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THE JOURNAL FOR GOVERNANCE PROFESSIONALS

IBC: 10 Years of Reform, Learning & Transformation

THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
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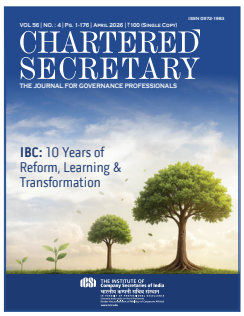

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EDITORIAL

The Insolvency & Bankruptcy Code (IBC), since its enactment in 2016, has significantly transformed India's insolvency landscape, reshaping the nation's approach to credit discipline, business recovery, and the realization of insolvency value. A retrospective look since the Code's inception, reveals a journey marked by both progress and persistent challenges. The statistical trends and evolving corporate insolvency patterns narrate a story of advancement and resilience, while also highlighting areas that require continued reform. These insights are crucial for policymakers, creditors, and businesses as they navigate the next chapter of India's insolvency regime. The Insolvency and Bankruptcy Code (Amendment) Act, 2026 has brought forth far-reaching amendments to the IBC, 2016. These amendments aim to dreamline processes and provide greater clarity to companies and individuals.

With the intent to explore the regulatory changes in IBC law and their effects on the corporate sector, as well as the evolution of the Code throughout the years, this month's edition of the Journal features articles on the theme, **'IBC: A Decade of Reform, Learning & Transformation.'**

The articles titled, **'Insolvency 2.0: How Technology, ESG, and New-Age Business Models are Reshaping Insolvency Practice in India', 'IBC at a Decade: Achievements, Shortcomings and Reform Agenda', 'Role of Company Secretaries in Insolvency Ecosystem', 'The Future of Indian Insolvency Law: New-Age Business, Technology, and Sustainability', 'Detect, Correct, Protect: Cost Audit as a Tool against Insolvency', 'The Strategic Architect: ESG Value-Maximization and the IBC Amendment Bill, 2025',** and **'The Future of Insolvency Practice: Technology, ESG and New Age Business',** examine and interpret the regulatory framework of Insolvency regime in India, reforms, integration of tools such as Technology, Cost Audit & ESG Value Maximisation and scope of growth for Company Secretaries as Insolvency Professionals.

The Journal also includes articles covering varied topics such as, **'The DPDP Compliance Clock: What Company Secretaries Need to Know and Do Now', 'Whether a Company can Pay or Indemnify Fine, Penalty or Compounding Fee ordered to be paid by Directors or Officers of the Company?',** and **'Partly Paid-Up Shares: Legal Framework and Treatment in Corporate Actions'.**

The Analysis on **'Beyond Compliance: OSH Code, 2020 and the Shift to Rights-Based Workplace Safety'** aptly describes the Code functionalities and its application challenges, which is covered under the Research Corner of the Journal.

The Global Connect section covers a Regulatory Update on, **'Singapore Tightens Climate Risk Rules for Financial Sector'.** The new rules aim to strengthen the financial system's resilience against climate change.

Happy Reading!

CS Asish Mohan
(Editor - Chartered Secretary)

ICSI delegation led by CS Pawan G. Chandak, President, The ICSI, met with Shri Rahul Jain, Joint Secretary, MCA, to apprise him of the various initiatives taken by ICSI towards strengthening the governance structure of India Inc.

ICSI delegation led by CS Dhananjay Shukla, Immediate Former President, The ICSI met with Prof. (Dr.) Shashi Bhushan Kumar, Principal, Ram Dayalu Singh College, Muzaffarpur, Bihar, to discuss setting up an ICSI Study Centre in the college.

Bhopal Chapter of WIRC of The ICSI organized a full-day conference on the theme "ज्ञानोदय – From Insight to Impact Powered by Compliance". The conference was graced by CS Pawan G. Chandak, President, The ICSI, CS Ashish Karodia and CS Rajesh Tarpara, Central Council Members, The ICSI.

Vadodara Chapter of WIRC of The ICSI organised 48th Foundation Day Celebration and Full Day Programme on the theme संस्थापनात् नियमनम्–Celebrating Legacy, Enabling Compliance on March 22, 2026. The Chief Guest of the programme was Dr. Hemang Joshi, Member of Lok Sabha, Vadodara Constituency. CS Pawan G. Chandak, President, The ICSI, CS Ashish Karodia and CS Rajesh Tarpara, Central Council Members, The ICSI graced the event.

Nagpur Chapter of WIRC of The ICSI organised Members Outreach Programme. CS Pawan G. Chandak, President, The ICSI graced the programme.

Ahmedabad Chapter of WIRC of The ICSI conducted a Two Day Residential Conference on the theme CS : 2030 – From Compliance Professionals to Boardroom Strategists. CS Pawan G. Chandak, President, The ICSI, CS B. Narasimhan, Former President, The ICSI and CS Rajesh Tarpara, Central Council Members, The ICSI & CS Yogesh Choudhary, Chairman, WIRC graced the occasion.

CS Pawan G. Chandak, President and CS Dwarakanath C., Vice-President, The ICSI visited Bengaluru Chapter of SIRC of The ICSI on March 13, 2026 wherein an interaction meeting with members and students was organised at the chapter premises.

EIRC of The ICSI conducted 37th EDP from March 25 to April 10, 2026.

EIRC of The ICSI conducted CLDP Phase-1 from March 06 to 24, 2026.

WIRC of The ICSI organised Annual Regional PCS Conference - 2026 on the theme "Technology, Governance and Future of Practice" on March 28-29, 2026. CS Pawan G. Chandak, President, The ICSI graced the occasion. CS Rajesh Tarpara and CS Praveen Soni, Central Council Members, The ICSI were also present at the conference.

WIRC of The ICSI conducted 4th Batch of CLDP Phase-1 on March 25, 2026. Mr. Haresh Hinduja, Head - Primary Market MUFG was the Chief Guest. CS B. Narasimhan, Former President, The ICSI, CS Rajesh Tarpara and CS Venkata Ramana R., Central Council Members, The ICSI and CS Yogesh Choudhary, Chairman, WIRC graced the occasion.

A delegation led by Chairman, EIRC of The ICSI called upon Shri Rakesh Kumar Tiwari, RD (ER), Shri Jayant Arya, RoC (Kolkata-1), Shri Sanjay Sardar, RoC (Kolkata-2), Shri Deep Narayan Choudhury, Official Liquidator (ER) at Ministry of Corporate Affairs, Kolkata on March 27, 2026.

SIRC of The ICSI organised a one day seminar on the topics "Demat Drive: Compliance in the Digital Era, NBFC Compliance and Challenges, Leveraging AI in CS Practice and Employment and Navigating Cross Border Capital: New directions in ECB and Amendment to Press Note 3 on Investments from countries sharing land border with India" on March 28, 2026.

Bhayander Chapter of WIRC of The ICSI organised a Felicitation Programme of students of December 2025 Examination.

Bhubaneswar Chapter of EIRC of The ICSI held a session on "Celebrating the Achievement of Women" on March, 25, 2026.

Chandigarh Chapter of NIRC of ICSI conducted a seminar on "Settlement / Amnesty Scheme & RoC/RD Matters with members of ICSI" Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) on March 24, 2026. Sh. R.C. Mishra, (RD NR-II), Chandigarh was the Chief Guest, Sh. Sanjaya Verma, RoC, Haryana and Sh. Anupam Vashista, RoC-Cum–Official Liquidator, Chandigarh (Punjab & HP) were the Guests of Honour and Ms. Deepmala Bagri, ICLS, Deputy RoC, Punjab & Chandigarh was the Distinguished Guest.

Chandigarh Chapter of NIRC of The ICSI organized a Marathon on March 15, 2026 at Chandigarh Club.

Guwahati Chapter of EIRC of The ICSI organized the 1st Batch of Student Induction Programme on March 10, 2026.

Guwahati Chapter of EIRC of The ICSI organized a panel discussion on "Companies Compliance Facilitation Scheme, 2026 on March 21, 2026. Sh. Ananta Kumar Sethi, ROC, Guwahati (NE Region), MCA was the Guest of Honour, CS Bishal Harlalka, Chairman, EIRC-ICSI was the Chief Guest and CS Sudhir Kr. Banthiya, Former Chairman, EIRC-ICSI was the Special Guest.

Noida Chapter of NIRC of The ICSI felicitated the students who have passed the Executive & Professional December 2025 on March 06, 2026.

Noida Chapter of NIRC of The ICSI organized a Technical Session on Global Gateway: Role of CS in FDI & Establishment of LO/BO/PO on February 28, 2026. CS Suresh Pandey, Central Council Member, The ICSI was the Chief Guest.

Thane Chapter of WIRC of The ICSI organized a felicitation function to honour the Rank Holders of the Company Secretaries Professional and Executive Programmes (Syllabus 2022) Examination held in December 2025 on March 14, 2026.

GLIMPSES FROM ICSI CCGRTs

ICSI – CCGRT Manesar organised 5th Residential CLDP (Inaugural Session) on March 23, 2026. CS Dhananjay Shukla, Immediate Former President, The ICSI, CS Pavan Kumar Vijay, Former President, The ICSI, CS Manoj Kumar Purbey and CS Suresh Pandey, Central Council Members, The ICSI graced the occasion.

ICSI – CCGRT Manesar organised 3rd 2 Days Residential Workshop on the theme SEBI Regulations (SAST, PIT & ICDR) on March 20-21 2026. CS Dhananjay Shukla, Immediate Former President, The ICSI graced the occasion.

ICSI – CCGRT Manesar organised 4th Residential CLDP Valedictory Session on March 10, 2026. CS Suresh Pandey, Central Council Member, The ICSI and CS Asish Mohan, Secretary, The ICSI graced the occasion.

ICSI - CCGRT Kolkata organised a 2 Days Capacity Building Workshop on India's Insolvency Framework on March 14-15, 2026. CS Sandip Kejriwal, Central Council Member and Convenor, CCGRT Kolkata addressed the delegates.

ICSI - CCGRT Kolkata started its 16th batch of CLDP (Phase-II) residential on March 27, 2026. Shri Vikas S S, Regional Director, SEBI was the Chief Guest in Inaugural ceremony. CS Sandip Kejriwal, Central Council Member and Convenor, CCGRT Kolkata graced the occasion.

ICSI - CCGRT, Hyderabad organised 29th CLDP (Valedictory Session) Phase-2 on March 10, 2026. Dr. Sujiv Nair, Chief People Officer, MSN Laboratories Pvt. Ltd. was the Chief Guest for the programme.

ICSI-CCGRT, Hyderabad organised 30th CLDP (Inaugural Session) Phase-II on March 16, 2026. Shri M. Goutham Reddy, Vice Chairman of Board- Re Sustainability & Chairman of CII Telangana, Hyderabad was the Chief Guest for the programme. CS Venkata Ramana, Central Council Member, The ICSI graced the occasion.

ICSI-CCGRT, Mumbai organised 4th CLDP-Phase-II in Residential mode from February 25 to March 12, 2026.

ICSI-CCGRT, Mumbai organised 5th CLDP-Phase-II in Residential mode from March 15 to 30, 2026.

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सत्यं वद। धर्मं चर। Speak the truth; pursue righteousness

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Company Secretaries as Leaders: AI, ESG & Stewardship

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DELEGATE REGISTRATION FEE FOR PHYSICAL PARTICIPATION*

Category	Early Bird (28th March, 2026 to 30th April, 2026)	Registration (on or after 1st May, 2026 including on the spot registration)
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Non-Members	INR 6000	INR 7000

**Exclusive of GST @18% on non-residential basis.*

- Fee includes Lunch (2), Dinner (1), Morning / Evening Tea, Coffee, and Conference Kit.
- Delegate Fee is payable in advance and is non-refundable & non-transferable.
- Delegate fee for accompanying Spouse and Children does not include Conference Kit.
- Registration for the Conference shall be through Online Mode only. Please note that payments will not be accepted through demand draft, cheque, cash, etc.

Registration Link : - https://stimulate.icsi.edu/RO/Home/delegateportal/3535

CS Pawan G. Chandak
President, The ICSI

CS Dwarakanath Chennur
Vice President, The ICSI

CS Rajesh Tarpara
Council Member, The ICSI & Chairman, PCS Committee

CS Ashish Karodia
Council Member, The ICSI & Programme Director

CS Asish Mohan
Secretary, The ICSI

CS Yogesh Choudhary
Chairman, WIRC, The ICSI

CS Vishal N. Salunke
Chairman, Pune Chapter, The ICSI

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रूपं देहि जयं देहि यशो देहि द्विषो जहि

- Argala Strotam

Dear Professional Colleagues,

"Rupam Dehi" does not feel like asking only for physical beauty, but guidance to refine self. It became a desire to bring grace into my being and to remove the distortion in how I carry myself and my life.

"Jayam Dehi" does not feel like worldly victory alone. It became a prayer for victory over inner weakness, fear, confusion, and everything that pulls me away from my higher self.

"Yasho Dehi" does not feel like asking for praise from the world. It felt like asking for a life that carries dignity, truth, and divine worth.

"Dvisho Jahi" touched the deepest. It felt like a prayer to destroy hostility... not only from outside, but also the inner enemies that keep harming us: doubt, negativity, emotional heaviness, self-sabotage, anger, and old wounds.

Having celebrated the festival of Navratri, the shloka above seems apt for sharing. But with deeper understanding, each verse finds a new meaning. The Stotram began showing me that my biggest battles were not outside.

The last month saw us extending best wishes to each other for the onset of the Hindu New Year and just a few days ago, we were again putting up status and sharing messages to give our professional responsibilities a new start with the beginning of a new financial year.

And any form of New Year is a matter of signing up new resolutions. So, here's one from my side. This month onwards, you will not see me dive into deep details and share the nitty gritties of all the happening in the month gone by – but just presenting snippets of it.

For one, I know you have been there with us in enlivening the journey of the ICSI events and festivals, and each one of you has a story of your own. And if for any reason you could not, we make sure that the pics and even sometimes proceedings are shared through the pages of this Journal.

So let's keep it, crisp, short, and informative !!!

6TH IBMP: BRINGING BOARD MEMBERS ON BOARD WITH GOVERNANCE

Beginning with the most recent of events, as I pen this message, the soft breeze of Shillong is bidding us goodbye while we wrap up yet another successful edition of the ICSI Board Mentorship Programme with the Institute of Governance Professionals of India.

Yes, we proudly say that we are the conscious keepers of India Inc. – the trusted companions, the governance baton-holders, but at the same time we understand that it is not our journey alone and even if we tried – we would not be able to achieve it all unaccompanied. And it is imperative that we have the support of decision makers on the boards, and in them instilled the understanding of true meaning of trust, transparency, accountability,

and its significance in building a sustainable India Inc.

My heartiest commendations to the team and appreciations to all the participants who I am sure will now be writing the stories of their companies – a bit differently…!

ICSI WOMEN'S CONFERENCE : FROM PARTICIPATION TO LEADERSHIP

The week before, we had the delight of celebrating the spirit of womanhood at the ICSI Women's Conference in New Delhi. And it would not be an overstatement to say that what an absolute honour it was to be amidst women Governance Professionals from across the nation portraying grace, poise, strength and embracing leadership roles with elan… To me, it is their way of knocking at the right doors at the right time…!

The 2-day event saw women guiding women – giving away practical tips and lifelong wisdom in such a subtle tone – that each one of us was left amazed. Some lessons were so befitting that as a professional, even I would be imbibing them in my life.

As an institute which takes tremendous pride in its towering women presence amongst ICSI students, members and employees, the future ahead is definitely bright.

Alongside these two major events, numerous visits, meet ups and interactions brought us closer to our members, students and sharing of not just concerns and suggestions, but smiles and laughter – ones that will be cherished for a long-long time…

THE FUTURE AHEAD : BRIGHT AS EVER

One of the most novel initiatives that we have initiated this month is of expanding our 'Outreach'. Be it Member Outreach Programmes, Industry Outreach Programmes or our Outreach Programmes for NGOs - the intent is to find common ground, gain better understanding of each other and partner together in the process of nation building.

While the Member Outreach Programmes are a product of our intent to connect with our own fraternity in a much more fine-tuned manner, the Industry Outreach Programme is an ICSI initiative empowering the Regional Offices and Chapters to join hands with Industry Associations, Chambers of Commerce, and similar allied bodies within their respective regional jurisdictions, all with the intent to conduct joint professional development programmes, and sector-specific training tailored to the evolving needs of our members and students.

The ICSI Outreach Programme for NGOs is yet another initiative of ICSI and ICSI Institute of Social Auditors to build better awareness and understanding of the SSE Ecosystem, Listing Norms, Registration Procedures and listing amongst NGOs. The first such event finds its feet in Bhubaneswar and many more will surely follow.

The coming days will be finding us exploring the land of the rising Sun – Japan for the 19th International Professional Development & Fellowship Programme (IPDFP) and the cultural capital of Marathas – Pune for the 27th National Conference of Practicing Company Secretaries; and I am sure you all have blocked your diaries for both these events.

This year as one of our corporate legislations - the Insolvency and Bankruptcy Code completes its 10 years of presence, support and easing out the creases in the closure of businesses; ICSI celebrates its presence and support through this dedicated issue of Chartered Secretary Journal. It goes without saying that both the ICSI Institute of Insolvency Professionals and the Insolvency Professionals will continue the good work and be a key role player in the making of a Viksit Bharat. To many more contributions in the times ahead…!!!

Stay tuned !!!

With warm regards

CS Pawan G. Chandak
President, ICSI

This Month That Year

2017 - CS (Dr.) Shyam Agrawal seen presenting the ICSI Journal Chartered Secretary to Arjun Ram Meghwal (Hon'ble Union Minister of State for Finance and Corporate Sffairs). Others standing from Left: CS Makarand Lele and CS Ranjeet Kumar Pandey.

2021 - ICSI delegation led by CS Nagendra D. Rao, President, ICSI met Shri Prakash Javadekar, Hon'ble Union Minister for Environment, Forest & Climate Change, Information & Broadcasting, Heavy Industries & Public Enterprises to discuss the opportunities for Company Secretaries in PSUs.

2022 - CS Devendra V. Deshpande, President, ICSI welcoming Mr. K.Kalimuthu, Consul (Economic, Trade & Commerce), Consulate General of India, Dubai and Major General (Retd.) Sharafuddin Sharaf, Chairman, UAE - India Business Council (UIBC) and Vice-Chairman, Sharaf Group at the 1st International Conference of ICSI Overseas Centre at Dusit Thani, Dubai held on 23rd March, 2022.

2022 - ICSI delegation led by President, ICSI met Dr. Surender Singh, Additional Secretary, University Grants Commission to discuss the upcoming role of Company Secretaries in Academia.

Activity Highlights of March, 2026

MEETINGS WITH DIGNITARIES

- Shri Rahul Jain, Joint Secretary, MCA
- Prof. (Dr.) Shashi Bhushan Kumar, Principal, Ram Dayalu Singh College, Muzaffarpur, Bihar

ICSI GLOBAL CONNECT

VISIT OF ICGN DELEGATION TO ICSI HQ

ICGN delegation led by CEO Ms. Jen Sisson, visited ICSI HQ in New Delhi on March 09, 2026 to explore areas of joint research and develop a roadmap for best practices in good governance, stewardship, and stakeholder engagement.

WEBINAR ORGANISED BY ICSI OVERSEAS CENTRE, UK

A webinar on **"Navigating the UK Governance Space – CV Writing and Interview Techniques"** was organised by ICSI Overseas Centre, UK on March 26, 2026. The speaker for the session was Ms. Radha Ladwa, Recruitment Director, Ladwa Recruitment Ltd. The session offered valuable insights into UK corporate governance expectations and provided practical guidance on crafting impactful CVs and preparing effectively for interviews.

