



**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)

SUPPLEMENT EXECUTIVE PROGRAMME

For

December, 2025 Examination

SETTING UP OF BUSINESS, INDUSTRIAL & LABOUR LAWS

GROUP 1

PAPER 3

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Students appearing in Examination shall note the following:

Students appearing in December, 2025 Examination should also update themselves on all the relevant Notifications, Circulars, Clarifications, Orders etc. issued by MCA, SEBI, RBI & Central Government upto 31 May, 2025.

The students are advised to acquaint themselves with the monthly and Regulatory updates published by the Institute.

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PART I: SETTING UP OF BUSINESS

Lesson 2 - Corporate Entities – Companies

1. The Companies (Incorporation) Amendment Rules 2023 (MCA Notification No. G.S.R. 42(E) dated January 19, 2023) *

The Ministry of Corporate Affairs (MCA) has notified the Companies (Incorporation) Amendment Rules, 2023 to further amend the Companies (Incorporation) Rules, 2014. The provisions have come into effect from 23.01.2023. According to the amendment Forms INC-3 (One Person Company – Nominee Consent Form), INC-14 (Declaration), INC-15 (Declaration) and RD-GNL- 5 (filing addendum for rectification of defects or incompleteness) has been omitted. Further, Forms RUN, INC-4, INC-6, INC-9, INC-12, INC-13, INC-18, INC-20, INC-20A, INC-22, INC-23, INC- 24, INC-27, INC-28, INC-31, SPICE+ (INC-32), INC-33, INC-34, INC-35 (AGILE-PRO-S) and RD-1 are substituted.

Brief Analysis:

1. The amendment in rule 4(2) provides that the name of the nominee of the owner of an OPC shall be mentioned in the memorandum of One Person Company (OPC) and such nomination details along with the consent of such nominee shall be filled in Form No. INC-32 (SPICE+) as a declaration and the said Form along with the fee as provided in the Companies (Registration offices and fees) Rules, 2014 shall be filed with the Registrar at the time of incorporation of the company along with its e-memorandum and e-articles.
2. Vide this notification, Rule 20(5) is modified to introduce additional matter of consideration by the Registrar in case of issuing License under section 8 for Existing Companies, namely: -

The Registrar shall after considering two years financial statements immediately preceding the date of application or when the company has functioned only for one financial year, for such year including Board's reports and audit reports, relating to the existing companies, and after considering objections, if any received by it within thirty days from the date of publication of notice, and after consulting any authority, regulatory body, Department or Ministry of Central Government or the State Government(s), as it may, in its discretion, decide whether the license should or should not be granted.

(* Note: Section 8 companies amendments as covered under the Companies (Incorporation) Amendment Rules 2023 is also relevant for Lesson No. 12 - Identifying Laws applicable to various Industries and their Initial Compliances.)

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjQ2MzM0MjQ1&docCategory=Notifications&type=open>

2. Nidhi (Amendment) Rules, 2023 (MCA Notification No. G.S.R. 35(E) dated January 20, 2023) *

The Ministry of Corporate Affairs (MCA) vide its notifications dated January 20, 2023 has notified the Nidhi (Amendment) Rules, 2023. The amended rules shall come into force with effect from January 23, 2023.

According to the amendments, Form NDH-1, NDH-2, NDH-3 and NDH-4 has been substituted pursuant to migration of set of forms from MCA V2 to MCA V3 portal.

(* Note: The Nidhi (Amendment) Rules, 2023 is also relevant for Lesson No. 8 - Financial Services Organisation.)

For details: <https://egazette.gov.in/WriteReadData/2023/242165.pdf>

3. The Companies (Incorporation) Third Amendment Rules, 2023 (MCA Notification No. G.S.R. 790(E) dated 20th October, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification dated October 20, 2023 has notified “the Companies (Incorporation) Third Amendment Rules, 2023” which has come into force with effect from October 21, 2023. According to the amendment, under rule 30(9) (Shifting of Registered Office from one State or Union Territory to another State), the Ministry has come up with following two modifications:

1. The words under rule 30(9) “and may include such order as to costs as it thinks proper” shall be omitted;
2. Further the amendment inserted a new proviso to rule 30(9):

“Provided further that where the management of the company has been taken over by new management under a resolution plan approved under section 31 of the Insolvency Bankruptcy Code, 2016 and no appeal against the resolution plan is pending in any Court or Tribunal and no inquiry, inspection, investigation is pending or initiated after the approval of the said resolution plan, the shifting of the registered office may be allowed.”

