts an audit for all the funds utilised by the state?

In this article, let us briefly understand the role of a CAG (Comptroller and Auditor General of India.)

“Comptroller” originally meant a royal household official who examines and supervises expenditures. In the modern world it refers to a public official who audits government accounts and supervises expenditures.

CAGs serving India date back to 1860 when there was Colonial Rule. V. Narahari Rao appointed in 1948 is the first CAG of Independent India.

Comptroller and Auditor General of India (Duties, Powers, and Conditions of Service) Act, 1971 is the governing Act. In 1976, CAG was relieved from accounting functions. Articles 148 – 151 of the Constitution of India deal with the institution of the CAG of India.

The CAG is nominated by the Prime Minister and is appointed by the President of India to whom the CAG also reports.

The term of office of CAG is 6 years or upto turning 65 years of age whichever is earlier.

The CAG is ranked 9th and enjoys the same status as a sitting judge of the Supreme Court of India in order of precedence.

The reports of the CAG are laid before the Parliament/Legislatures and are taken up for discussion by the Public Accounts Committees (PACs) and Committees on Public Undertakings (COPUs), which are special committees in the Parliament of India and the state legislatures.

Audit of government accounts (including the accounts of the state governments) in India is entrusted to the CAG of India who is empowered to audit all expenditure from the Consolidated Fund of the union or state governments, whether incurred within India or outside, all revenue into the Consolidated Funds and all transactions relating to the Public Account and the Contingency Funds of the Union and the states. Specifically, audits include:

- Transactions relating to debt, deposits, remittances, Trading, and manufacturing
- Profit and loss accounts and balance sheets kept under the order of the President or Governors Receipts and stock accounts.

CAG also audits the books of accounts of the government companies as per Companies Act.



# Manthan 2024

Compiled by:

**Mr. Prajwal Rangaraju**

Management Trainee

**Mr. Akash Taki**

Senior Assistant

Accrescent Managed Services Private Limited



## A unique 2-day Seminar/workshop on “Critical Issues in Corporate Laws”

The intention of the program was to understand and discuss the critical issues of the Company Law along with other respective laws which goes with it namely SEBI, FEMA etc. As the laws are getting amended frequently and notifications are issued almost daily, this was the much-needed effort towards serving the professional community at large.

Manthan is not a usual Seminar. Here everyone is a speaker. Just to brief you how it is conducted, registration for the program will be closed month in advance. Then all the registered members are requested to send the posers on different issues of the law. Once collected, those posers will be distributed among the participants so they can do their research on those issues and come prepared. During the workshop, panellists will lead the session and all the

participants will be elaborating their point of view based on their research. At the end panellists will try to draw the conclusion and some posers may not get concluded as issues at hand may not have any conclusion it might have to be taken case by case basis or it could be an open item without any one decided solution.

From this edition onwards we will bring those discussions poser by poser. CS Ullas Bhat and CS Anusha Mantri have shared their notes. Mr. Prajwal, and Mr. Akash, students of ICSI are compiling the posers. It has been guided and reviewed by the distinguished panellists CS Amit Gupta, PCS and IP, Lucknow, CS Anshul Kumar Jain, Asst Vice President, Corporate Secretarial, Reliance Retail Limited, CS Manoj Singh Bhisht, Senior Legal Counsel and Head of Corporate Secretarial, South Asia RGB India Limit



Distinguished Panelists



# Manthan 2024 Poser – A1

## Chapter I Preliminary

ABC Limited and PQR Limited had executed a Joint Venture Agreement, whereby ABC is providing capital and PQR is providing technology in a Joint Venture Company incorporated for the purpose in the name of AP Limited. The agreement inter-alia provides a right to nominate a director on Board of AP Limited, whose presence shall be necessary for forming of quorum for Board decision making. ABC has received a show cause notice from the Registrar of Companies, asking why prosecution should not be initiated against the Company and its officer for not consolidating accounts of AP Limited. Do note that the PQR is only a technology partner with no cash or cash equivalent investment whatsoever in AP Limited.

### Notes: Core Questions

- Whether AP Limited be considered as a Joint Venture?
- What does significant influence mean?
- Whether consolidation of accounts of AP Limited is required for ABC Limited and PQR Limited or it is required by ABC only or none of the company needs to consolidate?
- Whether mere participation on the board can be considered as having significant influence over the board?

### Views of the Manthanites:

The Companies Act, 2013 (the "Act"), defines an "associate company" in Section 2(6) as a company in which another company has a significant influence, but which is not a subsidiary company of the company having such influence. The Act also includes joint venture companies within the definition of associate companies.

Explanation to Section 2 (6) of the Act explains the meaning of the expression "significant influence" as control of at least twenty percent of the total voting power, or control of or participation in business decisions under an agreement.

If an entity holds, directly or indirectly (eg through subsidiaries), 20 per cent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (eg through subsidiaries), less than 20 per cent of the voting power

of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence.

IND AS-28 states that the existence of significant influence by an entity is usually evidenced in one or more of the following ways:

- a. representation on the board of directors or equivalent governing body of the investee;
- b. participation in policy-making processes, including participation in decisions about dividends or other distributions;
- c. material transactions between the entity and its investee;
- d. interchange of managerial personnel; or
- e. provision of essential technical information.

In the present case, AP Limited is a joint venture company formed by ABC Limited and PQR Limited, with ABC Limited providing capital and PQR Limited providing technology. ABC Limited's contribution of capital constitutes significant influence under Section 2(6) of the Act read with IND AS-28. Accordingly, AP Limited may be considered an associate company of ABC Limited.