ICSI MEMBERS

NATIONAL CONFERENCE OF PRACTICING COMPANY SECRETARIES

The Institute of Company Secretaries of India (ICSI) has long been at the forefront of promoting good corporate governance, environment sustainability and social responsibility among stakeholders. Acknowledging the evolving role of Company Secretaries as visionary leaders and catalysts for change, ICSI is proud to announce its 27th National Conference of Practicing Company Secretaries on the theme "Company Secretaries as Leaders: AI, ESG & Stewardship" on 13-14 June, 2026 at Pune, Maharashtra. Registration for the Conference will open on 28th March, 2026. Professionals and other stakeholders are requested to join this mega event in large numbers.

ICSI ECSIN AMNESTY SCHEME, 2026

As trusted professionals upholding governance and compliance, members in employment play a crucial role in maintaining accurate professional records. In line with this commitment, the ICSI is pleased to introduce the eCSIN Amnesty Scheme, 2026, a one-time limited period opportunity to regularize and update past eCSIN records.

This initiative aims to strengthen governance, build a reliable database of members in employment and enhance effective communication between the Institute and its members, thereby promoting transparency and professional excellence.

ICSI UDIN AMNESTY SCHEME, 2026

As trusted guardians of governance, Company Secretaries recognize that credibility, compliance and accountability form the very backbone of the profession. In line with these values and with the spirit of support, inclusiveness and professional growth, the Institute of Company Secretaries of India (ICSI) is pleased to announce the ICSI UDIN Amnesty Scheme, 2026 which is a one-time limited period opportunity to regularize and align the professional records, reinforcing the commitment to transparency and ethical practice.

ICSI INDUSTRIAL OUTREACH PROGRAMME

The Institute of Company Secretaries of India (ICSI) is pleased to announce a significant initiative empowering its Regional and **Chapter Offices** across India to independently initiate and enter into **Memorandum of Understanding (MoU)** with Industry Associations, Chambers of Commerce, and similar allied bodies within their respective regional jurisdictions. Underpinned by a structured approval process with Headquarter oversight, a Standard MoU Template, strict data protection protocols, and annual impact reporting, the framework ensures transparency, accountability, and consistency across all Region and Chapter-level partnerships.

Through these collaborations, Members and Students stand to benefit from joint professional development programmes, seminars, conferences, workshops, and sector-specific training tailored to their evolving needs — along with CPE Credits for eligible jointly organised programmes, subject to ICSI guidelines.

CONSTITUTION OF EVOLVING CHAPTER AT SANGLI

The Institute is pleased to announce the constitution of new Evolving Chapter at Sangli (Maharashtra), in accordance with Section IX of the ICSI Chapter Management Guidelines, 2024. The constitution of the Sangli (Evolving) Chapter is a step in extending the Institute's presence beyond metropolitan boundaries.

The Sangli (Evolving) Chapter will strengthen ties with students, members, and other stakeholders in the vicinity of the city and will serve as a platform to organize student outreach programmes, professional development initiatives etc.

MCA USER AWARENESS SESSION ON CCFS, 2026

MCA in collaboration with ICSI organised webinar on Companies Compliance Facilitation Scheme, 2026 on Wednesday, 25th March 2026 for the purpose of providing clarifications on the scheme and discussing

the important elements envisaged under the scheme. The programme was addressed by CS Deepali Agarwal, Senior Technical Assistant, MCA, CS Devendra V Deshpande, Former President, ICSI and CS Vineet Chaudhary, Practicing Company Secretary. More than 9,000 members joined this webinar. Youtube link: https://www.youtube.com/live/GYhzCvmEhT8?si=BlATMCek6pVZmTF5

FORMATION/RENEWAL OF ICSI STUDY CIRCLES

The ICSI has been promoting the Formation/Renewal of Study Circles for creating knowledge upgradation avenues through professional discussion and deliberation. Study Circles renewed in March, 2026 for the FY 2026-27 were as under:

Region	Name of the Study Circle	Formation/Renewal
WIRO	Kandivali Study Circle of ICSI	Renewal
WIRO	Aditya Birla Group (Corporate) Study Circle of ICSI	Renewal
WIRO	H T Parekh Marg (Corporate) Study Circle of ICSI	Renewal

REPRESENTATION SUBMITTED

Date	Particulars	Authority
16.03.2026	Issuance of notices by Regional Directors and application of Section 12(8) – Request for adherence to principles of natural justice	Ms. Deepti Gaur Mukerjee, Secretary, MCA
	Exempt companies from RD approval for shifting of RO within same state on account of establishment of new ROC's within same state	
	Issuance of instructions to RDs/ROCs for processing applications filed through E Filing without mandatory physical submission	
	Modification in first proviso to Section 14(1) regarding effective date of conversion of private company into public company	
18.03.2026	Representation seeking clarification and intervention regarding jurisdiction for levy and collection of Stamp Duty	Shri Arvind Shrivastava Secretary, DoR
18.03.2026	Request for Introduction of Amnesty Scheme / Condonation for Delay in Filing of BEN Forms under the Companies Act, 2013	Secretary, MCA
25.03.2026	(a) Third Party Certification/ Audit Scheme in each State/UT (b) Certification of Unified Annual Return under Labour Codes by PCS (c) Pre-Certification Mechanism by PCS for Registration of Establishments under Labour Codes	Dr. Mansukh Mandaviya Hon'ble Union Minister of Labour and Employment
30.03.2026	(a) Allowing Change / Modification in the Name of Trusts Registered for Receiving CSR Funds (b) Prioritised listing of matters u/S 230-232 & 252 of Companies Act, 2013 and Sections 59 under IBC at various Benches of Hon'ble NCLT	Secretary, MCA

VIEWS AND SUGGESTIONS OF ICSI

Date	Suggestions shared on	Authority
30.03.2026	Regulatory Framework for the Preferential Issues and QIPs	IFSCA
30.03.2026	Regulatory Framework for Rights Issue by Listed Entities	IFSCA
30.03.2026	IFSCA (Prohibition of Market Abuse in Securities Markets) Regulations, 2026	IFSCA

PEER REVIEW CERTIFICATES ISSUED

During the month March 2026, Peer Review of around 105 Practice Units was completed and accordingly Peer Review Certificate issued. The updated list of Peer Reviewed Units can be accessed at www.icsi.edu/media/webmodules/List_Peer_Reviewed_Practice_Units.pdf

ONLINE SESSIONS FOR ICSI COURSES

Online sessions for the following courses were organised during March, 2026:

Certificate Course	Batch Number
Prevention of Sexual Harassment (POSH)	Batch 10
Intellectual Property Rights (IPR)	Batch 7
Professional Reboot: Women Returning to Company Secretarial Roles	Batch 3
Foreign Exchange Management Act (FEMA)	Batch 9
Goods and Services Tax (GST)	Batch 14
Commercial Contract Management (CCM)	Batch 9
Forensic Audit (FORA)	Batch 10

ONLINE CLASSES OF PMQ COURSES

During the month, Online Classes of PMQ Courses were conducted as under:

- PMQ Course on Corporate Governance - 4 Online Sessions
- PMQ Course on Arbitration - 4 Online Sessions
- PMQ Course on Internal Audit - 4 Online Sessions
- PMQ Course on Direct Tax - 4 Online Sessions

PLACEMENT OPPORTUNITIES FOR COMPANY SECRETARIES

The Institute receives requests from various offices of the Government/ PSUs/ Banks/ Corporates regarding the positions of Company Secretary/ CS Trainee from time to time and resumes of eligible Members and Students are sent to them.

(March 2026)

No. of entities that Posted Jobs on the ICSI Placement Portal	**122**
No. of Openings available on the ICSI Placement Portal	**154**

For more details, kindly visit ICSI Placement Portal – placement.icsi.edu

STATUS OF REGISTRATIONS AND POSTINGS AT THE PLACEMENT PORTAL

(On 27 March 2026)

Registered Users			Total no. of Vacancies
Members	**Students**	**Corporates**	**Jobs / Trainings**
22,538	**35,364**	**8,298**	**40,615**

ICSI SECTION 8 COMPANIES

ICSI INSTITUTE OF INSOLVENCY PROFESSIONALS

- ***Workshop Series Perspectives On IBC - An Array (SERIES – XIX)***

Date	Topic	Speaker(s)	YouTube link
02.03.2026	Practical Challenges faced during CIRP Process	CS and IP Suhasini Ashok B.	youtube.com/watch?v=H82_tF4nXh4
03.03.2026	Decoding Financial Implications involved under IBC	IP Divya Somani	youtube.com/watch?v=AcfkF5ORnSY
05.03.2026	Unpack PrePack Procedures: Legal Framework and Practical Insights	CS Peer Mehboob	youtube.com/watch?v=klMmS-cu6lA
06.03.2026	Post CIRP Plan Implementation	CS and IP Suhasini Ashok B.	youtube.com/watch?v=LDNAbjXtyQw
07.03.2026	Gatekeeping Functions under IBC: Claims and EOIs	CS and IP Shubham Agarwal Goyal	youtube.com/watch?v=yWKyYSPw3ek

- *Workshops*

Date	Topic	Speaker(s)	YouTube link
09.03.2026	Valuation, Resolution and PUFE Treatment	CS & IP Rajinder Kumar IP Sejal Agrawal	youtube.com/watch?v=ZF2DxMvwS-Y&t=2s
19.03.2026	Recent IBC Amendments and CoC Stance in CIRP	CS & IP S. Dhanapal CS & IP Suhasini Ashok B.	youtube.com/watch?v=QBKBtarYmWg

- *Webinars*

Date	Topic	Speaker(s)	YouTube link
10.03.2026	Changing Dynamics of NPAs, ECL (IFRS 9) and Insolvency Resolution in India	CS & IP Siva Rama Prasad Puvvala	youtube.com/watch?v=0V6gShOKR vQ
20.03.2026	Parallel Proceedings and Co-Extensive Liability: Latest PG Judgments	CS & IP Sucheta Gupta	youtube.com/watch?v= D6jgLUg4III
25.03.2026	Decoding Audit Reports of Financial Creditors for effective CIRP Management	CS & IP Siva Rama Prasad Puvvala	youtube.com/watch?v=ZEpu0-nHktw

ICSI REGISTERED VALUERS ORGANISATION

Date	Programme	Faculty	
27.03.2026-02.04.2026	50 Hours Online Educational Course on Valuation of Securities or Financial Assets	Dr. Ajay Garg	CS Sandeep Kothari
		Mr. Chaitanya jee Srivastava	CA Sumit Dhadda
		CS K. Chandra Sekhar	CS Rajiv Garodia
		CS Kanishk Arora	CMA Murali Raman
		CS Preeti Garg	CA Divya Dhadda
		CS Rajesh Mittal	CS Harish Chander Dhamija

ICSI INTERNATIONAL ADR CENTRE

The ICSI IAC is seeking applications from professionals interested in being empaneled as Arbitrators. Interested members and professionals may visit https://www.icsiadr.in for detailed information on eligibility criteria and the application process.

INSTITUTE OF GOVERNANCE PROFESSIONALS OF INDIA

Director's Training Programme by IGPI for Directors of Senco Gold Limited

The IGPI conducted half-day online Director's Training Programme for the Independent Directors of Senco Gold Limited on March 28, 2026 on :

i) Board Responsibility in Preventing Corporate Frauds and Strengthening Internal Controls and

ii) DPDP Act & Rules and its implementation.

ICSI CCGRTs

ICSI-CCGRT HYDERABAD

- *Student's Programme*

Date	Event	Participants
23.02.2026-10.03.2026	29th CLDP	43
16.03.2026-31.03.2026	30th CLDP	36

ICSI-CCGRT KOLKATA

- ***Member's Programme***

Date	Event
14.03.2026-15.03.2026	2 Days Capacity Building Workshop on India's Insolvency Framework

- ***Student's Programmes***

Date	Event
27.03.2026-10.04.2026	27.03.2026-10.04.2026

- ***ICSI Debating Society of ICSI-CCGRT, Kolkata***

Date	Event	Topic
14.03.2026	Physical Competition	Start Ups Should not be subjected to the same Corporate Governance Standards as Listed Companies
28.03.2026	Virtual Competition	Technology-driven compliance will reduce the relevance of traditional Compliance Professionals

ICSI-CCGRT MANESAR

- ***Member's Programmes***

Dates	Event
20.03.2026-21.03.2026	3rd Residential Capacity Building Workshop on SEBI Regulations (SAST, PIT & ICDR)

- ***Student's Programmes***

Dates	Event
23.02.2026-10.03.2026	4th batch of RCLDP
23.03.2026-06.04.2026	5th batch of RCLDP

ICSI-CCGRT MUMBAI

- ***Member's Programmes***

Dates	Event	Speakers	Participants
08.03.2026	Non-Residential Workshop on 'PoSH Act, 2013'	CS Divija Dave CS Kavita Sethi Jain	120
21.03.2026-22.03.2026	Two days Residential/Non-Residential Workshop on 'Latest Amendments under Companies Act, 2013'	CS Vinita Nair CS Anshul Kumar Jain CS Ramaswami Kalidas CS K. Venkataraman	155

- ***Student's Programmes***

Dates	Name of Event/ Activity	Participants
25.02.2026-12.03.2026	4th batch of CLDP Phase - II	38
15.03.2026-30.03.2026	5th batch of CLDP Phase - II	31

ICSI REGIONAL OFFICES

ICSI-EIRO

- ***Member's Programme***

Date	Event / Activity
28.03.2026	Full Day Seminar on "Manthan – Shaping Tomorrow's Regulatory Framework

- ***Student's Programmes***

Date	Name of Event
03.03.2026	3rd Student Induction Programme
03.03.2026	4th Student Induction Programme
16.03.2026	5th Student Induction Programme
30.03.2026	6th Student Induction Programme
06.03.2026 - 24.03.2026	1ST Corporate Leadership Development Programme PH-I
11.03.2026 - 13.03.2026	30th Three Days Orientation Programme
17.03.2026 - 19.03.2026	31st Three Days Orientation Programme
30.03.2026 - 01.04.2026	32nd Three Days Orientation Programme
25.03.2026 - 10.04.2026	37th Executive Development Programme

- ***Any Other Activity***

Date	Meetings with dignitaries
27.03.2026	• Shri Rakesh Kumar Tiwari, Regional Director (Eastern Region) • Shri Jayant Arya, Registrar of Companies (Kolkata-1) • Shri Sanjay Sardar, Registrar of Companies (Kolkata-2) • Shri Deep Narayan Choudhury, Official Liquidator (Eastern Region)

ICSI-SIRO

- ***Member's Programmes***

Date	Name of Event / Activity
07.03.2026	International Women's Day Celebrations on From Empowerment to Enablement, All you want to know about POSH Act and Give to Gain through Governance
17.03.2026	Placement Programme for the members of ICSI
23.03.2026	Programme on Decoding CSR in Practice and ESG Edge - The future of Responsible Business
24.03.2026	Programme on "Decoding Filing Hurdles in Annual Returns and CCFS-2026"
28.03.2026	One Day Seminar on Demat Drive: Compliance in the Digital Era, NBFC Compliance and Challenges, Leveraging AI in CS Practice and Employment Navigating Cross Border Capital: New directions in ECB

- ***Student's Programmes***

Date	Name of Event / Activity
05.03.2026-19.03.2026	1st batch of CLDP Phase 1
08.03.2026	3rd Batch of Student Induction Programme (SIP)
09.03.2026-11.03.2026	19th Batch of Three Days Orientation Programme (TDOP)
24.03.2026	4th Batch of Student Induction Programme (SIP)
25.03.2026	Study Circle Meeting on "Contract Law"
23.03.2026-11.04.2026	25th Batch of Executive Development Programme (EDP)
26.03.2026-28.03.2026	20th Batch of Three Days Orientation Programme (TDOP)

- ***ICSI Debating Society for Members and Students***

09.03.2026	CS should be held Personally Liable for Corporate Frauds

ICSI WIRO

- ***Member's Programmes***

Date	Event	Participants
13.03.2026	Critical Issues under the Companies Act, 2013	158
14.03.2026	From Allotment to Adjudication: Managing Share Capital Risks and ROC Proceedings	249
15.03.2026	Decoding Recent Developments in Disclosure Requirements and UPSI under SEBI LODR & PIT Regulations	165
28.03.2026-29.03.2026	Annual Regional PCS Conference - 2026 on the theme "Technology, Governance and Future of Practice"	240

- ***Student's Programmes***

Date	Name of Event / Activity
26.02.2026-18.03.2026	68th Classroom Mode EDP
25.02.2026-17.03.2026	3rd Batch of CLDP Phase 1
25.03.2026-15.04.2026	4th Batch of CLDP Phase 1
19.03.2026-21.03.2026	19th Batch of Three Days Orientation Program (TDOP)
19.03.2026-21.03.2026	20th Batch of Three Days Orientation Program (TDOP)
22.03.2026-24.03.2026	21st Batch of Three Days Orientation Program (TDOP)
22.03.2026-24.03.2026	22nd Batch of Three Days Orientation Program (TDOP)
26.03.2026-28.03.2026	23rd Batch of Three Days Orientation Program (TDOP)
29.03.2026-31.03.2026	24th Batch of Three Days Orientation Program (TDOP)
14.03.2026	2nd Batch of Student Induction Program (SIP)
14.03.2026	3rd Batch of Student Induction Program (SIP)
25.03.2026	4th Batch of Student Induction Program (SIP)

- ***Study Circle Meetings***

Date	Study Circle	Topic
01.03.2026	Kandivali Study Circle	Opportunities for CS in RERA & Redevelopment of Properties" & "Taxation in Real Estate Sector & The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013
03.03.2026	Sangli Study Circle	Takeover of Proprietary Firm by Company & Issue of shares other than cash
13.03.2026	L&T (Corporate) Study Circle	Disclosures under SEBI (LODR) Regulations, 2015, and Compliances with regard to RPTs
14.03.2026	Jamnagar Study Circle	Role of Company Secretary in Listed Companies & Various types Of Audit
17.03.2026	H. T. Parekh Marg (Corporate) Study Circle	NFRA Circular on Effective Communication: Strengthening Auditor Engagement
26.03.2026	Aditya Birla Group (Corporate) Study Circle	Best Practices: Board Meetings and Directors Management
30.03.2026	Reliance Industries Limited (Corporate) Study Circle	An overview of ESG and the Business Responsibility & Sustainability Report (BRSR)

ICSI-NIRO

- ***Member's Programmes***

Date	Event	Participants
14.03.2026	ICSI-NIRC Gyan Vridhi Programme On Posh In Practice: Real-life Case Studies and Practical Challenges	130
28.03.2026-29.03.2026	ICSI Women's Conference on theme "Women Professionals: From Participation to Leadership in Building the New India"	250 Physical 624 Virtual

- ***Student's Programmes***

Date	Name of Event / Activity	Participants
27.02.2026-20.03.2026	4th Batch of CLDP PHASE 1	49
09.03.2026-24.03.2026	5th Batch of CLDP PHASE 1	55
22.03.2026-06.04.2026	6th Batch of CLDP PHASE 1	50
27.03.2026-11.04.2026	7th Batch of CLDP PHASE 1	50
30.03.2026-15.04.2026	8th Batch of CLDP PHASE 1	35
07.03.2026-23.03.2026	66th Batch of Executive Development Programme	47
17.03.2026-08.04.2026	67th Batch of Executive Development Programme	29
03.03.2026-05.03.2026	49th Three Days Orientation Programme	15
05.03.2026-07.03.2026	50th Three Days Orientation Programme	13
11.03.2026-13.03.2026	51st Three Days Orientation Programme	52
11.03.2026-13.03.2026	52nd Three Days Orientation Programme	27
13.03.2026-15.03.2026	53rd Three Days Orientation Programme	35
17.03.2026-19.03.2026	54th Three Days Orientation Programme	50
19.03.2026-22.03.2026	55th Three Days Orientation Programme	53
23.03.2026-25.03.2026	56th Three Days Orientation Programme	38
24.03.2026-28.03.2026	57th Three Days Orientation Programme	14
14.03.2026	Trainee Drive	67
07.03.2026	7th Student Induction Programme	51

13.03.2026	8th Student Induction Programme	24
20.03.2026	9th Student Induction Programme	31
27.03.2026	10th Student Induction Programme	21
During March 2026	Oral tuition Classes	58

ICSI EMPLOYEES

- ***Webinar on "Bone Health" by Dr. Reddy's Foundation***

  A webinar was organized on 18th March, 2026 on the topic "Bone Health" by Dr Reddy's Foundation for the benefit of ICSI employees and pensioners. All employees/veterans participated in the webinar presented by Dr. Swapnil Chakkarwar, Orthopedist.