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=uqnggXxHARXXjysr4uSRjQ%253D%253D&type=open>

4. The (Incorporation) Amendment Rules, 2024 (MCA Notification No. G.S.R. 411(E) dated 16th July, 2024) *

In exercise of the powers conferred under section 469 of the Companies Act, 2013 the Central Government notified (Incorporation) Amendment Rules, 2024.

As per the amended rules the word Nidhi shall be omitted from clause (p) which means that if the proposed name includes word Nidhi a declaration to be submitted by the applicant that the requirements mandated by the respective regulator have been complied with by the applicant is not mandatory.

Clause (v) which states that the proposed name of a Nidhi company under the Act does not have the last words “Nidhi Limited” as a part of its name shall be omitted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=TaZb6FKHcrk2uA%252B354fxBA%253D%253D&type=open>

(* Note: The Nidhi (Amendment) Rules, 2023 is also relevant for Lesson No. 8 - Financial Services Organisation.)

5. The Nidhi (Amendment) Rules, 2024 (MCA Notification G.S.R. 413(E) dated 16th July, 2024) *

In exercise of the powers conferred by sub-section (1) of section 406 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 the Central Government notified the Nidhi (Amendment) Rules, 2024

According to the Amended Rules in the Nidhi Rules, 2014, in rule 4, in sub-rule (5,) the following proviso shall be inserted, namely:

“Provided that a company shall not use the words “Nidhi Limited” in its name unless it is declared as such under sub-section (1) of section 406 of the Act.”

Thus, A Company shall not use the words “Nidhi Limited unless it is declared by the Central Government by notification in the Official Gazette as declared to be a Nidhi or Mutual Benefit Society, as the case may be.

For details: [https://egazette.gov.in/\(S\(5clyb24sjrcnfwa3oznezwpi\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(5clyb24sjrcnfwa3oznezwpi))/ViewPDF.aspx)

(* Note: The Nidhi (Amendment) Rules, 2023 is also relevant for Lesson No. 8 - Financial Services Organisation.)

6. Companies (Registration of Foreign Companies) Amendment Rules, 2024 (August 12, 2024)

In exercise of the powers conferred under section 469 of the Companies Act, 2013 the Central Government has notified Companies (Registration of Foreign Companies) Amendment Rules, 2024 which shall come into force with effect 09th day of September, 2024.

MCA has operationalized Central Processing Centre (CPC) for Centralised Processing of Corporate Filings that processes applications in time-bound and faceless manner on the lines of Central Registration Centre (CRC). In order to implement the same amendments are made in Companies (Registration of Foreign Companies) Rules, 2014.

As per the amendment, in rule 3, in sub-rule (3) a foreign company within a period of thirty days of the establishment of its place of business in India shall now file with the Registrar, Central Registration Centre Form FC-1 with such fee as provided in Companies (Registration Offices and Fees) Rules, 2014.

Accordingly, changes are also made in in rule 8, in sub-rule (1), by inserting the following proviso:

“Provided that the documents for registration by a foreign company referred to in sub-rule (3) of rule (3) shall be delivered in Form FC-1 to the Registrar, Central Registration Centre.”.

For details: [https://egazette.gov.in/\(S\(mbgjznztoohjbnoed1szj5oz\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(mbgjznztoohjbnoed1szj5oz))/ViewPDF.aspx)

7. The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025. (MCA Notification No. G.S.R. 131(E) dated 12th February, 2025)

MCA notified Companies (Prospectus and Allotment of Securities). Amendment Rules, 2025. As per the amendment, MCA has extended the mandatory DEMAT requirement for Private Companies till 30th June 2025. The extension shall not apply to following companies:

- Producer companies
- Small companies as on 2023 March 31.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=uB9cbvrHAgY40CP98CDaNQ%253D%253D&type=open>

Lesson 3- Limited Liability Partnership

1.The Limited Liability Partnership (Amendment) Rules, 2023 (Ministry of Corporate Affairs notification no. G.S.R. 411(E) dated June 02, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification dated June 02, 2023 has notified “The Limited Liability Partnership (Amendment) Rules, 2023” which shall come into force with effect from date of publication in the official gazette. The amendment revised the format of LLP Form No. 3, which pertains to “Information concerning Limited Liability Partnership Agreement and changes, if any.”