Further, pursuant to Section 129(3) of the Act, ABC Limited may be required to consolidate the accounts of AP Limited. In relation to PQR Limited, there are two significant issues to consider. It is clear that the AP Limited's accounts are not to be consolidated in context of 'shareholding interest' of PQR Limited in AP Limited.

Having said that, the tricky question is whether not having shareholding interest but having a mere right to appoint a director on the Board of AP Limited and participation of such Director for the purpose of formation of quorum in the Board can tantamount to significant influence is a question of facts.

It was noted that the IND AS-28 uses the words "usually evidenced" and importantly, it was noted that the explanation to Section 2(6) and IND AS-28 have to be read together to determine whether consolidation is required or not. Finally, the manthanites agreed with the view that the answer to this limb of the poser can only be concluded based on facts of each case

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### Update on SEBI Circulars

Reduction in denomination of debt securities and non-convertible redeemable preference shares

SEBI has reduced the ticket size of debt securities to encourage more non-institutional investors to participate in the corporate bond market which in turn may also enhance liquidity.

Chapter V of Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024, has been amended accordingly.

In Clause 1.1, after the words “shall be Rs. One lakh”, the words “except as provided in Clause 1.3 below” shall be inserted.

Clause 1.3 shall be inserted with the following:

“1.3 The Issuer may issue debt security or non-convertible redeemable preference share on private placement basis at a face value of Rs. Ten Thousand, subject to a few conditions as listed below:

The issuer shall appoint at least one Merchant Banker. Provided that the role, responsibilities and obligations of the Merchant Banker(s) shall be same as they would be in case of public issue of debt security or non-convertible redeemable preference share.

Such debt security or non-convertible redeemable preference share shall be interest/ dividend bearing security paying coupon/ dividend at regular intervals with a fixed maturity without any structured obligations.

The below listed credit enhancements shall be permitted in the aforesaid securities.

- Guaranteed Bonds
- Partially Guaranteed Bonds
- Standby Letter of credit (SBLC) backed securities
- Debt backed by pledge of shares or other assets
- Guaranteed pooled bond issuance (PBI), not through a trust
- Obligor/ Co-obligor structures and cross default guarantee structures and
- Debt backed by Payment Waterfall /Escrow, or DSRA etc., but with Full Guarantee or DSRA Replenishment Guarantee from a third party

### Conclusion:

Considering the opinion of market participants, with a view to encourage more non-institutional investors to participate in the corporate bond market, SEBI has reduced the minimum face value of debt security or non-convertible redeemable preference share.

***SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/94***



**Information to be filed by schemes of AIFs availing dissolution period/additional liquidation period and conditions for in-specie distribution of assets of AIFs**

An Alternative Investment fund entering into dissolution period shall file an information memorandum with SEBI through a merchant banker, as per SEBI (Alternative Investment Funds) Regulations, 2012

In regard of the same, following is specified:

The information memorandum for a scheme of an AIF entering into dissolution period shall be submitted to SEBI before expiry of the liquidation period or additional liquidation period of the scheme, as the case may be.

Further the format of Information Memorandum and Due Diligence certificate and format of information to be provided for availing additional liquidation period is provided in the circular.

**Conclusion:**

SEBI has released format of various documents required to be filed for availing extension of dissolution period/additional liquidation period.

***SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/100***

**Updates on GST Circulars**

**Circular no 207-** Fixing monetary limits for filing appeals or applications by the Department before GSTAT, High Courts and Supreme Court

**Circular no 208-** Clarifications on various issues pertaining to special procedure for the manufacturers of the specified commodities.

**Circular no 209-** Clarification on the provisions of clause (ca) of Section 10(1) of the Integrated Goods and Service Tax Act, 2017 relating to place of supply

**Circular no 210-** Clarification on valuation of supply of import of services by a related person where recipient is eligible to full input tax credit.

**Circular no 211-** Clarification on time limit under Section 16(4) of CGST Act, 2017 in respect of RCM supplies received from unregistered persons.

**Circular no 212-** Clarification on mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers

**Circular no 213-** Seeking clarity on taxability of reimbursement of securities/shares as SOP/ESPP/RSU provided by a company to its employees.

**Circular no 214-** Clarification on the requirement of reversal of input tax credit in respect of the portion of the premium for life insurance policies which is not included in taxable value

**Circular no 215-** Clarification on taxability of wreck and salvage values in motor insurance claims.

**Circular no 216-** Clarification in respect of GST liability and input tax credit (ITC) availability in cases involving Warranty/ Extended Warranty, in furtherance to Circular No. 195/07/2023-GST dated 17.07.2023

**Circular no 217-** Entitlement of ITC by the insurance companies on the expenses incurred for repair of motor vehicles in case of reimbursement mode of insurance claim settlement.

**Circular no 218-** Clarification regarding taxability of the transaction of providing loan by an overseas affiliate to its Indian affiliate or by a person to a related person.

**Circular no 219-** Clarification on availability of input tax credit on ducts and manholes used in network of optical fiber cables (OFCs) in terms of section 17(5) of the CGST Act, 2017

**Circular no 220-** Clarification on place of supply applicable for custodial services provided by banks to Foreign Portfolio Investors

**Circular no 221-** Time of supply on Annuity Payments under HAM Projects

**Circular no 222-** Time of supply in respect of supply of allotment of Spectrum to Telecom companies.



THE INSTITUTE OF  
Company Secretaries of India

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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

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