- ***Training on "Artificial Intelligence and Negotiation Skills" on 30th March, 2026.***

  A training programme was organized on topics "Artificial Intelligence & Negotiation Skills" on March 30, 2026 at Noida Office for the level of Joint Director and above. The training was held in two sessions; in the morning session Ms. Vandana Sachdeva, took training in Artificial Intelligence and in the evening session Mr. Vijay Vijay Batra took the session on Negotiation Skills. A total of 25 participants took part in the training.

ICSI STUDENTS

FACILITATION AND RELAXATION

- ***ICSI Student Amnesty Scheme 2025 : Last Date extended till April 30, 2026***

  The Institute has introduced a special Amnesty Scheme for 3 Months w.e.f. December 01, 2025, Subsequently, the duration has been extended, and the Scheme shall remain in force until April 30, 2026. This initiative provides an opportunity for former students to re-enrol, recommence their studies, and rebuild their pathway towards qualifying as Company Secretaries.

Category	Eligibility	Fee
I	Earlier Students of Intermediate / Executive Programme Stage OR Final /Professional Programme Stage; and Registrations expired and are not eligible for Registration De-novo	₹5,000
II	Existing students who have taken fresh registration or re-registration under syllabus 2022 after expiry of their earlier registration and wish to avail exemptions benefits based on papers passed/exempted under previous syllabus	₹1,000

- ***CS Mitr Scheme:***

  ICSI has introduced CS Mitr incentive Scheme wherein any person who is above 18 years of age is eligible to become CS Mitr under the scheme. Incentive @ ₹500 will be paid per student to the CS Mitr for each student registered in Executive Programme. To register visit: smash.icsi.edu/Scripts/Registration/Mitr_Registration.aspx?rmode=1# As on date, ICSI has **1208** registered CS Mitr.

- ***ICSI Waiver Scheme for Indian Armed Forces, Paramilitary Forces, Agniveers And Families Of Martyrs***

  The Institute in alignment with the various initiatives of Govt. of India has launched ICSI Waiver/ Concession scheme for Indian armed forces, paramilitary forces, Agniveers and families of Martyrs. Under the scheme, 100% concession will be given to the various categories in full Fee payable at the time of Registration in CS Executive programme.

- ***ICSI Students Education Fund Trust (SEFT)***

  With a view to encourage and motivate economically backward and academically bright students to pursue the Company Secretaryship Course, a Trust, viz., "ICSI Students Education Fund Trust" has been established by the Institute. Eligible students are fully exempted from paying the various fees payable under Executive and Professional Programmes.

- ***Welcome Back Scheme via Re-Registration Policy***

  The Institute has introduced a special initiative for students who:

  - Have successfully passed the Executive Programme
  - Did not register for the Professional Programme
  - Have an expired registration term and not eligible for de-novo

  Students can continue their study from Professional Programme, eliminating the need to repeat Executive level.

Key Benefits:

- Saves time by skipping the Executive level
- Helps students continue their academic and professional journey seamlessly

The detailed information is available at: icsi.edu/docs/Webmodules/REREGISTRATION.pdf

- ***Encouraging Students to Complete CS Course After Passing Executive Programme***

  For students who started their CS Course but due to some personal reasons, discontinued after passing the Executive, the Institute is regularly communicating to encourage them to register for Professional to complete their CS Course.

- ***ICSI Samadhan Diwas***

  65th Samadhan Diwas was organised on March 11, 2026 through virtual mode for "on-the-spot" resolution to issues/grievances of students. In the Samadhan Diwas, students get opportunity to present their cases and interact directly with the Officials of the ICSI.

- ***Transcripts & Education Verification***

  It has been observed that on completion of Course the professionals are also applying for Foreign Courses / degrees /or immigration based on CS Qualification. During the month, **07** Transcripts were issued. Likewise, on request of the employer/PSU/government authorities and other Education verifier agencies, **02** Education Verification requests of CS students were processed.

- ***Registration for Classes by Regional/Chapter Offices at the time of Executive Programme Registration***

  Institute has facilitated Executive Programme students to register directly for the Executive Programme classes conducted by the Regional/Chapter Offices at the time of Executive registration.

- ***Paper Wise Exemption on the Basis of Higher Qualifications***

  The Institute has decided that the students enrolling into the Company Secretary Course shall be eligible for paper-wise exemption(s) based on the higher qualifications acquired by them.

- ***Professional Programme Pass Certificate of ICSI in Digilocker***

  The Institute has enabled issuance of Professional Programme Pass Certificate online via DIGILOCKER. The students who have passed on or after June 2021 Session of Examination can download Professional Pass Certificate from DIGI Locker.

- ***Dedicated Helpline Number for Student Queries***

  The ICSI has introduced a dedicated helpline number to handle queries related to Student Registration, Post Registration, Class Room Teaching and Enrolment. Students can contact at 0120-4082170 (From Monday to Friday 9.30 A.M. to 5.30 P.M.).

JUNE 2026 EXAMINATIONS

- ***Online Master Classes***

  Online Master Classes on key and critical topics of CS Executive and Professional Programme for June 2026 Examinations commenced from March 02, 2026.

- ***Successful configuration of June 2026 Enrolment Setup for CSEET***

  Successful configuration of the enrollment system has been completed for CSEET candidates eligible for the June 2026 examination session, which began on March 01, 2026.

TRAINING OPPORTUNITIES

During the month, following training opportunities were posted on the Placement Portal:

No. of Corporates/ MCA and other Government Bodies/ PSUs/ PCS Firms that Posted Training and Semi qualified Job Opportunities on the ICSI Placement Portal	**209**
No. of Training/Semi qualified Opportunities available on the ICSI Placement Portal	**375**
Number of PCS registered with the Institute for imparting training during the month	**27**
Number of Company/LLP/ Other Entities registered with the Institute for imparting training during the month	**63**

For more details, kindly visit ICSI Placement Portal - placement.iCSi.edu/PlacementApp/

COMPANY SECRETARY EXECUTIVE ENTRANCE TEST (CSEET)

- ***Centralized online Classes of CSEET (Classes to commence from 09.03.2026)***

  Online Centralized classes commenced from March 09, 2026 for students registered for the June 2026 Session of CSEET.

- ***Classes in physical mode at Regional/Chapter Offices for Restructured CSEET***

  ICSI is commencing physical classroom coaching for the June 2026 CSEET session through its Regional and Chapter Offices to support students in their exam preparation. Interested students are requested to contact their nearest Regional/Chapter Office for registration and further information.

- ***Student Induction Program (SIP) for students of restructured CSEET***

  Students registering for restructured CSEET on or after 16.12.2025, are required to undergo Student Induction Program (SIP) of 01 day within 01 month of their registration. Attending and completing SIP is a pre requisite for enrolling in the CSSET examination.

KNOWLEDGE UPGRADATION

- ***Knowledge on Demand for Students of ICSI***

  The ICSI has launched a subscription-based service "Knowledge on Demand" for students to access recorded sessions on important topics such as Behavioural Skills, Court Craft and Drafting, and so on. Students according to their convenience can update their knowledge on the ICSI's LMS (E-Learning platform.

Subscription Fees

Single Video	₹250 (inclusive of Tax)
All videos (Annual Subscription)	₹1000 (exclusive of Tax)

- ***Student Company Secretary* e-journal *and CSEET Communique***

  The journals for the month of **March**, **2026** are available at: www.icsi.edu/e-journals/

- ***Recorded Video Lectures*** of eminent faculties to help students to prepare for examination. Access recorded videos available on E-learning platform by logging in to elearning.icsi.in

  Login credentials are sent to all registered students at email. After successful login, go to "My courses" or "My Communities" section, where you can find the recorded videos and other contents.

- ***Info Capsule:***

  Daily update for members and students, covering latest amendment on various laws for benefits of members & students available at www.icsi.eduinfocapsule/

DIGITAL ICSI

- Development and implementation of the Online Exam Enrolment Process for Restructured CSEET students for the June 2026 exam session, with provision for English-only mode under SMASH portal.
- Development and implementation of the SIP module for Regional Offices (ROs) and Chapters, along with seamless integration into the exam enrolment system for Restructured CSEET students under SMASH portal.
- Extension of date for CSBF Membership Drive till 31st March, 2026 under Stimulate Portal.
- Inclusion of Pan Card as an additional document in Issue of COP request under Stimulate Portal.

Women's Conference 2026 hosted by NIRC of The ICSI

Theme: Women Professionals: From Participation to Leadership in Building The New India

Date & Venue : March 28-29, 2026, New Delhi


Theme :
Women Professionals:
Leadership in Build
Ms. Manisha Narang
CS Barkha Sharma
CS Archana Pandey
GM-DCM Shriram Ltd


Theme :
CS Payal M Puri
CS Subha Singh
CS Geetanjali S Kumar
CS Sabina Dinesh Verma


ICSI
Women's Conference
Theme :
ICSI - NIRC
Women's Conference
Women Professionals: From Participation to
Leadership in Building The New India
CS Mansi K Khosla
CS Garima Saxena
CS Harmeet Kaur
CS Shilpa Chadha
CS Seema Khanna


Welcome
ICSI - NIRC
Women's Conference
ICSI
Women's Conference
Theme
Women Professionals: From Participation to
28th & 29th March, 2026
New Delhi


Theme :
New Delhi
Shri Ashrit Goswami ji
Ms. Jaya Goswami ji

Pan India Women Day Celebrations

CCGRT Mumbai

SIRC

Bhopal


Chandigarh


Indore

Kochi


Thane


Noida

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)
www.icsi.edu

ARTICLES INVITED FOR GLOBAL CONNECT IN CHARTERED SECRETARY JOURNAL

Dear Member,

The ICSI invites articles for its prestigious Chartered Secretary Journal - a monthly publication on the critical aspects of the Company Secretary Profession from across the globe.

As the new age Governance Professional, it is imperative for Company Secretaries to enhance their knowledge and skills to effectively manage investor expectations and thrive in environment of disruption, uncertainty and change.

We therefore request you to kindly share your valuable insights and expertise, and enrich the coveted Chartered Secretary Journal with diverse perspectives on contemporary issues relevant to Company Secretaries globally.

The article should be submitted in Word Document Format at overseas@icsi.edu and may cover any of the following:

- **Corporate Governance Trends**: Share your insights on emerging trends and developments in Corporate Governance arena globally.
- **Best Practices**: Discuss successful strategies and best practices adopted by the industry in different jurisdictions.
- **Regulatory Updates**: Provide an overview of recent regulatory changes and their implications for Company Secretaries in different jurisdiction.

It may please be noted that members are entitled to 4 CPE Credits under **clause 7.2 of Continuing Professional Education (CPE) Guidelines 2019,** if any of their article is published in the Chartered Secretary Journal or any UGC approved journal. For details on submission of articles, please refer to the Guidelines for Authors placed in the Journal.

We look forward to your significant contribution in building a global perspective for the Company Secretary Profession.

Sincerely,

Team ICSI

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GLOBAL CONNECT

- Visit of ICGN delegation at ICSI HQ
- Webinar
- International Regulatory Update

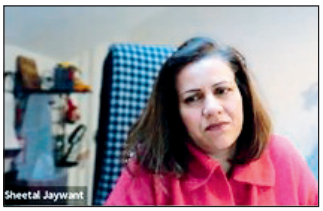
ICGN delegation led by CEO Ms Jen Sisson, visited ICSI HQ in New Delhi to explore areas of joint research and develop a roadmap for best practices in good governance, stewardship and stakeholder engagement on March 09, 2026

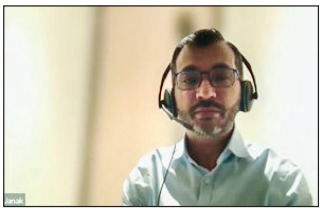
WEBINAR ON "Navigating the UK Governance Space – CV Writing and Interview Techniques" held on March 26, 2026

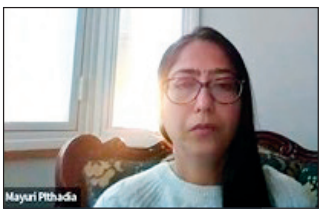
Speaker:

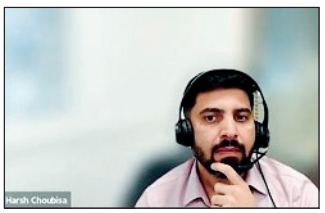
Ms. Radha Ladwa

Recruitment Director
Ladwa Recruitment Ltd.









International Regulatory Update

Singapore Tightens Climate Risk Rules for Financial Sector

On 5th March 2026, the Monetary Authority of Singapore (**MAS**) released finalised guidelines requiring banks, insurers, and asset managers to formally integrate climate transition planning into their risk management frameworks. These new rules aim to strengthen the financial system's resilience against climate change.

Aspect	Description
What it is	An addendum to the 2020 Guidelines on Environmental Risk Management, setting supervisory expectations for Financial Institutions (FIs) on transition planning.
Who it applies to	Banks, insurers, and asset managers (collectively, Financial Institutions or FIs).
Core Objective	To build effective risk assessment and management capabilities for better resilience against climate-related risks.
Key Expectations	1. Forward-looking risk management of both physical and transition risks. 2. Active engagement with clients and investee companies, rather than indiscriminate divestment. 3. Continuous capability building in climate risk measurement and management.
Implementation Date	September 2027, following an 18-month transition period.

Core Objectives and Key Expectations

The guidelines are designed to move beyond high-level commitments and require FIs to develop practical, forward-looking transition plans. The MAS has outlined three key expectations for all FIs:

- **Assess and Manage Climate Risks**: FIs must assess and manage the risks associated with both physical risks (e.g., from extreme weather events) and transition risks (e.g., policy changes, technological shifts) arising from climate change. This involves adapting their business models, governance, and risk management practices in a forward-looking manner.
- **Engage with Clients, Don't Just Divest**: A crucial part of the guidance is the expectation that FIs will engage with their customers and investee companies. The goal is to better understand the climate-related risks they face and their strategies for managing them. The MAS explicitly warns against the "indiscriminate withdrawal of credit, insurance coverage, or investments," as this could lead to a disorderly transition and harm financial stability.
- **Continuously Build Capabilities**: The MAS recognises that data and methodologies for understanding climate risk are still evolving. Therefore, FIs are expected to keep pace with these developments and continuously build their internal expertise in climate risk measurement and management.

Tailored Guidance for Different Sectors

While the core principles are consistent, the MAS has issued separate guidelines for banks, insurers, and asset managers to account for their differing business models:

- **For Banks**: The guidance focuses on credit risk and lending relationships with corporate borrowers.
- **For Insurers**: The emphasis is on underwriting exposures and how climate change could impact claims and insurability.
- **For Asset Managers**: The guidance highlights portfolio construction and stewardship responsibilities, including active ownership and engagement with investee companies.

Implementation Timeline

The guidelines will take effect in **September 2027**, providing an 18-month transition period for financial institutions to prepare. This timeframe is intended to give firms sufficient opportunity to build the necessary systems, governance structures, and analytical capabilities to meet the new supervisory expectations.

Source:

1. https://www.mas.gov.sg/regulation/guidelines/guidelines-on-environmental-risk-management-for-insurers
2. https://www.mas.gov.sg/regulation/guidelines/guidelines-on-environmental-risk-management
3. https://www.mas.gov.sg/regulation/guidelines/guidelines-on-environmental-risk-management-for-asset-managers

Prepared by CS Pooja Shukla, *Senior Lecturer, Hong Kong Metropolitan University*

Call For ARTICLES

Call For Articles in CS Journal – May 2026 Issue

IPOs: Altering Regulatory & Legal Landscape in India

Initial Public Offering (IPO) in India is not just a capital-raising event but a transformative step toward higher standards of corporate governance. Entering the public markets is a company's commitment towards enhanced transparency, stronger disclosures, and greater accountability. The journey itself compels organizations to streamline internal controls, adopt robust compliance frameworks, and align with globally accepted governance practices.

Given the dynamic nature of Indian capital markets, IPOs increasingly reflect a balance between growth aspirations and responsible governance—offering investors' confidence and companies an opportunity to build long-term credibility, trust, and sustainable value.

In view of the same, we are pleased to inform you that the **May 2026** issue of Chartered Secretary Journal will be devoted to the following themes and sub-themes:

- Governance Compliance and IPOs
- The New Era of Tech IPOs
- Positioning IPOs strategically: Long-term success mantra
- Pros and Cons of going public
- Curating a successful IPO value journey: Step-by-step guide
- IPO Valuation & ESG Disclosures

The length of the article should ordinarily be between 2,500 - 4,000 words. However, a longer article can also be considered if the topic of discussion so demands. The articles should be forwarded in MS-Word format.

Members and other readers desirous of contributing articles may send the same latest by Friday, April 24, 2026 at cs.journal@icsi.edu for May 2026 issue of Chartered Secretary Journal.

All the articles are subject to plagiarism check and will be blind screened. Direct reproduction or copying from other sources is to be strictly avoided. Proper references are to be given in the article either as a footnote or at the end. The rights for selection/rejection of the article will vest with the institute without assigning any reason.

Regards,

Team ICSI

Articles in Chartered Secretary

Guidelines for Authors

1. Articles on subjects of interest to the profession of Company Secretaries are published in the Journal.
2. Each author should submit only one article for respective issue.
3. The article must be original contribution of the author with minimum 85% original content written by the author/s.
4. The article must be an exclusive contribution for the Journal.
5. The article must not have been published elsewhere, and must not have been or must not be sent elsewhere for publication, in the same or substantially the same form.
6. The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants.
7. The article must carry the name(s) of the author (s), designation, professional affiliation, location, e-mail id & PP size photograph on the title page only and nowhere else.
8. The articles go through blind review and are assessed on the parameters such as (a) relevance and usefulness of the article (from the point of view of Company Secretaries), (b) organization of the article (structuring, sequencing, construction, flow, etc.), (c) depth of the discussion, (d) persuasive strength of the article (idea/ argument/articulation), (e) does the article say something new and is it thought provoking, and (f) adequacy of reference, source acknowledgement and bibliography, etc.
9. The copyright of the articles, if published in the Journal, shall vest with the Institute.
10. The Institute/the Editor of the Journal has the sole discretion to accept/reject an article for publication in the Journal or to publish it with modification and editing, as it considers appropriate.
11. The article shall be accompanied by a summary in 150 words and mailed to cs.journal@icsi.edu
12. The article shall be accompanied by a 'Declaration-cum-Undertaking' from the author(s) as under:

Declaration-cum-Undertaking

1. I, Shri/Ms./Dr./Professor..... declare that I have read and understood the Guidelines for Authors.
2. I affirm that:
   a. the article titled"....." is my original contribution and no portion of it has been adopted from any other source;
   b. this article is an exclusive contribution for Chartered Secretary and has not been/nor would be sent elsewhere for publication; and
   c. the copyright in respect of this article, if published in Chartered Secretary, shall vest with the Institute.
   d. the views expressed in this article are not necessarily those of the Institute or the Editor of the Journal.
3. I undertake that I:
   a. comply with the guidelines for authors,
   b. shall abide by the decision of the Institute, i.e., whether this article will be published and/or will be published with modification/editing.
   c. shall be liable for any breach of this 'Declaration-cum-Undertaking'.