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=iiQZzbSNrcRVS%252F9wRBqOew%253D%253D&type=open>

2. The Limited Liability Partnership (Second Amendment) Rules, 2023 (MCA Notification No. G.S.R. 644(E)- September 01, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification G.S.R (E) dated September 01, 2023, has notified “the Limited Liability Partnership (Second Amendment) Rules, 2023” which has come into force on the date of its publication in the Official Gazette. According to the amendment the LLP Form No. 3 (Information with regard to Limited Liability Agreement and changes, if any, made therein) and LLP Form No. 4 (Notice of appointment, cessation, change in name/address/designation of designated partner or partner and consent to become a partner/designated partner) are substituted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=ywlii5hvZvLABylQ7KmtNA%253D%253D&type=open>

3. The Limited Liability Partnership (Third Amendment) Rules, 2023 (MCA Notification No. G.S.R. 803(E)-October 27, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification dated October 27, 2023 has notified “the Limited Liability Partnership (Third Amendment) Rules, 2023” which has come into force on the date of its publication in the Official Gazette. According to the amendment Rule 22A and Rule 22B are inserted by stating matters pertaining to:

- o Every limited liability partnership shall, from the date of its incorporation, maintain a register of its partners in Form 4A which shall be kept at the registered office of the limited liability partnership;
- o Declaration in respect of beneficial interest in any contribution.

Brief Analysis:

According to the Limited Liability Partnership (Third Amendment) Rules, 2023:

- i) Rule 22A-Register of Partners: Every limited liability partnership (LLP) shall, from the date of its incorporation, maintain a register of its partners in Form 4A which shall be kept at the registered office of the limited liability partnership.

Existing LLPs shall comply within thirty days from the commencement of aforesaid amendment Rules. The register shall consist certain particulars of partners viz. name/address/PAN/date of becoming partner/cessation etc.

The entries in the register maintained under this rule shall be made within seven days pursuant to any change made in the contribution amount, or in name and details of the partners in the Limited Liability Partnership agreement, or in cases of cessation of partnership interest.

Rectifications made pursuant to orders by competent authorities must be recorded.

ii) Rule 22B- Declaration in respect of beneficial interest in any contribution: A person whose name is entered in the register of partners of a Limited Liability Partnership but does not hold any beneficial interest fully or partly in contribution (hereinafter referred to as “the registered partner”), such person shall file with the Limited Liability Partnership, a declaration to that effect in Form 4B within a period of thirty days from the date on which his name is entered in the register of partners specifying the name and other particulars of the person who actually holds any beneficial interest in such contributions. Changes in beneficial interest should also be reported within 30 days.

Beneficial partners who have an interest in contributions not registered in their name must file a declaration in Form 4C within 30 days. Changes in beneficial interest should also be reported within 30 days.

In case of receipt of any declaration under Form 4B or Form 4C by the Limited Liability Partnership, it shall record such declaration in the register of partners and shall file, within a period of 30 days from the date of receipt of declaration by it, a return in Form 4D to the Registrar in respect of such declaration with fees.

Every Limited Liability Partnership shall specify a designated a partner who shall be responsible for furnishing of and extending co-operation for providing, information with respect to beneficial interest in contribution in Limited Liability Partnership to the Registrar or any other officer authorised by the Central Government and shall file information of such designated partner with the Registrar in Form 4.

Further, until a designated partner is specified, every designated partner shall be deemed to be responsible for furnishing of, and extending co-operation for providing, information with respect to beneficial interest in contribution under this sub-rule.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=VYVpE7YcJovnhBqcW9gtsw%253D%253D&type=open>

4. The Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 (Ministry of Corporate Affairs notification no. G.S.R. 832(E) dated November 09, 2023)

The Ministry of Corporate Affairs (MCA) vide its notification dated November 07, 2023 has notified “the Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023” which has come into force on the date of its publication in the Official Gazette. The provisions of these rules shall specifically apply to all the LLPs. The aforesaid rules, conferred under section 79 of the Limited Liability Partnership Act, 2008, directs to regulate and identify significant beneficial owners in Limited Liability Partnerships and such individual to make a declaration in Form No. LLP BEN-I.

Brief Analysis:

Following are the certain major rules mentioned:

1. The provisions of these rules shall specifically apply to all the LLPs. (Rule 2)
2. Aforesaid rules mentioned various definitions viz, control; majority stake; significant beneficial owner; significant influence; ultimate holding company etc. (Rule 3)
3. Duty of the reporting limited liability partnership to take necessary actions in identifying the significant beneficial owner and causing such individual to file Form No. LLP BEN-1. (Rule 4)
4. Upon receipt of declaration as mentioned above sub point, the reporting limited liability partnership shall file a return in Form No. LLP BEN-2 with the Registrar. (Rule 6)
5. The limited liability partnership shall maintain a register of significant beneficial owners in Form No. LLP BEN-3 and keep it open for inspection during the business hours for such reasonable time as mentioned in the rules. (Rule 7)
6. Rules specified Form No. LLP BEN-4 for notice seeking information about significant beneficial owners. (Rule 8)
7. Provisions related to the filing of application to the Tribunal under certain circumstances. (Rule 9)
8. Provisions related to non-applicability of aforesaid rules to the certain entities. (Rule 10)

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=pJZaasqhxL5W9F46Ukp5lw%253D%253D&type=open>

5. Relaxation of additional fees and extension of last date of filing of LLP BEN-2 and LLP Form No. 4D under the Limited Liability Partnership Act, 2008. (7th May,2024)

The Ministry of corporate Affairs has notified Limited Liability partnership (significant Beneficial owners) Rules, 2023 vide G.S.R. No. 832 (E) dated 09.11.2023 and has prescribed E-form LLP BEN-2 to file Return to the Registrar in respect of declaration under section 90 of the Companies Act, 2013.