Signature

Articles P-43

Articles Part - I

AT A GLANCE

- LW 27:04:2026 It is clear that amounts received by the dependents of the deceased under employer-provided group insurance or other contractual or social security benefits cannot be treated as "pecuniary advantages" liable to be deducted from compensation awarded under the Motor Vehicles Act, 1988. [SC]
- LW 28:04:2026 As regards the issue as to whether the respondent was a workman, a clear finding has been recorded by the Labour Court, as also by the learned Single Judge, that since she was not entrusted with any supervisory duties, she is to be treated as a workman within the meaning of the said term under Section 2(s) of the I.D. Act. [DEL]
- LW 29:04:2026 The Labour Court has considered the documentary evidence and also the testimony of witnesses and on appreciation of this material reached the conclusion that the Respondent was working in connection with the establishment and that he had not been permitted to resume duty after his absence. [BOM]
- LW 30:04:2026 The Commission notes that Informant's allegation of abuse of dominance, does not warrant further examination as OPs have in place a system for refund of tickets and it is possible to have a substantial refundable ticket by passengers if they opt for that category of ticket. [CCI]
- LW 31:04:2026 The crux of the allegation raised by the Informant is that private vehicles without necessary permits are being used by the OP and is of the view that the same falls beyond the purview of the Act. [CCI]
- LW 32:04:2026 We hold that a public charitable trust is deemed irrevocable by operation of law unless the instrument of trust expressly provides a power of revocation. The absence of an explicit irrevocability clause is not a ground for rejecting an application for registration or renewal under Section 12AB of the Act. [BOM]

From The Government P-115

- Advisory for Stakeholders for Name Reservation and Incorporation of Company and LLP
- Corrigendum
- The Companies (Accounting Standards) Amendment Rules, 2026
- Clarification regarding eligibility of members of the Institute of Cost Accountants of India to conduct annual audit of Research Analysts
- Clarification regarding eligibility of members of the Institute of Cost Accountants of India to conduct annual audit of Investment Advisers
- Addendum to SEBI Circular on Borrowing by Mutual Funds
- Ease of doing business measures – Relaxations in certain reporting requirements for certain Stock Brokers and doing away with the requirement of reporting of demat account
- Review of Coverage of Settlement Guarantee Fund for Commodity Derivatives Segment
- Borrowing by Mutual Funds
- Ease of Doing Business – Relaxation in certification requirement for Persons Associated with Research Services (PARS) – Sales and other non-core services
- Introduction of Voluntary Lock-in / Debit freeze facility to Mutual Fund folios
- Regulatory Reporting by AIFs
- Guidelines for Custodians
- NOP-INR position of Authorised Dealers
- Master Direction - Reserve Bank of India (Unique Identifiers in Financial Markets) Directions, 2026
- Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Listing of 02 Entries
- Currency Chest operations on March 31, 2026
- Reserve Bank of India (Rural Co-operative Banks – Financial Statements: Presentation and Disclosures) – Second Amendment Directions, 2026
- Reserve Bank of India (Urban Co-operative Banks – Financial Statements: Presentation and Disclosures) – Third Amendment Directions, 2026
- Reserve Bank of India (Regional Rural Banks – Financial Statements: Presentation and Disclosures) – Second Amendment Directions, 2026
- Reserve Bank of India (Small Finance Banks – Financial Statements: Presentation and Disclosures) – Third Amendment Directions, 2026
- Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2026
- Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1988 (2011) Taliban Sanctions List: Amendment of 22 Entries: UAPA Update 02 of 2026
- Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026
- Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Amendment Directions, 2026
- Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026
- Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026
- Reserve Bank of India (Local Area Banks – Prudential Norms on Declaration of Dividends) Repeal Directions, 2026
- Reserve Bank of India (Payment Banks – Prudential Norms on Declaration of Dividends) Repeal Directions, 2026
- Reserve Bank of India (Setting Up of Wholly-Owned Subsidiaries by Foreign Banks) Amendment Guidelines, 2026
- Reserve Bank of India (Standalone Primary Dealers) Amendment Directions, 2026
- Reserve Bank of India (Asset Reconstruction Companies) Amendment Directions, 2026
- Reserve Bank of India (Mortgage Guarantee Companies) Amendment Directions, 2026
- Implementation of Section 51A of UAPA,1967: Updates to UNSC's 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Delisting of 01 entry

2 ARTICLES

Insolvency 2.0: How Technology, ESG and New-Age Business Models are Reshaping Insolvency Practice in India

The Insolvency and Bankruptcy Code, 2016 (IBC), as it completes a decade of transformative existence, stands at a pivotal inflection point. While the first ten years were marked by foundational institution-building — establishing the National Company Law Tribunal (NCLT), the Insolvency and Bankruptcy Board of India (IBBI), and a robust creditor-driven resolution framework — the next decade will be defined by something far more disruptive: the convergence of technology, Environmental, Social, and Governance (ESG) considerations, and the unique insolvency challenges posed by new-age businesses such as FinTech's, unicorn startups, and platform-economy enterprises. This article, authored from the perspective of a practicing Company Secretary (CS), critically examines this emerging frontier. It argues that the future insolvency professional must evolve from a process facilitator into a strategic advisor — one who is fluent in artificial intelligence-powered resolution tools, ESG-linked valuation models, and the intangible-asset-heavy balance sheets of digital businesses.

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INTRODUCTION

The enactment of the Insolvency and Bankruptcy Code, 2016, was a watershed moment in India's legal and economic history. Before the Code, India's insolvency landscape was a fragmented patchwork of overlapping statutes — the Companies Act, the Sick Industrial Companies (Special Provisions) Act (SICA), the Recovery of Debts Due to Banks and Financial Institutions Act (RDDBFI Act), and the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act (SARFAESI Act) — each operating in silos, often at cross purposes, and consistently delivering delays, under-recoveries, and asset erosion. Resolution, when it happened at all, frequently took a decade or more.

The Code changed all of that. By instituting a time-bound, creditor-driven Corporate Insolvency Resolution Process (CIRP) capped at 330 days (including litigation), and by vesting the adjudicating authority in a single, specialised tribunal — the National Company Law Tribunal (NCLT) — the IBC introduced a degree of certainty and discipline that had long been absent from the Indian credit ecosystem.

Yet, as India's insolvency jurisprudence marks its tenth anniversary in 2026, it is important to acknowledge that the Code — and its practitioners — face a new and far more complex set of challenges. The economy that the IBC was originally designed to service has fundamentally changed. The rise of the digital economy, the proliferation of technology-first businesses, the increasing importance of ESG criteria in investment and lending decisions, and the global integration of supply chains have all conspired to create a new category of distressed entity — one whose value lies not only in physical machinery or real estate, but also in code, algorithms, brand equity, customer data, and regulatory licences. At the same time, the tools available to insolvency professionals have themselves undergone a digital revolution.

This article is premised on a central argument: that the future of insolvency practice in India is not merely a matter of procedural refinement or legislative amendment. It is a matter of professional reinvention. The Company Secretary — by virtue of their unique positioning at the intersection of corporate law, governance, finance, and regulatory compliance — is exceptionally well-placed to lead this reinvention, provided is willing to embrace the technological and conceptual tools that this new era demands.

TECHNOLOGY AS THE NEW INFRASTRUCTURE OF INSOLVENCY PRACTICE

1. Artificial Intelligence and Data Analytics in CIRP

The most transformative technological development in insolvency practice is, without question, the application of artificial intelligence (AI) and machine learning (ML) to the tasks of asset identification, creditor matrix construction, and resolution applicant

evaluation. Traditionally, these tasks — especially in large, multi-entity insolvency matters involving hundreds of creditors and geographically dispersed assets — consumed a disproportionate share of the Resolution Professional's time and resources, often at the expense of the process statutory timeline.

AI-powered tools now offer the possibility of automating significant portions of this work. Natural Language Processing (NLP) algorithms can scan thousands of pages of financial statements, bank account records, and vendor contracts in a matter of hours to identify suspicious transactions, related-party dealings, and preferential payments that might otherwise take months of manual forensic review to uncover. Similarly, graph-analytics tools can map complex webs of corporate ownership and inter-company transactions with a speed and precision that no human team can match.

In the context of the IBC, the practical applications are numerous. AI-assisted asset tracing can significantly improve recovery rates by identifying assets that were fraudulently transferred in the run-up to insolvency — a phenomenon that Section 43 (preferential transactions) and Section 66 (fraudulent trading) of the Code are designed to address. Machine learning models can also be used to predict the likely realisation value of assets under different resolution scenarios, enabling the Committee of Creditors (CoC) to make more informed decisions about the relative merits of competing resolution plans.

Beyond asset tracing and valuation, AI tools are beginning to be deployed in the management of the information memorandum process itself. The Information Memorandum (IM) — the primary document through which the Resolution Professional discloses information about the corporate debtor to prospective resolution applicants — is a complex, multi-dimensional document that must balance comprehensiveness with confidentiality. AI-assisted drafting tools can help Resolution Professionals produce more accurate, consistent, and comprehensive IMs in less time, while automated redaction tools can ensure that commercially sensitive information is appropriately protected before disclosure.

Table 1: Technology Applications Across CIRP Stages

Technology Tool	Application in IBC Process	Stage of CIRP
AI/NLP Document Analysis	Scanning financial records for preferential transactions and fraudulent dealings	Initiation & Investigation
Graph Analytics	Mapping ownership structures and inter-company transactions	Due Diligence
Predictive Valuation Models	Estimating asset realisation under different resolution scenarios	CoC Decision-Making
Blockchain / DLT	Immutable recording of CoC voting and resolution plan terms	Approval & Implementation
E-Voting Platforms	Secure remote voting by Committee of Creditors members	Voting & Approval
AI-Assisted Monitoring	Post-resolution compliance tracking and covenant monitoring	Post-Resolution
NLP-Assisted IM Drafting	Producing accurate and comprehensive information memoranda	CIRP Initiation
Automated Redaction Tools	Protecting commercially sensitive information in IM disclosures	Information Management

2. Blockchain and Distributed Ledger Technology in Resolution Processes

Blockchain technology — or more precisely, distributed ledger technology (DLT) — offers a fundamentally different value proposition in insolvency: the creation of tamper-proof, transparent, and auditable records of every significant decision and transaction in the CIRP. This is particularly relevant in high-value, contested insolvency matters where the integrity of the process is frequently challenged before the NCLT and the National Company Law Appellate Tribunal (NCLAT).

Consider the Committee of Creditors voting process. Under the current framework, CoC meetings are held physically or through video conferencing, with minutes recorded by the Resolution Professional. Disputes about the validity of voting outcomes — including allegations of proxy voting, coercion, or procedural irregularity — are not uncommon in contentious matters. A blockchain-based e-voting system, in which every vote is cryptographically signed by the voting creditor and permanently recorded on an immutable distributed ledger, would eliminate virtually all such disputes. The IBBI has, to its credit, already mandated the use of e-voting for CoC resolutions in many contexts; the next step is to anchor these records to a distributed ledger.

Similarly, the terms of approved resolution plans — which often run to hundreds of pages of detailed operational, financial, and governance commitments — could be encoded as smart contracts on a blockchain, with automatic execution triggered upon the occurrence of specified conditions. This would

transform the notoriously difficult problem of post-resolution plan implementation monitoring, which has been identified by the IBBI and multiple committees as one of the most persistent challenges in the Code's operation, into a largely automated compliance function.

The implementation of DLT in insolvency processes does, of course, require careful attention to questions of legal enforceability, data privacy, and the technical capacity of the institutions involved. Not every NCLT bench currently has the technical infrastructure to interact with a blockchain-based case management system, and not every Resolution Professional has the technical literacy to deploy and manage smart contracts. These are implementation challenges, however, not conceptual objections — and they are challenges that can be addressed through targeted investment in infrastructure and training.

3. Information Utilities: Potential and Persistent Gaps

The Information Utility (IU) framework, established under Chapter IV of the IBC, was conceived as a critical piece of the Code's digital infrastructure. By creating a centralised repository of authenticated financial contracts and debt records, the IU was intended to reduce the information asymmetry between debtors and creditors that had historically been one of the primary causes of insolvency delay. A creditor initiating a CIRP should be able to rely on IU-authenticated records to establish the existence and quantum of her debt without the need for extensive litigation.

> The most transformative technological development in insolvency practice is, without question, the application of artificial intelligence (AI) and machine learning (ML) to the tasks of asset identification, creditor matrix construction, and resolution applicant evaluation.

Expanding mandatory IU registration to cover all financial contracts above a specified threshold, and integrating IU data feeds directly with NCLT case management systems, would represent a significant step forward. Additionally, permitting multiple IUs to compete for registrations — as originally envisaged in the Code — would create competitive pressure to improve the quality and accessibility of IU services.

4. Digital NCLT and the Promise of E-Litigation

The COVID-19 pandemic, whatever its other costs, delivered one significant benefit to India's legal system: it accelerated the adoption of video conferencing and digital filing in the NCLT and NCLAT. The shift to hybrid hearings — combining physical presence with remote participation — has reduced the logistical burden on parties and professionals operating in multiple jurisdictions, and has contributed to a measurable improvement in hearing efficiency in many benches.

The next step in the digitalisation of insolvency adjudication is the development of a comprehensive e-litigation platform for the NCLT — one that integrates digital filing, case tracking, document management, and hearing scheduling into a single, interoperable system. Several High Courts in India have made significant progress in this direction through the e-Courts initiative, and the lessons learned from these implementations should inform the development of a comparable platform for the NCLT.

For Company Secretaries operating as IPs or as advisors to parties in CIRP proceedings, the digitalisation of NCLT processes will require an investment in digital literacy that goes beyond familiarity with video conferencing software. Understanding how to navigate e-filing systems, how to manage large document databases, and how to present complex financial and technical evidence in a digital format are skills that will become increasingly essential.

ESG AND INSOLVENCY: AN INTERSECTION THAT CAN NO LONGER BE IGNORED

1. The ESG Imperative in Corporate Distress

Environmental, Social, and Governance (ESG) considerations have moved from the periphery to the centre of corporate finance in the course of the last decade. Institutional investors, international lenders, and ratings agencies now routinely incorporate ESG metrics into their credit assessments and investment decisions.

The IBC was designed, first and foremost, as a creditor-protection statute. Its overriding objective is the maximisation of asset value and the minimisation of creditor losses within a defined timeline. ESG considerations, which may require the assumption of significant cleanup costs, the imposition of ongoing environmental obligations, or the maintenance of employment at commercially sub-optimal levels, can appear, at first glance, to be in tension with this objective. But this tension is, in large measure, illusory.

The empirical evidence from more mature insolvency jurisdictions strongly suggests that resolution plans that ignore ESG liabilities do not, in fact, maximise creditor value. Unaddressed environmental liabilities — contaminated land, pending pollution control board orders, pending environmental impact assessment violations — represent contingent financial claims that can significantly erode the value of the resolved entity in the post-resolution period. A resolution plan that sweeps these liabilities under the carpet may achieve a superficially attractive headline number in the short term, but expose the resolution applicant (and, through covenant obligations, the financial creditors) to substantial losses thereafter.

2. Judicial Evolution: Can a Resolution Plan Ignore Environmental Dues?

The question of how environmental and statutory dues are treated under the IBC's priority waterfall has generated significant jurisprudence. The landmark judgment in Supreme Court of India on Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta & Ors. (2019) established that the CoC has the commercial wisdom to determine the manner of distribution of resolution plan proceeds, subject to the requirement that financial creditors receive at least as much as they would in a liquidation scenario. This judgment, while significant, did not directly address the treatment of environmental liabilities.

The more pointed question — whether a resolution applicant can take over a company free of its environmental liabilities — has been addressed, in different contexts, by the National Green Tribunal (NGT) and various High Courts. The emerging judicial consensus is that environmental liabilities cannot simply be extinguished by the approval of a resolution plan under the IBC. The principle of *polluter pays*, which is a cornerstone of India's environmental jurisprudence, does not easily yield to the commercial imperatives of insolvency resolution. The NGT has, on multiple occasions, held resolution applicants and post-resolution management liable for environmental cleanup costs incurred by the corporate debtor prior to the CIRP.

This body of jurisprudence has important practical implications for the design of resolution plans and for the due diligence conducted by prospective resolution applicants. A resolution applicant who fails to identify and price in the corporate debtor's environmental liabilities before submitting a resolution plan may find themselves bound by a plan that is commercially unviable once those liabilities crystallise. Conversely, a resolution applicant who conducts thorough environmental due diligence — and who structures their resolution plan to address environmental liabilities in a credible and cost effective manner — is better positioned both commercially and legally.

Table 2: ESG Dimensions and Their Relevance in the IBC Framework

ESG Dimension	Relevance in IBC Context	Key Risk / Opportunity
Environmental Liabilities	Pollution cleanup orders, NGT dues, contaminated site remediation	Contingent financial claims eroding post-resolution value
Social — Employment	Workmen's dues priority under Section 53; workforce retention in resolution plan	Social licence to operate; reputational risk for resolution applicants
Social — Supply Chain	Vendor and operational creditor treatment in resolution plan	Supply chain disruption post-resolution
Governance — Transparency	CoC voting integrity; Resolution Professional independence	Litigation risk; IBBI enforcement action
ESG Due Diligence	Pre-bid ESG assessment by resolution applicants	Value discovery; avoiding post-acquisition liability surprises
Green Financing	ESG-linked resolution financing structures	Access to lower-cost capital for resolution applicants

3. ESG as a Value Driver in Distressed M&A

Sophisticated resolution applicants — particularly private equity funds and strategic acquirers with long-term value creation mandates — have begun to recognise ESG as a value driver, not merely a cost. A distressed manufacturing company with significant brownfield land assets may be worth considerably more to an acquirer who can monetise carbon credits generated by a remediation and renewable energy programme than to one who simply intends to restart the existing operations.

Similarly, the social dimension of ESG — specifically, the treatment of workers and local communities — has direct implications for the operational viability of the resolved entity. A resolution plan that retains key management talent, honours employment commitments, and maintains community relationships is far more likely to succeed than one that prioritises short-term financial engineering at the expense of the human capital that makes the business run.

For Company Secretaries advising on insolvency matters, the practical implication is clear: ESG due diligence must be integrated into the resolution plan design process from the very beginning, not bolted on as an afterthought. This means commissioning independent ESG assessments of the corporate debtor's operations, liabilities, and stakeholder relationships as part of the information memorandum preparation process, and ensuring that these assessments are made available to all prospective resolution applicants.

The integration of ESG considerations into insolvency practice also creates new opportunities for value-added advisory work by CS professionals. The SEBI-mandated Business Responsibility and Sustainability Reporting (BRSR) framework, which requires listed companies to disclose detailed ESG metrics, provides a structured vocabulary for ESG risk assessment that

can be adapted for use in the insolvency context. A CS who is fluent in BRSR and can translate ESG disclosures into insolvency-relevant risk assessments is providing a service that very few other professionals can match.

NEW-AGE BUSINESSES: UNIQUE INSOLVENCY CHALLENGES

1. The Intangible-Asset Problem

The IBC's insolvency resolution process is, at its core, designed around the premise that the corporate debtor has tangible assets — plant, machinery, real estate, inventory — whose value can be independently assessed, attached, and realised. The Code's liquidation cascade, the valuation framework established by the IBBI's regulations, and the security interest priority regime of Section 52 all reflect this underlying assumption.

For a fintech company, a Software-as-a-Service (SaaS) startup, or a consumer internet platform, the most valuable assets are almost never tangible. They are the source code, the algorithmic models, the customer data, the brand, the regulatory licenses, and the network effects that accrue from having a large and engaged user base. These assets are notoriously difficult to value independently of the business that uses them — a customer database that is worth hundreds of crores of rupees to a going concern may be worth little or nothing in isolation, because the value lies in the relationship, not the data itself.

The resolution professional in a technology company CIRP faces a specific challenge that has no real parallel in traditional manufacturing insolvencies: the risk that the company's key employees — whose knowledge, relationships, and skills are the primary source of the business's value — will simply leave the moment the CIRP is initiated. Unlike a blast furnace, a software platform cannot be maintained and operated by a caretaker management team with no domain expertise. This human capital flight problem is one of the most important unresolved challenges in technology insolvency practice.