Similarly, the Ministry of corporate Affairs has notified Limited Liability Partnership (Third Amendment) Rules, 2023 vide G.S.R. No. 803(E) dated, 27.10.2023 and prescribed E-form LLP Form no. 4D to file Return to the Registrar in respect of declaration of beneficial interest in contribution received by the LLP.

Keeping in view of transition of MCA-21 from version-2 to version-3 and to promote compliance on part of reporting Limited Liability Partnerships, and in continuation of General circulars No. 01/2024 dated 07.02.2024, it has been decided by the competent authority that LLPs may file Form LLP BEN-2 and LLP Form No. 4D, without payment of any further additional fees, up to 01.07.2024

<https://www.mca.gov.in/bin/dms/getdocument?mds=URMz2bS8F8Djdq9d7o0gpw%253D%253D&type=open>

**6. Limited Liability Partnership (Amendment) Rules, 2024.
(MCA notification No. G.S.R. 475(E) dated August 05, 2024)**

In exercise of the powers conferred under section 79 of the Limited Liability Partnership Act, 2008 the Central Government notified the e Limited Liability Partnership (Amendment) Rules, 2024.

Centre for Processing Accelerated Corporate Exit or C-PACE in short was established vide MCA Notification dated 17th March, 2023 which shall be situated at Indian Institute of Corporate Affairs for faster closure of Companies & LLP.

Accordingly, the amendments are made in Limited Liability Partnership Rules, 2009 in clause (b) and the first proviso of rule 37, sub-rule (1), sub-rule (3) and sub-rule (4) to empower the Centre for Processing Accelerated Corporate Exit (C-PACE) for striking off name of defunct LLP from the register.

<https://www.mca.gov.in/bin/dms/getdocument?mds=mvMzerxrXhRIKJfjXltgrg%253D%253D&type=open>

Lesson -5 Micro, Small and Medium Enterprises

1. Aadhaar Authentication of Enterprises

According to Rule 5 of the Aadhaar Authentication for Good Governance (Social Welfare, Innovation, Knowledge) Rules, 2020 the Ministry of Micro, Small and Medium Enterprises, having been authorised by the Central Government, hereby notifies that Aadhaar authentication of enterprises shall be performed, on voluntary basis, using Yes/No authentication facility, during the process of registration of owners of informal micro enterprises on its digital platform, to facilitate access for availing of priority sector lending.

2. Provision applicable for Udyam Assist Certificate issued through Udyam Assist Platform (UAP):

With reference to the launch and implementation of Formalization Project of the Ministry of MSME and SIDBI for bringing the Informal Micro Enterprises (IMEs) into the formal ambit, it is to be noted that the certificate issued on the Udyam Assist Platform (UAP) would be treated at par with Udyam Registration Certificate for IMEs for availing of the benefits of Priority Sector Lending (PSL).

3. Case Laws

In the case of *M/s India Glycols Limited and Another vs. Micro and Small Enterprises Facilitation Respondents Council, Medchal - Malkajgiri and Others*, Civil Appeal No 7491 of 2023 (Arising out of SLP (C) No 9899 of 2023), the Apex Court in its order dated November 6, 2023 inter alia observed that in terms of Section 19, an application for setting aside an award of the Facilitation Council cannot be entertained by any court unless the appellant has deposited seventy-five per cent of the amount in terms of the award. In view of the provisions of Section 18(4), where the Facilitation Council proceeds to arbitrate upon a dispute, the provisions of the Act of 1996 are to apply to the dispute as if it is in pursuance of an arbitration agreement under sub-section (1) of Section 7 of that Act. Hence, the remedy which is provided under Section 34 of the Act of 1996 would govern an award of the Facilitation Council. However, there is a super added condition which is imposed by Section 19 of MSMED Act 2006 to the effect that an application for setting aside an award can be entertained only upon the appellant depositing with the Council seventy-five per cent of the amount in terms of the award. Section 19 has been introduced as a measure of security for enterprises for whom a special provision is made in the MSMED Act by Parliament. In view of the provisions of Section 18(4), the appellant had a remedy under Section 34 of the Act of 1996 to challenge the award which it failed to pursue.