2. Fintech and NBFC Insolvencies

A fintech company that holds an NBFC license from the RBI and simultaneously operates a payment gateway, a wealth management platform, and a data analytics business is subject to multiple, insolvency frameworks. If the corporate entity holding all of these businesses were to enter CIRP, the resolution of the NBFC component would technically require the RBI's approval under Section 45-IE of the RBI Act — a requirement not easily reconciled with the IBC's statutory timeline.

The IBBI and the RBI have taken some steps to address this overlap through circulars and coordination protocols, but a comprehensive statutory framework is required for the insolvency of financial intermediaries that are subject to prudential regulation. For Company Secretaries advising fintech boards, this regulatory uncertainty represents both a significant risk management challenge and a professional opportunity — the ability to navigate cross-regulatory insolvency landscapes is a skill set that will be in increasing demand as the fintech sector matures and consolidates.

3. Data Assets, Customer Data, and Intellectual Property in Resolution

Under the Digital Personal Data Protection Act, 2023 (DPDPA), individuals have significant rights over their personal data, including the right to consent to its processing and the right to its deletion. When a corporate debtor that holds a large customer database enters CIRP, what happens to those data rights? Can the Resolution Professional continue to process the customer data in the ordinary course of business during the CIRP? Can the resolution applicant acquire the customer database as part of the resolution plan without obtaining fresh consent from every data subject?

These are not merely theoretical questions. They have direct practical implications for the valuation of digital businesses in insolvency. A resolution applicant who can legally acquire and use the customer database of a distressed e-commerce company will pay significantly more for the business than one who cannot. Conversely, a resolution applicant who acquires the business without a clear understanding of its data compliance posture may find themselves facing regulatory action from the Data Protection Board of India in the post-resolution period.

THE ROLE OF THE COMPANY SECRETARY IN THIS NEW LANDSCAPE

1. The CS as Insolvency Professional: An Evolving Canvas

Company Secretaries are recognised as Insolvency Professionals (IPs) under the IBC, eligible to be registered with the IBBI either individually or as members of an Insolvency Professional Entity (IPE). In this capacity, a CS can serve as Resolution Professional (RP), Liquidator, or Bankruptcy Trustee — roles that place them at the very centre of the insolvency resolution process, with fiduciary obligations to all stakeholders and the statutory authority to manage the corporate debtor's affairs during the CIRP.

The changing nature of insolvency practice has significant implications for how CS professionals operating as IPs discharge these functions. A CS serving as RP in the insolvency of a fintech company must today grapple with questions that would have been unimaginable to the drafters of the IBC in 2016: How does one preserve the value of an algorithmic

lending model during a CIRP when the data scientists who built it have resigned? How does one manage the RBI's supervisory oversight of a regulated NBFC subsidiary while simultaneously managing the CIRP of the parent entity? How does one ensure that customer data is processed in compliance with the DPDPA during the moratorium period?

Addressing these questions, require a combination of legal acumen, technological literacy, regulatory intelligence, and business judgment that represents a significant expansion of the traditional CS skill set.

It is also worth noting that the CS professional's governance expertise — the ability to design, implement, and monitor compliance frameworks — is directly relevant to the implementation monitoring challenge that has dogged the IBC since its inception. A CS serving as a post-resolution plan implementation monitor (a role that the IBBI regulations expressly contemplate) brings to that role a depth of governance and compliance expertise that is genuinely distinctive. The CS who can design a robust implementation monitoring framework — combining contractual covenants, regulatory reporting, and technology-enabled compliance tracking — is delivering value that goes well beyond mere process management.

2. The CS as Governance Advisor: Early Warning and Pre-Insolvency Restructuring

The most valuable contribution that a Company Secretary can make to their client's insolvency-related interests is often made before the insolvency begins. The CS, by virtue of their ongoing relationship with the board of directors, their intimate knowledge of the company's governance structures and compliance posture, and their access to the full spectrum of the company's financial and operational data, is uniquely positioned to identify early warning signs of financial distress and to advise the board on proactive restructuring options before the situation deteriorates to the point of insolvency.

The concept of 'wrongful trading' — reflected in Section 66 of the IBC, which imposes personal liability on directors and partners who knowingly carry on business with intent to defraud creditors — has significant implications for how boards should respond to early signs of distress. A board that is alerted at an early stage to deteriorating financial metrics — rising debt-to-equity ratios, covenant breaches, cash flow shortfalls, adverse credit rating actions — and that takes timely, documented steps to address these issues is in a far better position, legally and commercially, than one that buries its head in the sand until the filing of a Section 7 or Section 9 application.

This early warning and pre-insolvency advisory function is particularly important in the context of new-age businesses, which are characterised by rapid growth, high cash burn rates, and valuation multiples that are sensitive to both market sentiment and regulatory developments. A startup that raises a Series C round at a billion-dollar valuation one year may find itself unable to raise its next tranche of funding two years later — not because its underlying business model has changed, but because the macro-financing environment has shifted. For such a company, the difference between a successful operational restructuring and a value-destroying CIRP may be a matter of weeks — and the CS who identifies the inflection point and advises the board to act decisively is, literally, saving the enterprise.

3. The CS and ESG-Linked Distress Advisory

A particularly important and underexplored aspect of the CS's role in the new insolvency landscape is the integration of ESG risk assessment into the early warning function. Companies that carry significant unquantified or undisclosed ESG liabilities — including environmental cleanup obligations, pending regulatory investigations, or material governance deficiencies — are, ceteris paribus, at greater risk of financial distress than those with clean ESG profiles. This is not merely because of the direct financial impact of these liabilities, but because institutional lenders and investors are increasingly unwilling to extend credit or capital to companies with poor ESG credentials.

The CS's existing mandate under the Companies Act, 2013 — including responsibility for regulatory compliance, secretarial audits, and board-level governance advisory — provides a natural platform for the integration of ESG risk monitoring. A CS who develops competency in ESG frameworks (such as the BRSR framework mandated by SEBI for listed companies, or the ISSB standards for globally-oriented enterprises) and who is capable of identifying the financial implications of ESG exposures can provide genuinely distinctive value to boards navigating the complex intersection of financial and non-financial risk.

4. Upskilling Imperatives: Technology Literacy for the Modern CS

The foregoing analysis converges on a single, non-negotiable conclusion: the Company Secretary of the future must be technologically literate. This does not mean that every CS must become a software engineer or a data scientist. It means that a practicing CS must have a sufficient understanding of how AI, machine learning, blockchain, and data analytics tools work — and, critically, of their limitations — to be able to commission them intelligently, interpret their outputs critically, and advise clients and adjudicating authorities on their appropriate use in the insolvency context.

REFORM AGENDA

The pre-packaged insolvency resolution process (PPIRP), introduced by the IBC (Amendment) Act, 2021 for Micro, Small and Medium Enterprises (MSMEs), offers a promising template for adaptation to the technology sector. The PPIRP's combination of pre-negotiated resolution plans, compressed timelines, and minimal operational disruption is well-suited to the needs of technology companies, whose value is acutely sensitive to the reputational and operational disruptions associated with a public CIRP. Expanding the PPIRP framework to cover early-stage and mid-stage technology companies — perhaps calibrated by asset size or employee count rather than by the existing MSME eligibility criteria — should be considered as a matter of priority.

CONCLUSION

The Insolvency and Bankruptcy Code, 2016 as it enters its second decade, faces challenges that are qualitatively different from those it has navigated in its first. The first decade was about establishing the framework — building the NCLT, the IBBI, and the insolvency professional ecosystem; developing the jurisprudence; and embedding the culture of credit discipline that the Code was designed to promote. These are not trivial achievements. The significant improvement in India's ranking on the World Bank's 'Resolving Insolvency' indicator in the years following the Code's enactment is a testament to the transformative impact of this foundational work.

The second decade will be about: making the framework fit for the economy that is rapidly changing its character. An economy in which the most valuable companies are built on data, algorithms, and network effects rather than physical capital. An economy in which the long-term sustainability of business is inseparable from its environmental and social performance. An economy in which the boundaries between financial services and technology are dissolving, creating new categories of systemic.

The professional evolution — the transformation of the Company Secretary from a process facilitator into a strategic insolvency advisor requires — the CS community to make a sustained and deliberate investment in new knowledge, new skills, and new ways of thinking about the relationship between corporate governance, financial health, and sustainable value creation.

The Company Secretaries who understands this shift — who are willing to invest in the technology literacy, the ESG competency, and the cross-disciplinary judgment that this new environment demands — are not merely keeping pace with professional change, but they also positioning themselves as an indispensable architect of the next phase of India's credit and insolvency ecosystem. That is an opportunity worth seizing, and a responsibility worth honouring.

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IBC at a Decade: Achievements, Shortcomings and Reform Agenda

Ten years after its introduction, the Insolvency and Bankruptcy Code (IBC) has become one of India's most important economic reforms. It has changed the way lenders and borrowers deal with financial stress, brought discipline into credit markets, and created a structured process for resolution for distressed companies. Yet, the journey has not been smooth. While some large cases have delivered impressive recoveries, delays, high haircuts, and frequent liquidations continue to raise concerns. This article takes a grounded look at IBC's achievements and future direction as India moves into its next phase of growth.

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INTRODUCTION

Before 2016, resolving financial distress in India was a long and frustrating process. Multiple laws govern insolvency, creating complexity. Cases dragged on for years, lenders recovered only a fraction of their dues, and promoters often retained control even after defaulting. By the time a resolution was reached, the value of the business had usually eroded significantly.

The Insolvency and Bankruptcy Code, 2016 changed this landscape. It brought all insolvency-related provisions under one law and introduced a clear, time-bound process. More importantly, it shifted control from defaulting promoters to creditors. Once a company entered insolvency, lenders took charge and decided its future—whether revival or liquidation.

This change was not just legal; it was cultural. For the first time, default carried real consequences. Borrowers knew that failure to repay could mean losing control of their company. That, in itself, changed behaviour across the system.

IBC ACHIEVEMENTS

1. Better Recovery than Before

One of the clearest improvements under the IBC has been in recovery rates. Before the Code, lenders were often recovering barely 20–25% of their dues. With the IBC, average recoveries have moved closer to 30–35%. While this is still not ideal, it represents a meaningful improvement.

More importantly, in some large cases, recoveries have been much higher. This shows that when the process works well—when there are serious bidders and the business still has value—the IBC can deliver strong outcomes.

2. A Shift in Credit Discipline

Perhaps the biggest success of the IBC is not what happens inside the courtroom, but outside it. The fear of losing control has made many promoters more willing to settle dues early. Banks have also become more proactive in identifying stress and initiating action.

A large number of cases are resolved even before they formally enter insolvency proceedings. This "deterrence effect" is difficult to quantify but widely acknowledged as one of the Code's most important contributions.

3. Creation of an Insolvency Ecosystem

The IBC has also led to the creation of an entirely new ecosystem. Insolvency professionals, resolution applicants, and distressed asset investors have become active participants in the market. Institutions such as the National Company Law Tribunal (NCLT) and the Insolvency and Bankruptcy Board of India (IBBI) have played central roles in building this framework.

Over time, a market for distressed assets has begun to take shape, attracting both domestic and global investors.

4. Decreasing trend of Cases going into Liquidation post IBC

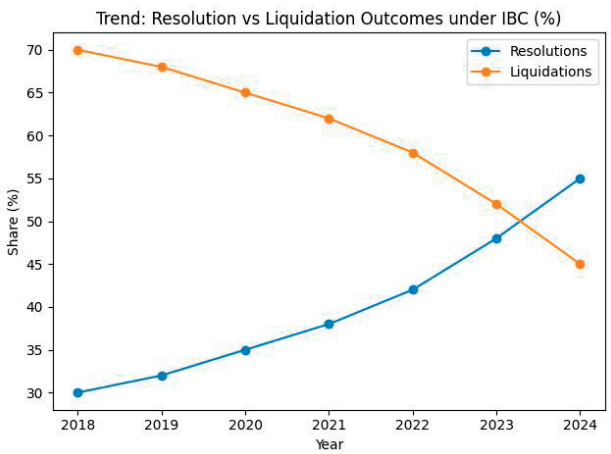
In the early years of the IBC, liquidation was often the default outcome. Many of the cases admitted into the process were legacy stress accounts—companies that had already deteriorated beyond revival by the time they reached the tribunal. For such firms, liquidation was less a choice and more an inevitability.

However, as the system has matured, a gradual but noticeable shift has emerged.

In the initial phase (2017–2019), a large proportion of admitted cases ended in liquidation. This was partly due to the backlog of deeply distressed assets and partly because the ecosystem—resolution professionals, bidders, and lenders—was still finding its footing. There was limited investor appetite, valuation processes were evolving, and uncertainty around legal interpretations often delayed outcomes.

Over time, this trend has begun to change. With increased familiarity, better information flows, and growing participation from strategic and financial investors, more companies are now being resolved rather than liquidated. Lenders have also become more proactive in initiating insolvency proceedings at an earlier stage, when the underlying business still retains value. This has improved the chances of successful resolution.

Figure 1: Resolution vs Liquidation Trend



The data reflects this transformation. Over successive years, the share of resolved cases has increased, while liquidation has gradually reduced as a proportion of total outcomes. This indicates that the IBC is increasingly being used not just as a recovery mechanism, but as a tool for business revival and value maximisation.

Importantly, this trend also signals improved alignment with the fundamental objective of modern insolvency frameworks to keep economically viable firms as going concerns. By facilitating ownership change and operational restructuring, the IBC is enabling distressed assets to be redeployed productively within the economy.

In essence, the declining trend in liquidation underscores the growing effectiveness of the IBC ecosystem. It reflects a system that is learning, adapting, and moving closer to its intended purpose—ensuring that financial distress leads not necessarily to closure, but to renewal and continuity.

By facilitating ownership change and operational restructuring, the IBC is enabling distressed assets to be redeployed productively within the economy.

PERFORMANCE TRENDS: INDIA VS. GLOBAL BENCHMARKS

To understand where India stands, it is useful to compare its performance with other countries. According to the World Bank's *Doing Business 2020* data, countries like the United States and the United Kingdom achieve recovery rates of over 80% and resolve cases within a year. In contrast, India's recovery rate before the IBC was just 26.4%, and cases took more than four years on average.

The IBC has improved this situation. Recovery rates are now around 30–35%, and timelines have reduced.

Countries such as Singapore and Japan perform even better, with high recovery rates and faster resolutions. The difference lies not just in the law, but in how efficiently the system functions—how quickly cases move, how early companies enter the process, and how strong the supporting institutions are.

REVIVAL STORIES

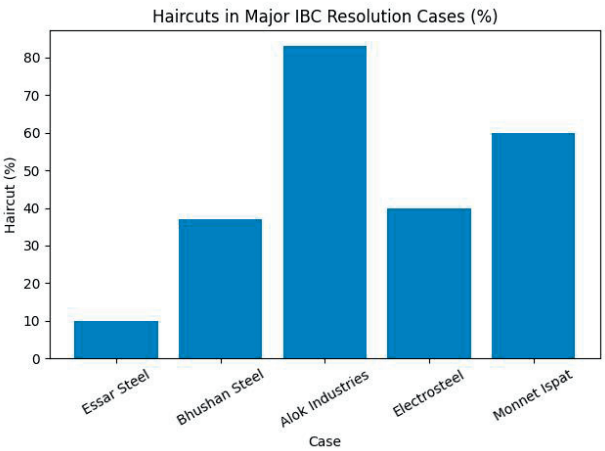
The real test of any insolvency framework is whether it can revive businesses, not just close them down. On this front, the IBC has had some notable successes.

The resolution of Bhushan Steel, acquired by Tata Steel, is often cited as an early success. The company was heavily indebted, but under new management, it was turned around, and lenders recovered a significant portion of their dues.

The Essar Steel case is perhaps the most prominent example. Acquired by ArcelorMittal after a long legal battle, it resulted in recovery levels close to 90%. It also helped settle important legal questions, especially around how proceeds should be distributed among creditors.

Other cases, such as Electrosteel Steels, Monnet Ispat, and Alok Industries, show that even deeply stressed companies can be revived (with high haircuts) if there is investor interest and the process is handled well. Below chart shows the haircuts in major cases.

Figure 2: Haircuts in Major IBC Cases



Note: - Haircut refers to the reduction or waiver in the total amount of debt that creditors agree to accept to resolve a company's insolvency. The size of the haircut is decided by the **Committee of Creditors (CoC),** which has the "commercial wisdom" to approve or reject resolution plans.

These cases highlight what IBC can achieve at its best.

LEARNING FROM GLOBAL PRACTICES

Countries with effective insolvency systems share some common features.

1. First, they encourage early intervention. Companies enter restructuring before their situation becomes critical. This increases the chances of revival.

2. Second, they have efficient judicial systems that can handle cases quickly. Delays are minimized, and decisions are predictable.

3. Third, they allow a degree of flexibility. For example, in the United States, companies can continue operating under management while restructuring, which helps preserve value.

THE WAY FORWARD: REFORM AGENDA

Reducing Delays

- A time-bound process lies at the heart of the IBC, but delays continue to dilute its effectiveness. The next phase of reform must focus on restoring strict adherence to timelines. This requires both institutional strengthening and procedural discipline. Increasing the capacity of adjudicating authorities through additional benches and timely appointments is essential. At the same time, better case management systems and greater use of technology can help track progress and avoid unnecessary adjournments. A system that moves predictably and within defined timelines will preserve value and reinforce confidence among stakeholders.

- **Promoting Early Identification of Stress**

  One of the recurring challenges under the IBC is that many companies enter the process at a stage when revival becomes difficult. Addressing financial stress earlier can significantly improve outcomes. Strengthening pre-insolvency frameworks is therefore critical. Mechanisms that encourage lenders and borrowers to engage in restructuring discussions before formal proceedings begin can prevent value erosion. Early warning systems, better credit monitoring, and proactive lender action can ensure that distress is identified and addressed in time. The broader objective should be to shift from reactive resolution to preventive intervention.

- **Enhancing Resolution over Liquidation**

  While liquidation remains an important exit route, the emphasis of the insolvency framework should increasingly be on resolution and business continuity. A stronger focus on attracting resolution applicants and exploring restructuring options can help preserve viable enterprises. Improving the design

and transparency of the bidding process is key in this regard. Timely dissemination of information, realistic valuation practices, and wider investor participation can lead to more competitive bids and better outcomes. A system that prioritises revival not only maximises value for creditors but also protects employment and productive capacity in the economy.

- **Improving Value Realisation and Reducing Haircuts**

  High haircuts in certain cases have raised concerns about value erosion during the insolvency process. While losses are inevitable in distressed situations, improving value realisation should remain a key objective. This can be achieved through better asset preservation, more robust valuation practices, and increased competition among bidders. Ensuring that businesses continue to operate efficiently during the resolution process can also prevent further deterioration in value. Greater coordination among creditors and more informed decision-making can further contribute to balanced and commercially sound outcomes.

- **Building Institutional and Professional Capacity**

  The effectiveness of the IBC depends heavily on the strength of its ecosystem. Over the past decade, insolvency professionals, valuers, and legal experts have played a crucial role in shaping outcomes. However, as the system evolves, there is a need for continuous capacity building. Regular training, standard-setting, and performance monitoring can enhance the quality of professional services. Strengthening oversight mechanisms and ensuring accountability will also help maintain high standards. A robust and credible ecosystem is essential for sustaining confidence in the insolvency framework.

- **Introducing a Comprehensive Cross-Border Framework**

  In an increasingly globalised economy, financial distress often involves assets and creditors spread across jurisdictions. The absence of a comprehensive cross-border insolvency framework can create uncertainty and delays in such cases. Adopting internationally aligned principles can facilitate better coordination between jurisdictions and improve the efficiency of resolution processes. A clear and predictable framework for cross-border insolvency will not only address current gaps but also enhance India's position as a reliable investment destination.

- **Leveraging Technology and Data Systems**

  Technology can play a significant role in improving the efficiency and transparency of the insolvency process. Digitisation of case records, online submission of documents, and real-time tracking of case progress can reduce procedural delays. The use of data analytics can also help in early identification of stress and better decision-making by creditors. A more technology-driven approach can address information asymmetry and bring greater clarity to all stakeholders involved in the process.