In the judgment of Supreme Court in *Gujarat State Civil Supplies Corporation Limited vs Mahakali Foods Private Limited (Unit 2) and Another* (2023) 6 SCC 401, a two-Judge Bench of the Court has observed, in the course of drawing its conclusions, that: “*The proceedings before the Facilitation Council/institute/centre acting as an arbitrator/Arbitral Tribunal under Section 18(3) of the MSMED Act 2006 would be governed by the Arbitration Act, 1996.*”

4. Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

In terms of Gazette Notification S.O. 2119 (E) dated June 26, 2020, an enterprise shall be classified as a micro, small or medium enterprise on the basis of the following criteria viz.,

- i. a micro enterprise, where the investment in plant and machinery or equipment does not exceed ₹1 crore and turnover does not exceed ₹5 crore;
 - ii. a small enterprise, where the investment in plant and machinery or equipment does not exceed ₹10 crore and turnover does not exceed ₹50 crore; and
 - iii. a medium enterprise, where the investment in plant and machinery or equipment does not exceed ₹50 crore and turnover does not exceed ₹250 crore.
- All the above enterprises are required to register online on the Udyam Registration portal and obtain 'Udyam Registration Certificate'. For Priority Sector Lending(PSL) purposes banks shall be guided by the classification recorded in the Udyam Registration Certificate (URC).
 - Retail and Wholesale trade are included as MSMEs for the limited purpose of priority sector lending and are allowed to be registered on Udyam Registration Portal
 - The certificate issued on Udyam Assist Portal (UAP) to Informal Micro Enterprises (IMEs) shall be treated at par with Udyam Registration Certificate for the purpose of availing Priority Sector Lending benefits. IMEs with an Udyam Assist Certificate shall be treated as micro enterprises for the purpose of PSL classification.

5. Ministry of Micro, Small and Medium Enterprises vide Notification No. S.O. 1376(E) dated 25th March, 2025

In exercise of powers conferred by section 9 of the Micro, Small and Medium Enterprises Development Act, 2006 and read with section 15 of the said Act, the Central Government hereby directs that all companies who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty five days from the date of acceptance or the date of deemed acceptance of the goods or services as per the provisions of the said Act, shall submit a half yearly return to the Ministry of Corporate Affairs stating the following:

(a) the amounts of payments due; and

(b) the reasons of the delay

For details: [https://egazette.gov.in/\(S\(ddl4ri5cl2za5eqcj5dql3n\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(ddl4ri5cl2za5eqcj5dql3n))/ViewPDF.aspx)

6. Ministry of Micro, Small and Medium Enterprises vide Notification No. S.O. 1364(E) dated 21st March, 2025

Revision of Definition of MSMEs

- A micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed two crore and fifty lakh rupees and turnover does not exceed ten crore rupees
- A small enterprise, where the investment in Plant and Machinery or Equipment does not exceed twenty-five crore rupees and turnover does not exceed one hundred crore rupees
- A medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed one hundred and twenty-five crore rupees and turnover does not exceed five hundred crore rupees

For details: [https://egazette.gov.in/\(S\(ddl4ri5cl2za5eqcj5dql3n\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(ddl4ri5cl2za5eqcj5dql3n))/ViewPDF.aspx)

LESSON 6- Conversion Of Business Entities

1) The Companies (Incorporation) Amendment Rules 2023 (MCA Notification No. G.S.R. 42(E) dated January 19, 2023)

The Ministry of Corporate Affairs (MCA) has notified the Companies (Incorporation) Amendment Rules, 2023 to further amend the Companies (Incorporation) Rules, 2014. The provisions have come into effect from 23.01.2023. Vide this notification, the following amendments have been made:

1. Rule 6(3)[Conversion of One Person Company into a Public company or a Private company] is amended to reduce the number of attachments which were required be enclosed in e-Form INC-6 by stating that, the company shall file an application in e-Form No. INC-6 for its conversion into Private or Public Company, other than under section 8 of the Act, along with fees as provided in the Companies (Registration Offices and Fees) Rules, 2014 with altered e-MOA and e-AOA.

Further rule 6(4) is modified stating, on being satisfied that the requirements have been complied with, the Registrar after examining the latest audited financial statement shall approve the form and issue certificate.

2. Rule 7 (Conversion of private company into One Person Company) sub-rule 4 is modified to include an additional enclosure in Form no. INC-6 i.e. altered e-MOA and e-AOA, Copy of NOC of every creditor with the application of conversion and affidavit of directors confirming that all the members of the company have given their consent for conversion.

Further rule 7(5) is modified stating, on being satisfied that the requirements stated herein have been complied with, the Registrar after examining the latest audited financial statement shall approve the form and issue certificate.

3. Rule 33 (Alteration of Articles) is modified to state that, subject to the provisions of sub-rule (1), for effecting the conversion of a public company into a private company, Service Request Number (SRN) of Form No. RD- 1, pertaining to order of the Regional Director approving the alteration, shall be mentioned in Form No. INC-27 to be filed with Registrar along with fee together with the altered e-Memorandum of Association and eArticle of Association within fifteen days from the date of receipt of the order from the Regional Director.

For details:

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjQ2MzM0MjQ1&docCategory=Notifications&type=open>

PART II: INDUSTRIAL AND LABOUR LAWS

Caselaw 1

March 28, 2025	Dr. Chetna Rajput (Petitioners) Versus Modern Education Society & Ors (Respondents)	High Court of Judicature at Bombay Writ Petition No.11027 of 2024 2025: BHC-AS:14501-DB
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Delayed in Payment of Gratuity Attract Ten Percent Interest

Brief Facts

Petitioner initially appointed as a part-time teacher, the said post was a 100% aided and a sanctioned post. Further, the Petitioner was appointed as a full-time Assistant Teacher w.e.f. 17.06.2019 which appointment has the approval of the Regional Deputy Director of Education. Petitioner has rendered service of 25 years (since the year 1998 to September 2023) with the Respondents and that the Petitioner has more than 10 years of qualifying service as per the Pension Rules, therefore, the Petitioner is entitled to pension and also gratuity which the Respondents have delayed, without any justification, thereby compelling the Petitioner to approach High Court.

Judgement

Hon'ble High Court noted that "Gratuity" under the provisions of the Payment of Gratuity Act, 1972, is payable to an employee on termination of his employment after having rendered continuous service for not less than five years. Due date for payment of gratuity would be after one month, either upon superannuation or retirement or resignation or death or disablement due to accident or disease. The Hon'ble Supreme Court in the case of *Netram Sahu Vs. The State of Chhattisgarh and Anr. 2018 (5) SCC 430* has held that the provisions of the Payment of Gratuity Act, 1972 being a welfare legislation meant for the benefit of the employees who serve their employer for a long time, it is the duty of the State to voluntarily pay the gratuity amount to the employee rather than to force the employee to approach the Court to get his genuine claim.

As High Court found the delay in payment of the gratuity amount to the Petitioner, being unjustified and the Petitioner being compelled to approach this Court the Respondent Nos.1 and 2 are liable to pay interest. The question is the rate of interest that would be payable on the said amount. Section 7(3A) of the Payment of Gratuity Act, 1972 deals with such an eventuality.

The Ministry of Labour, Government of India, in exercise of powers conferred by Sub-section (3A) of Section 7 of the Payment of gratuity Act, 1972 has issued notification dated 01.10.1987 notifying 10% as the rate of simple interest payable by the employer to his employee in cases where the gratuity is not paid within the specific period. Recently, the Hon'ble Supreme Court has held in it's order dated 3rd March, 2025 passed in SLP No.4468 of 2022 holding that interest on the delayed payment of gratuity, has to be @

10%, without any excuse. Therefore, Hon'ble High Court directed the Respondent Nos.1 and 2 to pay the amount of gratuity payable to the Petitioner with interest component of 10% p.a. from 30.10.2023 till actual payment.

Caselaw 2

April 04, 2025	Little World Higher Secondary School (Appellant) Versus The State of Madhya Pradesh and Others (Respondent)	High Court of Madhya Pradesh at Jabalpur Writ Appeal No. 563 of 2023
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Can an employee directly approach the Controlling Authority under the Payment of Gratuity Act without first applying to the employer?

Brief Facts

Respondent No. 3 employee was working as teacher in the Appellant institution and that the employee worked from the period 08.06.2001 till 01.07.2011 in the Appellant institution as teacher. However, despite having rendered more than 5 years of qualifying service she was not made payment of gratuity and therefore, she filed an application under Section 7(4) of the Payment of Gratuity Act 1972 before the Controlling Authority seeking payment of gratuity under Payment of Gratuity Act 1972. The said application has been allowed by the Controlling Authority vide order dated 07.10.2021 directing the Appellant school to make payment of gratuity to the Respondent No. 3 to the tune on Rs. 1,09,385/- along with interest @ 10% per annum from the date of exit from the employment till its realization. The Controlling Authority's order was upheld by single-judge bench of this court vide order dated 08-02-2023. The school challenged these decisions through the present writ appeals.