- **Moving from Framework to Efficiency**

  The first decade of the IBC was about building a comprehensive legal framework. The next decade must focus on making that framework work efficiently in practice. This involves improving execution, reducing delays, and ensuring consistent outcomes across cases. The emphasis should now be on operational excellence rather than structural overhaul. If these reforms are implemented effectively, the IBC can evolve into a system that not only resolves distress but does so in a timely, predictable, and value-maximising manner.

CONCLUSION

Ten years on, the Insolvency and Bankruptcy Code has clearly made a difference. It has improved recoveries, changed borrower behaviour, and created a structured process for dealing with financial distress. In many ways, it has succeeded in doing what it set out to do. At the same time, challenges remain. The next phase of reform must focus on making the system faster, more efficient, and more consistent.

The IBC has laid a strong foundation. The task now is to build on it—so that resolving stress in India becomes not just possible, but reliable and timely.

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Role of Company Secretaries in Insolvency Ecosystem

Company Secretaries (CS) sit at the confluence of governance, law, disclosures, and board processes—the very competencies that the Insolvency and Bankruptcy Code, 2016 (IBC) expects from those who administer corporate distress. This article examines the role of Company Secretaries and their scope for growth as Insolvency Professionals. Regulation 5 of IBBI (Insolvency Professionals) Regulations, 2016, which prescribes the qualification and experience requirements for becoming an IP professional, is discussed.

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INTRODUCTION

Company Secretaries bring a unique combination of legal, governance, compliance, process management, documentation, and stakeholder-handling expertise, making them ideally suited for various functions under the Insolvency and Bankruptcy Code, 2016 (IBC) and not just the corporate law & secretarial matters. Whether they operate as Insolvency Professionals (IPs), Process Advisors, Compliance Managers, Liquidators, Valuation Coordinators, or Corporate Governance Specialists, Company Secretary professionals contribute significantly to the quality, transparency, and efficiency of insolvency proceedings.

Company Secretaries (CS) sit at the confluence of governance, law, disclosures and board processes—the very competencies that the Insolvency and Bankruptcy Code, 2016 (IBC) expects from those who administer corporate distress.

The Code's design makes Insolvency Professionals (IPs) the process fiduciaries. Company Secretaries can become IPs by registering with IBBI under Section 207 of the IBC, while their qualifications and examinations are prescribed by IBBI through regulations, especially Regulation 5 of the IBBI (Insolvency Professionals) Regulations, 2016, acting under the Board's power in Section 196(1)(aa) to set eligibility standards.

THE LEGAL DOORWAY: HOW A COMPANY SECRETARY BECOMES AN INSOLVENCY PROFESSIONAL

Section 206 & 207 of the Insolvency and Bankruptcy Code, 2016 (IBC) requires that no person shall render his services as Insolvency Professional (IP) unless enrolled as a member of an Insolvency Professional Agency (IPA) and registered with the Insolvency and Bankruptcy Board of India (IBBI). In other words, the Act itself opens the gate through registration; it does not list the professions by name.

Section 196(1)(aa) empowers IBBI to lay down standards for eligibility and qualifications for insolvency professionals, following which the Board framed the IBBI (Insolvency Professionals) Regulations, 2016.

Regulation 5 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 provides for "Qualifications and Experience" recognises multiple eligibility routes, including Company Secretaries with at least 10 years' experience, subject to the candidate passing the Limited Insolvency Examination (LIE), completing the Pre-Registration Educational Course (PREC) through an IPA, and fulfilling other onboarding conditions.

Regulation 5: Analysis

The individual:

(a) has to pass the Limited Insolvency Examination (LIE) within 24 months from the date of application of enrolment as IP with the IPA; and

(b) has to complete the pre-registration educational course (PREC) within 12 months from the date of payment of non-refundable application fee from an insolvency professional agency after his enrolment as a professional member; and

(c) has –

(i) competed the National Insolvency Programme;

(ii) completed the Post-Graduate Insolvency Programme;

(iii) experience of –

(a) 10 years in the field of law, after receiving a Bachelor's degree in law; or

(b) ten years in management, after receiving a Master's degree in Management or two-year full-time Post-Graduate Diploma in Management; or

(c) fifteen years in management, after receiving a Bachelor's degree, from a university established or recognised by law or an Institute approved by All India Council of Technical Education; or

(iv) ten years' of experience as –

(a) CA registered as a member of the Institute of Chartered Accountants of India,

(b) CS registered as a member of the Institute of Company Secretaries of India,

(c) CMA registered as a member of the Institute of Cost Accountants of India, or

(d) advocate enrolled with the Bar Council.

For calculating the experience of 10/15 years, an individual can club the experience mentioned in clause (iii) & (iv) {as per the explanation & illustration provided under regulation 5}.

THE CS SKILLSET IS NATURALLY ALIGNED WITH THE IBC

Process fiduciary & governance steward: A Resolution Professional's (RP) first duty is to preserve the corporate debtor (CD) as a going concern and run a predictable, transparent process. CS training in board processes, statutory registers, minute-crafting, and disclosure control is directly portable to IBC—where notice discipline, meeting conduct, voting records, and clean paper trails decide whether plans survive appellate scrutiny. ICSI's curriculum and certificate courses emphasise these granular, practice-side aspects of CIRP and liquidation.

Ethics & independence: The IP's conduct is regulated by the First Schedule Code of Conduct under the IP Regulations—integrity, independence, timeliness, information management, avoidance of conflicts, restrictions on gifts, and clarity around remuneration. CS professionals are already steeped in similar codes; the IPA codes (ICSI IIP/IIIPI/IPA-ICMAI) mirror the IBBI code.

Documentation density & statutory hygiene: Insolvency practice is admin-heavy—proof of debt collation, Section 29A diligence records, information memorandum (IM) structure, challenge mechanisms, compliance with circulars and forms. CS are trained to be compliance "systems"—setting calendars, checklists, and repositories that keep the process on rails. IBBI's frequent circulars (e.g., revised CIRP/liquidation forms, use of e-auction platforms) must be tracked and implemented; CS can do that at scale.

> A CS-IP can preempt issues by preparing an "ESG Annexure" to the IM, attracting capital that increasingly prices ESG into lending and investment choices.

ROLES CS-IPs PLAY ACROSS THE INSOLVENCY LIFECYCLE

(A) In Corporate Insolvency Resolution Process (CIRP)

- **IRP/RP leadership:** Take over the management of the CD upon admission, public announcement, receive and verify claims, constitute the CoC, run the CD as going concern, float Form-G, manage EOIs, coordinate site visits/data rooms, lay evaluation matrices, present and vet resolution plans against Section 30(2), conduct CoC meetings, and file Section 30(6) approval. ICSI's material breaks down these activities and the associated artefacts (IM, minutes, notices, compliance calendars).
- **Process integrity:** Rigorous minute-crafting, resolution and vote logs, and clarity in challenge mechanism and tie-breakers. CS training is directly relevant here.
- **Section 29A diligence:** While CoC has the commercial say, tribunals expect the RP to conduct careful eligibility checks—recent case summaries note courts insisting on substantive diligence rather than mechanical reliance on affidavits.

When acting as Insolvency Professionals (IRP/RP), Company Secretaries oversee the entire resolution process from commencement to submission of the resolution plan. Their responsibilities include:

1. Taking Control of the Corporate Debtor (Section 17 & 18 duties)

A CS-IRP must immediately:

- Take over the management of the corporate debtor (CD).
- Collect and protect all assets and records of the CD.
- Access and take custody of statutory registers, minutes, policies, contracts, and compliance records.
- Secure financial, legal, HR, and operational documentation.
- Ensure business continuity.

Company Secretaries are trained in regulatory records, minute books, registers, and secretarial documentation—making the transition smooth.

2. Public Announcement & Claim Verification (Reg. 6, 13, 14)

A CS-IRP prepares and publishes the statutory public announcement and manages the claims process:

- Creating formats for claims (Form B, C, CA, etc.).
- Verifying claims through documentary evidence.
- Maintaining an updated "List of Creditors".
- Communicating with operational creditors, homebuyers, employees, and government authorities.

CS expertise in documentation and regulatory scrutiny makes them naturally strong in claim verification.

3. Constitution & Management of the Committee of Creditors (CoC)

A major portion of RP work is CoC governance, including:

- Constitution of CoC based on verified claims.
- Issuing notices, agendas, and minutes (with strict statutory requirements).
- Conducting CoC meetings professionally and neutrally.
- Managing e-voting processes.
- Preparing detailed voting records and noting dissent.

This mirrors the CS core skillset—agenda-setting, minute-writing, board secretarial functions, and decision documentation.

4. Preparation of Information Memorandum (IM)

The IM is central to the resolution process. A CS-RP must:

- Compile financial, legal, tax, litigation, operational, and asset data.
- Gather various certificates (PAN, GST, PF, ESI, pollution compliances).
- Disclose contingent liabilities.
- Maintain confidentiality through NDAs.
- Coordinate with valuers for fair value and liquidation value.

CS familiarity with company law disclosures, listing regulations, due diligence, and corporate documentation ensures that the IM is complete and compliant.

5. Invitation of Resolution Plans (Form-G)

CSRPs handle:

- Drafting and publishing Form-G.
- Managing EOI (Expression of Interest) submissions.
- Running data rooms and due diligence.
- Ensuring non-discriminatory access to information.
- Preparing evaluation matrices.

6. Evaluation and Vetting of Resolution Plans

A CS-RP must check that plans comply with Section 30(2) requirements, including:

- Payment of CIRP costs.
- Treatment of operational creditors.
- Management and control structure.
- Compliance with law (Companies Act, FEMA, SEBI, tax laws).
- Section 29A eligibility checks.

Company Secretaries, being governance and compliance experts, are best suited to perform this legal vetting.

7. Filing for Approval of Resolution Plan (Section 30(6) & 31)

The CS-RP prepares:

- Application to NCLT.
- All supporting documents.
- Compliance certificates.
- Summaries of CoC decisions.
- Timelines and process adherence reports.

Their precision in compliance filings helps to avoid NCLT observations that delay approvals.

(B) In Pre-Packed Insolvency Resolution Process (PPIRP)

PPIRP is designed for MSMEs, and involves a debtor-in-possession model with creditor oversight. CS play a vital role in:

1. Pre-Initiation Stage

- Advising the CD on preparing a Base Resolution Plan (BRP).
- Ensuring statutory requirements like:
  - Special resolution by shareholders.
  - Approval from unrelated financial creditors (66%).
- Preparing all necessary declarations and documents.

2. As the RP during PPIRP

The CS-RP:

- Confirms constitution of CoC.
- Runs a faster, disclosure-based process.
- Places BRP before CoC.
- Invites competing plans if BRP is inadequate.
- Ensures compliance with timelines (120 days).

PPIRP requires high compliance accuracy and documentation discipline—areas CS excel in.

3. Comparison with CIRP

PPIRP has tighter timelines and greater reliance on clean disclosures, making CS ideally suited because of their training in governance, secretarial audit, and legal compliance.

(C) In Liquidation (as Liquidator or Process Manager)

- **Liquidation estate:** Form the estate, invite and verify claims, and realise assets transparently and fairly; distribution under Section 53 waterfall; and dissolution.
- **E-auction platform:** IBBI has moved to a centralised listing and e-auction rail for liquidation assets, consolidating visibility, reducing information asymmetry and improving discovery—an area where CS-IPs can bring discipline in asset memo quality and disclosure.
- **Fee computation clarity:** IBBI's 2023 clarification distinguishes "amount realised" (non-liquid assets converted to cash) from balances already in liquid form (e.g., cash, FDs, quoted equities), protecting stakeholders from over-computation of realisation-linked fees. CS-IPs should reflect this explicitly in fee notes and reporting.

When resolution fails, liquidation begins. A CS-Liquidator's functions are extensive:

1. Taking Custody of Assets (Section 35)

The liquidator must:

- Form the liquidation estate.
- Take control of physical and non-physical assets.
- Secure records and electronic data.
- Identify and preserve intangible assets (IP, data, approvals).

2. Verification and Admission of Claims (Reg. 16–30)

Similar to CIRP, but includes claim admission in liquidation:

- Maintain updated list of stakeholders.
- Handle late claims.
- Communicate reasons for admission/rejection.

3. Asset Sale and Auctions (Schedule I)

CS-Liquidators oversee:

- Preparation of asset sale report.
- Conducting online auctions.
- Ensuring compliance with IBBI's centralised e-auction guidelines.
- Transparent bidding and documentation.

4. Distribution of Proceeds (Section 53)

Liquidators must ensure:

- Statutory priority waterfall is followed.
- CIRP and liquidation costs paid first.
- Secured/unsecured creditors get proportionate distribution.
- Operational creditors treated per statute.

Balances must be handled with strict accuracy—again, a CS's forte.

5. Compliance and Reporting

- Preparing Liquidation Reports.
- Progress reports.
- Assets memorandum.
- Final Report for dissolution.
- Filing applications under Section 54 for dissolution.

Company Secretaries have years of experience in preparing statutory reports, making this process smoother.

(D) Role of Company Secretaries in Voluntary Liquidation

Under Section 59 of the IBC, CS play roles such as:

- Declaration of solvency documentation.
- Ensuring company has no pending litigation/ obligations.
- Managing entire liquidation and dissolution.
- Handling filings, stakeholder notices, and distribution.
- Ensuring compliance with timelines and disclosures.

Their governance background is critical in voluntary exits.

(E) Adjacent roles CS can play even without being the RP

Even when not acting as IPs, CS can support the process as:

1. **Advisor to applicants/CoC:** Process mapping, compliance hygiene, and governance fixes for bidders—while respecting independence/conflict rules under the Code of Conduct.

   They help with:

   - Structuring resolution plans.
   - Ensuring legal compliance.
   - Preparing documents for NCLT filings.
   - Liasoning with RPs, valuers, lenders.
   - Cleaning company records.
   - Making statutory filings.
   - Rectifying secretarial lapses.
   - Preparing the company for sale/transition.

2. **Registered Valuer (after separate qualification):** CS may qualify under Companies (Registered Valuers and Valuation) Rules, 2017 and enrol with ICSI RVO in the SFA/L&B/P&M asset classes.

FEES, CAPS AND INCENTIVES—WHAT CS-IPs MUST KNOW AND DOCUMENT

The post-October 2022 framework: minimum fixed monthly + optional PRIF

The CIRP Regulations (as amended on 13 September 2022) changed the fee architecture for IRPs/RPs appointed on or after 1 October 2022. Key points:

- The applicant/CoC decides the fee of the IRP/RP.
- Minimum fixed monthly fee (Table1, Schedule II): ₹1 lakh to ₹5 lakh per month, tied to amount of claims admitted. This is a floor, not a ceiling—the CoC may set a higher fixed monthly considering size, sector and complexity.
- Performance-linked incentive fee (PRIF):
  - For timeliness—incentives for early completion/ early filing, subject to an overall ceiling for this head.
  - For value maximisation—1% of the amount by which the realisable value exceeds the liquidation value. Both are CoC-discretionary and should be pre-minuted.

Separately, every IP must pay an annual regulatory fee to IBBI of 1% of professional fee earned in the preceding FY (revised from 0.25% by IBBI Circular IBBI/IP/56/2022, 24 Nov 2022). This is a statutory levy on the IP (not an automatic estate cost) unless contracted otherwise.

JURISPRUDENCE ON FEES: COC PRIMACY VS. TRIBUNAL GUARDRAILS

- **Commercial wisdom of CoC is paramount:** NCLAT and the Supreme Court have repeatedly underscored that fee fixation is commercial and typically not justiciable, including the decision to grant or deny PRIF. In *Ravindra Kumar Goyal v. CoC of Yashasvi Yarns Ltd.* (2023), NCLAT affirmed NCLT's refusal to interfere with CoC's denial of PRIF.
- **NCLAT, New Delhi in the CIRP** of *Crystal Clear Veg Oil Refinery Pvt. Ltd*, set aside an order of the National Company Law Tribunal (NCLT), Mumbai Bench, which reduced the fee of a Resolution Professional to ₹10,000 per month. The appellate tribunal held that the Adjudicating Authority does not possess the power to fix or reduce the fee of a Resolution Professional without the recommendation of the Committee of Creditors (CoC).
- **Tribunals can compute/settle fees when a dispute exists:** In *Khozim Yusuf Nagarwala v. (Erstwhile RP) Raj Buildhome Pvt. Ltd.* (2024) NCLAT has upheld NCLT's jurisdiction to compute fees/expenses and direct payment where records justify it, particularly when earlier appellate directions so require.
- **Reasoned assessment required:** In *Devarajan Raman v. Bank of India* (2025), the Supreme Court criticised unreasoned reductions of RP fees and remanded for proper assessment, echoing the principle from *Alok Kaushik v. Bhuvaneshwari Ramanathan* (2021) that NCLT retains jurisdiction to determine professional fees linked to CIRP even if the process is set aside.
- **Entitlement period clarity:** NCLAT held that an RP is entitled to fees up to the formal point of withdrawal/ hand-back (e.g., Section 12A approval and completion of handover), disapproving drastic reductions without CoC basis. *{Minita D Raja, the erstwhile Resolution Professional in the CIRP of Crystal Clear Veg Oil Refinery Pvt. Ltd}*

  In practice this means:

  - Minute the rationale for fixed monthly and PRIF frameworks.
  - Maintain granular time-sheets and deliverables (task logs, attendance, filings, stakeholder interactions).
  - Segregate OPE (out-of-pocket expenses) from professional fees in all CoC and court filings.

Liquidation fees: avoid overclaiming on "alreadyliquid" assets

IBBI clarified in 2023 that "amount realised" for fee computation excludes cash-equivalents already lying in bank accounts, FDs, quoted shares, or mutual funds. Realisation-linked fees apply to non-liquid assets converted into cash, while "amount distributed" is net of CIRP/liquidation costs. CS-IPs should build these distinctions into their fee memos and stakeholder communications.

OPERATING MODEL FOR CS-IPs: HOW TO RUN A DEFENSIBLE, HIGH-TRUST PROCESS

Build the "hygiene spine" from Day1

- **Authorisation for Assignment (AFA):** Ensure that the AFA from the IPA is valid; without it, the assignment, cannot be accepted.
- **Master calendar:** Statutory timelines (public announcement, claim verification windows, CoC meetings, Form-G, plan submission, Reg. 40B filings). CS project management strengths shine here.

- **Conflict & independence:** File exhaustive independence declarations. The Code of Conduct requires disclosures of pecuniary/personal relationships with stakeholders entitled under Sections 53/178. Keep a standing conflict register and update it.

Documentation culture

- **Minute like a court reader:** Record who said what, what data was seen, and why a decision was taken—especially fee-related resolutions, PRIF rationale, eligibility assessments (Section 29A), and challenge mechanisms. This is the difference between "process was followed" and "process can be proven".
- **Information Memorandum (IM):** Build clean, navigable IMs with consistent annexures—assets, liabilities, litigation, regulatory exposures, tax matters, employee liabilities, and carry-forward losses disclosures per IBBI guidance.
- **Valuation orchestration:** Line up RVO-registered valuers with clear deliverables, ensure valuation report identification and traceability where required, and align IM numbers with valuation assumptions.

Stakeholder communications

- **Plain-English notices and FAQs:** Communicate to operational creditors/homebuyers in accessible language; reduce disputes by making claim processes transparent and replicable. (ICAI's IP handbooks emphasise clarity in stakeholder communications.)
- **Data room governance:** Redact PII and sensitive data, maintain access logs, and ensure parity of information among bidders to avoid allegations of unequal treatment. (IBBI's ethics handbook reinforces confidentiality duties.)
- **Data discipline and analytics:** As forms, disclosures and structured reporting improve, CS-IPs can help build case-level dashboards for CoC—pending claims, 29A status, auction calendars—reducing surprises and compressing timelines. (IBBI has repeatedly updated forms and process-monitoring mechanisms since 2024–26.)