Judgement

Hon'ble High Court observed that as per Section 7(1) of the Payment of Gratuity Act 1972, a person who is eligible for payment of gratuity is required to send written application to the employer for payment of gratuity in the manner as may be prescribed. However, as per Section 7(2), there is obligation cast on the employer to determine the amount of gratuity and give notice in writing to the person to whom gratuity is payable and further as per Section 7(3), to arrange payment of the said amount of gratuity within 30 days from the date it become payable to the person entitled to receive the gratuity.

Hon'ble Court noted that when Section 7(1) is read along with Section 7(2) and (3) it becomes clear that the obligation on the employer to pay gratuity does not depend on application to be submitted by the employee who has exited from the employment. The application to be submitted by the employee is right given to the employee to submit an application to the employer merely so that the employer may be reminded of his statutory obligation. However, in the same breath Section 7(2) & (3) make position abundantly clear that without waiting for application of the employee it is the obligation of the employer to determine the amount of the gratuity and arrange the payment of the

same within 30 days from the date it becomes payable. Section & (2) and (3) are independent provisions and do not depend on prior compliance of section 7 (1). Section 7 (2) operates as soon as gratuity “becomes payable” and not upon submission of application to the employer.

Caselaw 3

March 19, 2025	Lal Chand Jindal (Petitioner) Versus Regional Manager, Bank of Baroda (Respondent)	High Court of Judicature for Rajasthan, Bench at Jaipur S.B. Civil Writ Petition No. 1334/2015
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Sundays and other paid holidays should be taken into count for the purpose of treating Continuous Service of the Workman under Section 25B of the ID Act 1947

Brief Facts

Appellant’s statement of claim has been rejected by the Central Industrial Tribunal, on a technical count that he has failed to prove the fact on the record that he worked for more than 240 days in the preceding calendar year as per Section 25-B of the Industrial Disputes Act, 1947(Continuous service). Thereafter, Appellant approached to the High Court and submitted that while counting the service period of the petitioner, the period of the holidays i.e., Sundays and other holidays were not taken into count.

Judgement

Hon’ble High Court observed that upon perusal of the record indicates that on the basis of the certificate, the total working period of the petitioner was calculated as 227 days in the last preceding year and on the basis of the same, the Tribunal recorded a finding that the petitioner has failed to prove that he has worked for more than 240 days in a calendar year. While passing the order impugned, the Tribunal has lost sight of the provision contained under Section 25-B (2) of the Act of 1947 and as per the judgment passed by the Hon’ble Apex Court in the case of Workmen of American Express International Banking Corporation vs. Management of American Express International Banking Corporation reported in AIR 1986 SC 458, the Sundays and other paid holidays should be taken into count for the purpose of treating continuous service of the workman. High Court held that in absence of the said finding recorded by the Tribunal the impugned award is not sustainable in the eye of law and is liable to be and is hereby quashed and set aside. The matter is remitted back to the Tribunal by the High Court for its fresh adjudication after affording due opportunity of hearing to both the parties.

05th March, 2025	M/s J Fibre Corporation (Petitioner) v/s. Shri Maruti Harishchandra Amrute and ors. (Respondents)	High Court of Bombay Writ Petition NO.10454 OF 2024
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Employee crossing the age of superannuation being granted a lumpsum compensation by the court on failure of following the retrenchment procedure by the employer

Brief facts:

Petitioner is a partnership firm and the Respondent No.1 was employed as Shift Supervisor with the Petitioner. According to Petitioner, the nature of duties of the Respondent No.1 were to supervise production, marking of attendance of workmen, writing of Supervisor report in daily record book etc. That he was drawing gross salary of Rs.12,650/- and therefore, not a 'workman' within the meaning of Section 2(s) of the Industrial Dispute Act, 1947. Respondent No.1 was terminated from the services of vide letter dated 17th May 2018 on account of cost cutting.

Respondent No.1 sent demand letter for his reinstatement and sought intervention of the Conciliation Officer. The Conciliation Officer made a failure report. The Deputy Commissioner of Labour, Thane referred the dispute relating to termination. The Labour Court declared award directing reinstatement of the Respondent No.1 with effect from 17th May, 2018 with full backwages and continuity of service. The Petitioner did not immediately challenge the award and attempted to settle the matter with the Respondent No.1. In the meantime, Tahasildar attempted to recover amount of Rs.7,23,450/- from the Petitioner towards the execution of the Award.

The Petitioner has filed the present Petition challenging the award.

Judgement

Though the Labour Court has directed reinstatement of Respondent No.1, according to the Petitioner, Respondent No.1 has already crossed the age of retirement and thus there is no question of his reinstatement. It appears that before the Labour Court, PAN Card of Respondent No.1 was produced reflecting his date of birth as 24th June 1961. However, the Labour Court held that the first party had reported before the Court that the second party has already gone beyond the age of 58 years at the time of filing evidence affidavit as his date of birth is 24th June 1961.

In the view of the Hon'ble High Court the Labour Court, has grossly erred in directing reinstatement of Respondent No.1. Even if the age of retirement is assumed as 60 years,

Respondent No.1 has attained the age of 60 years on 24th June 2021. The direction for reinstatement of Respondent No.1 is thus clearly erroneous. The only issue that arises is in respect of his monetary entitlements during the period from 17th May, 2018, when he was terminated till 24th June, 2021.

It is held that predominant work of the Respondent No.1 was of technical nature. It is further held that entries made in the reports written by the Respondent No.1 could at best be treated as clerical work and not supervisory work.

Thus, the Hon'ble court directed that:

- i. Award dated 02nd November 2022 passed by Labour Court, Thane is modified to the extent Respondent No.1 shall be entitled to lumpsum compensation of Rs.3,58,073/- in lieu of reinstatement and backwages.
- ii. Beyond the amount of Rs. 3,58,073/-, Respondent No.1 shall not be entitled to any service-related benefits from the Petitioner.
- iii. Respondent No.1 is permitted to withdraw the entire amount deposited in this Court alongwith accrued interest.
- iv. Since the order of the Labour Court is modified, the Tahasildar shall forthwith remove the seal/lock put on Petitioner's premises.

Thus, the Writ Petition is partly allowed and disposed of.

Case Law 5

May 23, 2025	K. Umadevi {Appellant(s)} Versus Government of tamil nadu & ors. {Respondent(s)}	Supreme Court of India Civil Appeal No. 2526 OF 2025 (Arising Out of SLP(Civil) No. 20178 of 2022)
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Concept of Maternity Leave is a matter of not Just Fair Play and Social Justice but is also a Constitutional Guarantee to the Women Employees.

Brief Facts:

A government English teacher named K. Umadevi had two children from a prior marriage and then a third child from a second marriage. A state policy restricting maternity leave to two children led to the rejection of her application for maternity leave for the third child.

Aggrieved by rejection of her request for grant of maternity leave, appellant preferred a writ petition before the High Court. the High Court vide the judgment and order dated 25.03.2022 held that appellant was entitled to grant of maternity benefit. Therefore, rejection of her claim for grant of such benefit was illegal. A Division Bench of the High Court found the judgment of the learned Single Judge to be unsustainable. Division Bench held that the appellant was not entitled to maternity relief as claimed by her. Accordingly, the judgment and order of the learned Single Judge has been set aside. Consequently, the writ appeal was allowed.

Judgement

In the above case, Supreme Court overturned a Madras High Court decision that denied maternity leave to a government school teacher for the birth of her third child and inter alia observed that a careful perusal of the above provision would reveal that grant of maternity benefit is per se not denied to a woman employee having more than two children. Following amendment in the year 2017, a restriction has been introduced in Section 5 by inserting a proviso under sub-section (3) as to the entitlement of the period of maternity leave. A woman employee having less than two surviving children is entitled to a maximum period of benefit i.e. 26 weeks and for a woman employee having two or more than two surviving children, the benefit is restricted to 12 weeks. Thus, there is no ceiling or cap on the number of children to claim maternity benefit. Only thing is that in case of a woman employee having two or more than two surviving children seeking maternity leave, period of the benefit is reduced: from a maximum period of 26 weeks to a maximum of 12 weeks. Thus, as can be seen from the above, through various international conventions, the world community has recognized the broad spectrum of reproductive rights which includes maternity benefits. Maternity leave is integral to maternity benefits. Reproductive rights are now recognized as part of several intersecting domains of international human rights law viz. the right to health, right to privacy, right to equality and non-discrimination and the right to dignity. In a recent decision, Delhi High Court in Commissioner of Police Vs. Raveena Yadav MANU/DE/4823/2024 explained the purpose of maternity benefit. It is to ensure that a working lady may overcome the state of motherhood honourably, peaceably and undeterred by the fear of being victimized for forced absence from work during pre and post-natal periods. Women now constituting a sizable portion of the work force in our country, must be treated with honour and dignity at places where they work to earn their livelihood. The High Court went on to explain the impact of pregnancy on the physiological and psychological state of a woman employee undergoing pregnancy. It is not just motherhood but also childhood that require special attention. Health issues of both mother as well as that of the child are to be kept in consideration while providing maternity leave. Concept of maternity leave is a matter of not just fair play and social justice but is also a constitutional guarantee to the women employees of this country towards fulfilment whereof the State is bound to act.