Auction & sale discipline (especially in liquidation)

- **Centralised e-auction:** Use the mandated platform; improve asset memo quality (photos, geo-coordinates, encumbrances status) and give bidders adequate pre-bid material—this can lift participation and price discovery.
- **Post-sale transparency:** Publish results and bidder counts where permissible, record reasons for failed/retaken auctions, and maintain a documented playbook—helps in later scrutiny.

ESG & disclosure overlays (an emerging differentiator)

- With SEBI's BRSR Core requiring assurance/assessment for top listed entities and rolling in value-chain disclosures (expectations rising), bidders and lenders increasingly ask hard questions on ESG liabilities (OHS incidents, environmental permissions, privacy controls). A CS-IP can pre-empt issues by preparing an "ESG Annexure" to the IM, attracting capital that increasingly prices ESG into lending and investment choices.

ETHICS AND RISK CONTROLS: GUARDRAILS THAT PROTECT OUTCOMES

The Code of Conduct (First Schedule) is the ethics spine: integrity, objectivity, independence, competence, representation of correct facts, timeliness, information management, confidentiality, restrictions, remuneration and costs, and gifts/hospitality norms. CS-IPs should periodically self-audit against these clauses and IPA guidance.

CONCLUSION

The IBC's success rests on process fidelity as much as on pricing outcomes. The IBC Law provides the regulatory bridge which ensures the Insolvency ecosystem of India is being served by experts like the Company Secretaries.

In the live theatre of IBC—where minutes matter, disclosures decide, and documentation determines whether a plan survives appeal—a CS-IP's craftsmanship can be the thin line between a resolution that closes and a process that collapses. With fee architecture now clearer (minimum monthly floors, optional PRIF, regulatory levies) and jurisprudence increasingly emphasising reasonableness and records, CS-IPs who operationalise this article's toolkits will do more than execute—they'll elevate the standard of India's insolvency ecosystem.

CS professionals are uniquely positioned to raise the quality, speed and credibility of resolutions under India's IBC. As IBC is highly compliance-driven, CS ensure: Adherence to timelines, Clean documentation, Zero-defect filings, Accurate Minutes and Resolutions, Audit readiness. Since the Company Secretaries excels in drafting notices, explanatory statements, reports, and structured communication to the Stakeholder, which ultimately reduce disputes.

The Big Picture says CS are Critical to India's Insolvency Framework, as India's insolvency system demands: Legal knowledge, Governance strength, Process discipline, Documentation mastery, Independence and ethical conduct & Stakeholder coordination.

Company Secretaries naturally possess all of these, making them indispensable in: CIRP, PPIRP, Liquidation, Voluntary liquidation, Advisory roles. They elevate the quality of insolvency processes through professional rigor, regulatory understanding, and governance expertise.

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iii. *IBBI Circular & Press Release - www.ibbi.gov.in;. www.taxguru.in*

iv. *ICSI IPA / ICMAI IPA / ICAI IPA / ICSI RVO - www.icsiiip in; www.icsirvo.in; www.ipaicmai.in; www.iiipicai.in*

v. *NCLT / NCLAT/ SC decisions - www.nclt.gov.in; www.casemine.com; www.bwlegalworld.com; www.24law.in; www.taxmann.com;*

The Future of Indian Insolvency Law: New-Age Business, Technology and Sustainability

For an emerging economy such as India, the timely resolution of financial distress and efficient redeployment of productive assets are essential for sustaining investment, strengthening the financial sector, and supporting long-term economic growth. As India's business landscape undergoes structural transformation, the Insolvency and Bankruptcy Code, 2016 must evolve to accommodate technology-driven and intangible-asset-intensive enterprises. This necessitates more sophisticated approaches to valuation and resolution, particularly for digital platforms, intellectual property–rich firms, and data-centric business models. At the same time, the insolvency framework must respond to the increasing frequency and severity of natural calamities, which disrupt operations, impair supply chains, and escalate recovery and compliance costs. These challenges highlight the need to embed greater resilience and adaptability within the insolvency regime to ensure its continued effectiveness in a dynamic economic and environmental context.

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INTRODUCTION

A modern and efficient insolvency regime is a fundamental pillar of a market economy.[1] For an emerging economy such as India, the ability to resolve financial distress quickly and redeploy productive assets is essential for sustaining investment, strengthening the financial sector, and supporting long-term economic growth.

India's economy is going through a complex landscape as currently it is facing several headwinds from global trade protectionism (tariff wars) and intensifying geopolitical conflicts leading to increased import costs to disruption of supply chain. In such an environment of heightened uncertainty, businesses are more vulnerable to financial distress, delayed cash flows, and increased borrowing costs making the need for an efficient insolvency framework even more critical. Against this backdrop, this article seeks to explore and analyze the need for aligning and increasing the efficiency of the Insolvency and Bankruptcy Code, 2016 (IBC) to the demands of the new era shaped by technological advancements, evolving business models, financial distress and the obligations arising out of the environment, social and governance (ESG).

A DECADE OF IBC

Insolvency regimes are often seen as tools that come into play only when a business is on the verge of collapse. This narrow view, however, overlooks their far more expansive and dynamic role within a modern economy. In reality, they influence the entire business and credit life cycle. From shaping initial financing decisions and risk-taking behavior to guiding the resolution of financial distress, these frameworks play a continuous and proactive role. A well-designed insolvency regime not only facilitates efficient reorganization or liquidation but also reduces uncertainty, encourages responsible lending & borrowing and strengthens overall economic stability.[2]

India's modern insolvency framework did not emerge overnight. For decades, the country struggled with fragmented and inefficient mechanisms for resolving financial distress. The journey of reform began with the Tiwari Committee in 1981. The legal landscape was governed by multiple laws including the Sick Industrial Companies Act, 1985 (SICA), the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (RDDBFI), and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). These frameworks operated in silos and often resulted in prolonged litigation, value erosion of assets, and delays in resolving corporate distress. The country's economy needed rejuvenation through large investment, and measures were required to regain investor confidence. It was at once realized that an efficient insolvency law was the prerequisite for attracting the foreign investors and other urgent reasons including the frightening levels of stress that had built in Indian banking sector over the course of few years.

1. *The Economic Impacts of Insolvency Regimes, <https://subnational.doingbusiness.org/en/data/exploretopics/resolving-insolvency/why-matters#:~:text=Why%20does%20a%20good%20insolvency,the%20bankruptcy%20system%20is%20maintained.>*

2. *The World Bank regards insolvency regimes as an important tool for the treatment of unsustainable debt levels, both for individuals and firms.*

The Non-Performing Assets (NPA) constituted 90% of the total bad loans of the industry.[3] To address these issues, the Financial Sector Legislative Reforms Commission was formed in 2013 which in 2014 culminated in the formation of the Bankruptcy Law Reforms Committee.

The IBC has further generated a significant "deterrence effect" or "shadow of the Code," whereby many defaulting debtors settle their obligations before admission or during the early stages of the insolvency process to avoid the displacement of existing management.

In the overall journey of over nine years, the IBC has largely been structured around asset-heavy industries, where value is primarily derived from tangible assets such as land, machinery, and inventory. However, this design in the evolving scenario landscape marked by the rise of technology-driven enterprises, platform-based models, and startups has led to the emergence of asset-light companies, where enterprise value is increasingly tied to intangible assets such as intellectual property, data, algorithms, and brand value. This shift presents significant challenges withing the framework of IBC. For example, in the Jet airways case[4] a substantial portion of value was linked to intangible elements which are not conventionally considered as "assets", like the strong brand value and goodwill that was built over decades as a premium full service airline in India, valuable bilateral rights on lucrative routes[5] which were difficult to transfer or monetize independently within the CIRP framework, airport slots[6] which are not owned but are regulatory permissions, loyalty programs offered by the airlines, passenger data and route network, trained workforce[7] and operational know-how. For an airline company these intangibles derive competitive advantage and borrowing capacity from intangibles which are recognized in balance sheets are also central to revenue generation.

> The technology needs to be effectively incorporated for prevention of insolvency as it can play a pivotal role in spotting signs of financial distress by analyzing vast amounts of data with speed and precision.

IBC, ESG AND DIGITAL INDIA

Keeping pace with the fast change in technology has increased the exposure to the vast promise and perils of new age technologies.[8] In India, the Digital India[9] has become a transformative force both for the growth of the economy and the citizens. The financial technology, commonly known as fintech[10], in recent years, has completely transformed how finance works, making it an essential part of the finance industry.

The insolvency and restructuring practice and management are no exception[11]. The insolvency proceedings are by their very nature time sensitive and resource intensive. The insolvency ecosystem currently in India, works with fragmented and siloed technological platforms especially in case of the adjudicating authority, the regulator and the information utility (National E-Governance Services Limited/IU). For example, lack of common portal for the data transfer to IBBI by the NCLT, limited inter-connectivity of NCLT and the IU which is required for the debt record repository and template-based filing portals for insolvency applications. This disjointed framework creates challenges such as redundancies, untrained and contractual staff, ineffective time management and asymmetry of flow of uniform information.

To address the issues at the adjudicating authority level, there is a need to create an integrated platform for streamlining the process and to facilitate the exchange of information. The government has proposed an integrated tech platform that consolidated data from all relevant insolvency stakeholders including IBBI, lenders, Insolvency Professionals (IP) and the adjudicating authority to maintain accuracy of data and ensure uniform access to information.[12]

At the IP level they need to keep abreast with the new technological developments by integrating the technology for case management, assistance in prioritizing the claims based on secured and unsecured status of the creditors and other factors etc.[13]. This integration of technology will assist in reducing the delay and maximizing value of the assets.

The technology further needs to be effectively incorporated for prevention of insolvency as they can play a pivotal role in spotting signs of financial distress by analyzing vast amounts of data with speed and precision thereby assisting in identifying potential insolvency risks and minimizing debt defaults. The integration of digital technology or artificial technology for detection of frauds and preventing avoidance transactions by providing triggers and alerts to the creditors. This will also support preventing large Non-Performing Assets build-up and curb costs to the economy.

3. *Gross NPAs of the scheduled commercial banks, on domestic operations, increased from 263015 crores as on 31st March 2014 to Rs.790268 crores as on 31st March 2017 and Sumant Batra, 2nd edition of Corporate Insolvency: The Road to Viksit Bharat.*
4. *Kalrock Capital Partners Ltd. & Murari Lal Jalan v. State Bank of India & Ors. Company Appeal (AT) (Insolvency) No. 707 of 2020, dated 22 June 2021.*
5. *Lucrative routes like India–UK, India–Middle East.*
6. *Slots at congested airports like Mumbai, London, Heathrow etc. Jet Airways could not claim historic airport slots during insolvency Slots for Jet Airways will be based on existing norms, not historicity: Govt tells NCLT - Times of India 4 June 2021.*
7. *Experience pilots, engineers, crew etc.*
8. *The United Nations Secretary General in July 2018 convened a High-level Panel on Digital Cooperation to advance proposals to strengthen cooperation in the digital space among governments, the private sector, civil society, international organization, academic institutions, the technical community and other relevant stakeholders. <https://www.un.org/en/sg-digital-cooperation-panel#:~:text=on%20Digital%20Cooperation,The%20High%2Dlevel%20Panel%20on%20Digital%20Cooperation%20was%20convened%20by,community%20and%20other%20relevant%20stakeholders.>*
9. *An initiative launched by the Government of India in 2015. <https://csc.gov.in/digitalIndia>*
10. *It was initially applicable to the technology employed at the back-end systems of established financial institutions such as banks, now it also includes different sectors and industries such as education, retail banking, fundraising, non-profit and investment management etc.*
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13. *Sumant Batra, Corporate Insolvency: The Road to Viksit Bharat, Law, Policy and Practice, 2nd edition.*

RETHINKING IBBI AS THE REGULATOR OF THE FUTURE

The IBBI is a quasi-legislative body that not only plays a pivotal role as regulator but also is critical in operationalizing India's modern insolvency framework. The IBBI's function includes capacity building and monitoring/disciplining the IPs and the valuers[14]. The IBBI has pushed for better disclosure standards to reduce information asymmetry and encouraged digitization to make insolvency process faster and more accessible.

Building on these developments, the important next step is to make the IBBI ready for the future, by creating a regulated insolvency profession by protecting the consumers and ensuring the coordination between the IPs, insolvency professional entities (IPEs) and the IU. The problems persist and arise mainly due to lack of professionalism, and the unavailability of civil liability regime.

EMBEDDING THE ESG CONSIDERATIONS

There is a need for embedding the ESG considerations into the insolvency framework and incorporating environmental liabilities into valuation practices, encouraging socially responsible resolution plans, and strengthening governance standards among insolvency professionals.

The IBBI may also focus on bringing in sector specific experts to address issues due to technical, regulatory, or operational complexities such as environmental consultants, forensic auditors, industry specialists, and technology advisors, can significantly enhance the quality of decision-making during the resolution process.

For instance, environmental experts can help assess contingent liabilities and compliance risks, while sector specialists can provide realistic projections for business revival and operational viability. Institutionalizing such expertise, either through formal panels, accredited advisory networks, or mandatory consultation in complex cases, can reduce delays, improve the feasibility of resolution plans, and minimize value, enhance accountability and investor confidence.

INTEGRATING ESG METRICS INTO INSOLVENCY

The increase in the intensity and frequency of natural calamities poses serious risks to national and global economies. These climate driven disruptions trigger prolonged operational downtime, damage critical infrastructure, and halt industrial production. This gap not only undermines the goal of sustainable resolutions but also reduces investor confidence, particularly among ESG-conscious funds.[15]

WAY FORWARD: STANDARDIZING FOR SUSTAINABILITY

The increasing prominence of digital and intangible assets in modern businesses necessitates the development of robust valuation standards within the insolvency framework keeping in view the international standards. Unlike traditional assets, digital assets such as user data, algorithms, software, domain names, and platform-based ecosystems do not have easily ascertainable market values, making their assessment during insolvency both complex and inconsistent. To bridge the gap the IBBI can introduce specialized guidelines that standardize the valuation of digital assets which may include adopting hybrid valuation models that combine income-based approaches (such as discounted cash flows), market comparables, and data-driven metrics like active users, retention rates, and monetization potential. To reduce information asymmetry clear disclosure requirements regarding nature, ownership, and monetization of digital assets should be made mandatory.

Adding institutional capacity by training registered valuers and IPs in digital asset assessment and incorporation of technology can act as a key enabler by facilitating ESG data tracking, improving disclosure quality, and ensuring real-time monitoring, thereby helping align insolvency outcomes with broader sustainability goals.

To address the issue of non-standardized metrics for assessment of the reduction in investor confidence etc. the regulators like the IBBI, in coordination with the Securities and Exchange Board of India, could develop sector-specific ESG scoring frameworks for insolvency. Standardization would enable objective evaluation, guide resolution applicants, and ensure that insolvency outcomes align with both financial recovery and sustainability objectives.

At the end, the shift of approach from a purely financial recovery tool to a holistic restructuring framework which includes operational revival, stakeholder engagement, sustainability and ESG integration will align IBC with the realities of 21st century business, support economic growth and will aid in achieving the goal of becoming a developed economy by 2047 (Viksit Bharat).

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14. *Supra note 13*
15. *Dr. Raghav Pandey and Sumant Batra, A thought paper on climate change and insolvency October 2024 <https://insolvencylawacademy.com/wp-content/uploads/2024/10/Final-_Thought-Paper-on-Climate-Change-and-Insolvency-in-India.pdf >*

ARTICLE

Detect, Correct, Protect: Cost Audit as a Tool against Insolvency

The paper discusses the possibility of using mandatory cost records backed by systematic cost audits as an effective early warning mechanism of corporate insolvency. Although modern-day bankruptcy prediction systems have developed to utilize machine learning algorithms and multi-stage systems, they still rely, to a large extent, on lagged financial statements, which restricts their ability to prevent. The financial ratings and aggregate accounting usually reveal the distress only when the operational inefficiency has already translated into a liquidity crisis and deterioration of the balance sheet. This research is based on a literature review in the accounting domain, insolvency prediction, early warning systems, and public financial management and will posit that the cost-level information could be cost-efficient in terms of releasing earlier and more granular disturbing information. Patterns of behaviour of costs, in the unfavourable fixed-cost absorption, persistent negative variances, erosion of contribution margins, tend to pick up the financial decline that may be observed a number of reporting periods later. This paper contributes to a preventative framework where obligatory cost records reinforce insolvency-detection, raise the degree of board oversight, and diminish systemic risk by reconstructing the concept of cost audit as a form of governance and regulation and not a strictly compliance exercise.

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INTRODUCTION

- ***Corporate Insolvency Detection has its Background***

Corporate insolvency remains as one of the biggest risks to economic stability undermining creditor trust, job security, and regulatory reputation. Conventionally, mechanisms of insolvency detection have been based on the financial ratio analysis of audited financial statements consisting of liquidity, leverage, solvency measures, and profitability. These pointers have been the foundation of the accounting-based bankruptcy prediction model, regulatory oversight, and risk of creditor assessment over the decades. Such measures, although in large quantities adopted, are retrospective in nature. Financial statements encapsulate the previous year's performance and represent the results and in a lot of cases the operations were cumulative in nature. They are therefore likely to raise warning bells sometime after operational inefficiency that has risen to a level that has a material bearing on reported earnings or cash flows. According to Correia (2025), before insolvency comes a long period of operations undermining that goes mostly unnoticed in aggregate financial records.

- ***The constraints of Reactive Detection Mechanisms***

The problem with traditional detection systems is that they are highly reactive which means that the stakeholders cannot adequately intervene. Whatever corrective managerial action is possible to undertake when warning signs are estimated based on the worsening of financial ratios is frequently restricted to restructuring or liquidation. Similarly, lenders and regulators have been in the same camp to react when risks have crystallized. The structural failure in insolvency governance that is discussed in this paper is the fact that the early warning systems exclude the cost-level information. It focuses on the question of whether mandatory cost records and cost audit can provide a better quality and timeliness of finding distress by uncovering inefficiencies in their early stages of development before any financial misappropriation is allowed to develop.

FINANCIAL DISTRESS AND ACCOUNTING INFORMATION

- ***Development of Bankruptcy Prediction Models***

One of the core issues in accounting research is the prediction of corporate failure. The early researches used the single ratio model to determine troubled firms, but had limitations in that the methods had high rates of misclassification and low explanatory potential. Later on, multivariate statistical models were presented which comprised a combination of several accounting pointers in which predictive accuracy was enhanced significantly. The prediction

frameworks broadened over the years to incorporate probabilistic, hazard-based, and machine-learning predictions. Correia (2025) captures the progress that has been made in terms of improving methodological sophistication and yet has a strong root in financial statement data. Although the models have become more complex, the informational base has not changed significantly.

- ***Reasonableness of Progressive Indicators***

  Increasingly, recent studies acknowledge that financial distress does not happen suddenly and goes through comprehensible phases. Tanaka et al. (2025) show that multi-stage early warning systems are better than simple models due to the fact that they distinguish between early vulnerability, moderate distress, and future failure. The systems enable the intervention to be graduated according to the severity of the risk. Nonetheless, the majority of models continue giving priority to aggregate financial performance in place of operational drivers. There is little focus on the cost structure, efficiency trends, and patterns of resource utilization, yet the same is pertinent to sustainability. This loophole limits the horizons of predictive ability and supports the retroactive approach towards the prevailing insolvency detection models.

PRE-EMPTIVE LIMITATION AND WARNING SYSTEMS

- ***Data Dependency and Machine Learning***

  The predictive ability of insolvency models has been significantly increased using machine-learning algorithms, which have established a degree of non-linear and non-reflective correlation in the presence of large datasets. According to Samara et al. (2025), machine learning-based solutions are superior to the conventional statistical models in classification, especially in cases where the attributes of firms are non-homogeneous. Strategic foreknowing, however, never removes informational limitations. These systems will continue being sensitive to input measures which are of high quality, granular and on time. Models based on lagged financial disclosure just automate the late detection and not the prevention of distress. Structural deficits of accounting information are thus not addressed by technological change in prediction models.

- ***Long-term Blind Spots in Accounting Models***

  The results of private-firm research show that viewing the accounting-based distress models still has blind spots. Mehmood et al. (2023) discovered that the financial ratios tend to remain steady in the firms despite the increased operational inefficiencies. The inflation of costs, deteriorating productivity and ineffective allocation of resources can continue to exist over a long period of time without any significant impact on the reported profits. These findings indicate that distress detection frameworks do not make systematic use of operational data. The cost-level information can provide an opportunity to capture the early form of deterioration which is obscured by the financial ratios and the need to broaden the informational foundation of the early warning systems is substantial.

COST RECORDS AND COST AUDIT

- ***Informational Value of Cost Records***

  Cost records are valuable sources of information that show details of products, processes, and the consumption of resources. Cost records can also be used to determine ineffective relationships where the records can be used to trace back the source of inefficiency in order to be able to diagnose weaknesses

in the manner of structuring the operations within the environment. These records are also sensitive to early indicators like a drop in capacity utilization, undesirable cost allocation, and an increase in overhead absorption rate. The cost behaviour usually reflects a decline well before liquidity stress sets in. Unrelenting negative variances and compression of margins indicate the inconsistency between the market situation and the cost structures. These kinds of patterns, when regularly observed would be good early warning signals that cannot be reflected in financial statements.

Table 1. *Cost-based indicators*

Indicator	Early Signal Provided
Fixed-cost escalation	Reduced capacity utilization and inefficiency increase.
Unit cost increases	Inefficiencies in the process or supply chain.
Decrease in contribution margin	The pressure related to price or increased costs in inputs.
Constant unfavorable variances	The weak internal controls and operational slippage.
Under-absorption of overhead	Disagreement between production levels and capacity.

Source: *Author's own work*

- ***Assurance Role of Cost Audit***

The credibility and reliability of the cost records are improved through cost audit as independence in verifying records, allocation principles, and efficiency are ensured. In addition to procedural compliance, cost audits analyze the way cost structures are used indicating sustainable operations. As shown by Sriram and Mukherjee (2022), audited cost information has great predictive utility in the forecasting of bankruptcy. Cost audits reveal inefficiencies that internal reporting might not be able to notice or excuse through variance investigation and trend analysis. This makes cost audit a diagnostic tool that can help in early intervention.

> The insolvency governance that is discussed in this paper focuses on the question of whether mandatory cost records and cost audit can provide a better quality and timeliness of finding distress by uncovering inefficiencies in their early stages of development before any financial misappropriation is allowed to develop.

COST AUDIT AS A PREEMPTIVE MECHANISM

- ***Leading Indicator Embedded in Cost Behavior***

Compared to the traditional financial ratios, cost behaviour gives a clearer and more timely indication of financial distress since it demonstrates the internal dynamics of production, pricing and operational control. Empirical research data show that the abnormal patterns of costs are often seen as financial distress even after several accounting periods. Constant rises of fixed cost in comparison to output, diminished contribution margins, and the existence of unfavourable efficiency variances were especially suggestive of new structural frailty as opposed to short-term fluctuations. These trends indicate deeper imbalances of capacity & demand and cost structures that are normally smoothed over or obscured in financial statements by aggregation.

Samara et al. (2025) show that the predictive models, involving both operational and cost-based variables, are much more effective in detecting distress at its initial phase of development than are those models that exploit their financial ratios only. The advantage of this is due to the fact that the cost-level indicators can reflect a decline in the economic fundamentals, and this decline turns into liquidity constraints or profitability reduction, before it manifests itself in such forms. Considering the example of increasing overhead absorption rates as an indicator of diminishing capacity utilization, it is a long time before revenues decline by anything to write home about. Equally, continuing poor material and labour variance could represent process inefficiency or weakness of the supply chain that could limit the viability over the long term. Early warning systems that complement the conventional financial ratios with the cost-based indicators not only increase their depth of analysis but also provide a temporal lead time. This combination changes the process of insolvency prediction to the observation of causal relationships rather than the awareness of unfavorable results. Instead of determining failure when it has already been incurred, cost-based early warning systems will enable the identification of made paths which, when unremedied, will most likely lead to an eventual insolvency condition.

- ***Related Domains Institutional Support***

The cost-based early warning mechanisms are backed up by the fact that other related disciplines, like actuarial science and the financial management of people, also support them. In the actuary business, granular data on expenses and claims is very important in identifying insolvency risk as opposed to using aggregate data on the ratios of solvency. In the article by the Society of Actuaries (2021), the need to monitor operational indicators in preventive supervision is underpinned by the assumption that the worsening of expense structures is often an early precursor to capital adequacy breaches.

On the same note, studies in the field of public financial management emphasize that transparency of costs contributes to enhancing fiscal discipline and risk management. IMF (2025) studies assert that

the finer cost information will enhance the ability of the oversight agency to determine the presence of inefficiencies, predict financial strain, and preemptive intervention when crises become reality. These results indicate not only that the informational benefits of cost-level monitoring are sector-independent, but also serve as an overall rule of governance of all institutional settings. Combined with the other similarities, such parallels contribute to the conceptual viability of cost audit as a preventative governance tool. The rationale behind the use of cost-based early warning systems is thus not some solitary hypothesis in the domain of corporate insolvency research but a larger trend towards anticipatory regulation and risk-taking that is based on granular data about operations.

IMPLICATION IN REGULATORY AND GOVERNANCE

- ***Preventive Regulatory Orientation***

  The voluntary disclosure and audit of cost data would also be a massive transition of insolvency regulation to a preventative, as opposed to a reactive, disposition. Conventional regulatory systems mainly aim at resolution systems in the event of failure, i.e., liquidation systems or restructuring regimes. Although these tools are required, they do not go far in alleviating the social and economic expenses that ensue after insolvency has taken place. Compulsory reporting of costs would enable the regulators to see the distress trends at an earlier phase and implement commensurate measures before failure becomes entrenched. According to the IMF (2025), the preventative oversight systems have the beneficial effect of mitigating systemic vulnerability by limiting weak points to full-scale crises. The indicators based on the cost might be included in the supervision dashboards, but could result in differentiated reactions in terms of escalated monitoring to specific governance interventions. An implementation model is especially significant through a proportional implementation. Standardized disclosure of baseline costs may apply across the board, but more clustering cost audit requirements may be introduced for companies that display high-risk information. This model is a compromise between regulation efficacy and compliance costs that increases feasibility and legitimacy.

- ***Board Supervision and Strategic Control***

  The audit of cost data on a corporate governance level can significantly improve the oversight of the board and its strategic control. Board level is usually based on high-level property-level financial statements that cover operational weaknesses. Cost audit reports in comparison will give early information on whether the cost structure maintained by a firm is reflective of its strategic positioning as well as the market conditions. This will allow the directors to intervene before the falling margins become solvency risks. According to Correia (2025), early governance intervention plays a crucial role in reducing the degree of failure in corporations by maintaining discretion in the management of the organization and strategic optionality. Cost audits play a role in this goal in that they provide boards with plausible and independently checked information concerning the sustainability of operations. To regulators, audited cost reporting provides a scaling systemic insolvency risk mitigation solution without necessarily depending on ex post legal treatments.

CONCLUSION

In this paper, cost audit has been reconstructed as a proactive financial control, and not a single-purpose obligation. Through the incorporation of the compulsory cost records into the early warning systems, the organizations and regulators can know about the leading indicators that shed light on the causal processes that lead to financial distress. Cost audit therefore transforms the accounting responsibility of post hoc to predatory governance. A compulsory cost audit can significantly enhance the insolvency prevention structures. Despite the necessity to undertake additional empirical research, the conceptual argument of cost-based early warning systems is strong. By incorporating cost-level assurance into insolvency regimes, more horizons of intervention can be achieved, a better decision-making process can evolve, as well as the expense to the economy and society at large in the case of corporate insolvency can be reduced.

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ARTICLE

The Strategic Architect: ESG Value-Maximization and the IBC Amendment Bill, 2025

The Insolvency and Bankruptcy Code (Amendment) Bill, 2025, represents a foundational shift from judicial discretion to procedural velocity. While the Bill's primary "surgical" interventions—the 14-day mandatory admission, the Section 28A guarantor pooling, and the Creditor-Initiated Insolvency Resolution Process (CIIRP)—are designed to arrest value erosion through speed, they simultaneously create a "Governance Vacuum" that only a specialized professional can fill. This article argues that in a regime where admissions are near-automatic and the "Clean Slate" is absolute, the role of the Company Secretary (CS) must evolve into that of a Strategic Architect. By weaving Environmental, Social, and Governance (ESG) metrics into the resolution framework, the CS transitions from a compliance custodian to a value-creator. Through a critical analysis of the 2025 Bill's provisions and historical case studies like Jet Airways and ABG Shipyard, this guide demonstrates how ESG Value-Maximization is the only viable path to a sustainable "Second Life" for corporate entities in the IBC 2.0 era.

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INTRODUCTION

VELOCITY AS A CATALYST FOR VALUE

The first decade of the Insolvency and Bankruptcy Code (IBC) was a period of transformative credit discipline, yet it was frequently hamstrung by the "Admission Lag." By 2024, the average time to admit a Section 7 application had reached a record high of over 600 days[1], leading to significant "melting of the ice cube"—the rapid erosion of enterprise value while a company sat in legal limbo.

The **IBC (Amendment) Bill, 2025**, introduced in the Lok Sabha on August 12, 2025 [2], is the legislative answer to this erosion. It is designed to restore the Code's original promise: "Resolution in Real-Time." However, for the CS fraternity, velocity is merely the engine; **Sustainable Enterprise Value (SEV)** is the destination. Speed without sustainability results in "Fire Sales" rather than "Resolutions." The 2025 Bill necessitates a **Strategic Architect**—a professional who can leverage the Bill's new mechanics to ensure that the corporate "Second Life" is underpinned by both financial solvency and the **"Green Start"** vision of ESG compliance.

RE-ARCHITECTING ADMISSION: THE 14-DAY "DIGITAL DECREE"

One of the most profound shifts in the 2025 Bill is the elimination of judicial discretion regarding defaults. The landmark ruling in *Vidarbha Industries Power Ltd. v. Axis Bank Ltd. (2022)* inadvertently slowed the system by allowing the NCLT to reject petitions even if a default was proven.

The 2025 Bill decisively amends Section 7(5), replacing the discretionary "may" with the mandatory **"shall"** [2][5].

- **The Legislative Mandate:** If a debt and default are established specifically through a record from an **Information Utility (IU)** like National E-Governance Services Limited (NeSL), the NCLT **must** admit the application within 14 days [4].
- **The CS as Data Architect:** In this high-speed environment, the CS's role in maintaining real-time IU parity is the first line of defense in Value-Maximization. A default record is now effectively a "Digital Decree." The CS must ensure that the company's "Health Dashboard" is reconciled daily. Preventing an "ambush" admission through precise data governance preserves the company's "Governance (G)" rating and prevents the panic-induced value drop that follows a sudden insolvency filing.

WATERFALL INTEGRITY AND THE "CLEAN SLATE" FINALITY

The 2025 Bill provides the "certainty of exit", which global investors demand. It restores the "Waterfall Mechanism" (Section 53) by legislatively overriding the *State Tax Officer v. Rainbow Papers Ltd. (2022)* judgment, which had temporarily blurred the lines between crown debts *(i.e government dues like taxes)* and secured credit.

a. Redefining "Security Interest" - the Consensual vs. Involuntary Divide

To restore the sanctity of the Section 53 waterfall, the 2025 Bill explicitly decouples involuntary statutory charges from the definition of "Security Interest," ensuring that tax arrears and government dues are strictly categorized as unsecured debt unless they are underpinned by a voluntary, consensual contractual agreement [3][8].

- **The Strategic Impact**: This amendment clarifies that a "Security Interest" is an affirmative, bargained-for right, not a default state of law. By stripping statutory liens of their "secured" status, the Bill eliminates the risk of a "statutory ambush," where state departments claim priority at the eleventh hour, often upending the financial viability of a resolution plan.
- **The CS as Strategic Architect**: For the Resolution Applicant (RA), this clarity is a significant value-driver. The CS should proactively recommend a Lien Audit as part of the due diligence process. By certifying that government dues do not possess the "consensual" characteristics required under the 2025 definition, the CS provides the Committee of Creditors (CoC) with a clean, risk-mitigated recovery roadmap. This ensures that the limited resolution pool is distributed to the financial creditors who fuelled the company's growth, rather than being drained by legacy tax arrears.
- **Strategic Advisory:** This clarity is a boon for Resolution Applicants (RAs). The CS must recommend excluding these "statutory ambush" claims from the resolution plan. By ensuring that financial creditors maintain their prioritized recovery, the CS increases the likelihood of a successful, high-value resolution bid.

> The Company Secretary is the architect who provides that roadmap by transitioning from a compliance officer to a Strategic Architect.

b. Codifying the Clean Slate: Eliminating "Hydra-Headed" Litigation

The Supreme Court of India specifically used this term "hydra-headed litigation" to describe the chaotic multiplicity of claims that can destroy a company's chance to a second life, and thereby to establish the Clean Slate Doctrine. In the landmark case of Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta (2020), the Court famously stated:

"A successful resolution applicant cannot suddenly be faced with 'undecided' claims after the resolution plan submitted by him has been accepted as this would amount to a hydra head popping up which would throw into uncertainty amounts payable by a prospective resolution applicant."

This was later reaffirmed in Ghanashyam Mishra (2021), where the court "cauterized" the wounds by ruling that once a plan is approved, all old claims are permanently extinguished.

This 2025 Bill moves beyond judicial precedents (like *Essar Steel* and *Ghanashyam Mishra*) to provide legislative finality to the Clean Slate doctrine. By amending Section 31, the Bill clarifies that an approved Resolution Plan is a "statutory reset button," extinguishing all undisclosed or unfiled claims—including those of the Central Government, State Governments, or any local authority—that are not part of the plan.

THE STRATEGIC "SHIELD" OF SECTION 32A

The Bill reinforces the immunity granted under Section 32A, ensuring that the Corporate Debtor and its assets are shielded from criminal prosecution for offenses committed prior to the CIRP.

- **The Strategic Architect's Pivot**: For the CS, this is not just a legal protection; it is a commercial valuation tool. A "Clean Slate" certificate from the NCLT acts as an insurance policy for the Resolution Applicant (RA), justifying a higher bid because the risk of "successor liability" is eliminated.

  The "Ironclad Information Memorandum" (IM) under the 2025 regime, the "Clean Slate" is only as strong as the Information Memorandum.

- **The CS as the Gatekeeper of Disclosures**: As a Strategic Architect, the CS must ensure that the IM is exhaustive. Any "latent liability"—be it an unresolved environmental fine, a pending labour dispute, or a "ghost" tax claim—must be identified and "frozen" during the 14-day admission window.

- **Value-Maximization Logic**: By proactively disclosing and subsequently "extinguishing" these liabilities through the plan, the CS prevents "Hydra-Headed Litigation"—where multiple government agencies revive old claims post-resolution. This "Finality of Exit" ensures a "Green Start," where the company is handed over as a pristine, sustainable asset, free from the "legacy ghosts" that historically deterred high-value global bidders.

SECTION 28A: POOLING GUARANTOR ASSETS FOR MAXIMUM RECOVERY [13]

The introduction of **Section 28A** is the Bill's most potent tool for value-maximization. It allows for the integration of **Personal and Corporate Guarantor assets** directly into the Corporate Debtor's (CD) resolution estate.

a. From Bifurcation to Unified Resolution

Historically, separate proceedings for the company and its promoters—as seen in the *Reliance Communications* and *Essar Steel* cases—led to "Litigation Fatigue." Creditors recovered pennies on the dollar because the assets were fragmented.

- **The CS Recommendation:** The CS should architect a **"Unified Settlement Plan"** under Section 28A. By pooling the promoter's high-value personal assets with the company's operational assets, the CS creates a more attractive "Resolution Package."

- **Value Logic:** A unified pool increases the CoC's recovery percentage, which in turn incentivizes them to accept a "Going Concern" resolution rather than opting for a destructive liquidation. For the promoter, the CS facilitates a "Fresh Start" that settles both personal and corporate liabilities in one stroke.

CIIRP AND GROUP INSOLVENCY: MODULAR RECOVERY

The 2025 Bill introduces modular resolution frameworks for complex corporate structures.

a. CIIRP: Creditor-Initiated Insolvency Resolution Process

Under the new **Chapter IV-A**, CIIRP allows financial creditors (51% voting power) to initiate a "debtor-in-possession" resolution [1][4].

- **The 30-Day Representation Window:** Creditors must provide a **30-day notice** to the debtor [5].
- **CS Role:** The CS acts as the **Notice Strategist**, facilitating representations that can lead to a restructuring plan *without* the company losing management control to an RP.

b. Group Insolvency (Chapter V-A)

The Bill finally addresses "Group Enterprise" defaults, enabling common NCLT benches and joint CoC meetings [3.1]. The CS must lead "Group Asset Mapping" to identify intra-group guarantees early, preventing the "cross-default" contagion that often destroys value in conglomerates.

ESG INTEGRATION: THE CORE OF STRATEGIC ARCHITECTURE [11]

While the 2025 Bill provides the *speed*, ESG provides the *substance*. A CS must frame ESG not as a compliance burden, but as a **Commercial Recommendation** to increase the entity's terminal value.

a. Environmental (E) and the *ABG Shipyard* Lesson

In the *ABG Shipyard* insolvency, the prolonged duration of the process led to the physical decay of vessels and environmental hazards at the dockyards. Global buyers viewed these as "toxic liabilities," leading to a massive haircut for creditors.

- **The CS Recommendation:** Recommending an **Environmental Preservation Budget (EPB)** as a "CIRP Cost" under the 2025 Bill. By preserving the ecological integrity of the assets during the resolution process, the CS ensures the company remains an attractive "Green Asset" for global "Impact Funds" that prioritize carbon-neutrality.

b. Social (S) and the *Jet Airways* Litigation Trap

The *Jet Airways* resolution was nearly derailed by "Social Risks"—unresolved employee dues, provident funds, and gratuities [14].

- **The CS Recommendation:** The CS should architect a **"Social Impact Resolution"** within the plan. Proactively addressing employee transitions using the 2025 Bill's faster timelines prevents the "litigation overhang" that destroyed *Jet's* brand equity. Value is maximized when the "Social License to Operate" is handed over intact to the buyer.

c. Governance (G) and the "Green Start" Vision

The 2025 Bill's **CIIRP** track is essentially a "Governance Test."

- **The CS Recommendation:** During the **30-day CIIRP notice window**, the CS must recommend a "Governance Reset." By demonstrating board independence and transparency *before* admission, the CS can convince creditors to support a restructuring that retains existing management, preserving the "Institutional Memory" of the company—a critical intangible asset.

THE "DIGITAL ESG" FRONTIER FOR NEW-AGE BUSINESSES

As the IBC 2025 transition moves toward a **Single Integrated Portal** for all filings, the intersection of Technology and ESG emerges as the new frontier. For tech-heavy startups (SaaS, Fintech), value is trapped in data and IP.

a. Tech-ESG Recommendations

- **Environmental (Green Cloud):** Recommend a Carbon Footprint Audit of digital infrastructure. Proactively switching to "Green Hosting" makes the entity attractive to "Green Tech" buyers.
- **Social (Data Responsibility):** With the **DPDP Act, 2023** in force, the CS must recommend a **Data Privacy Impact Assessment (DPIA)** as part of the Information Memorandum. A buyer will pay a "Data Premium" for a company that is ethically and legally compliant with privacy laws.
- **Governance (Cyber-Resilience):** Recommend a Cybersecurity Governance Audit. In the 2025 landscape, a cyber-secure company is a "Low-Risk Asset," commanding higher resolution bids.

THE HEIGHTENED DESCRIPTIVE ROLE OF THE COMPANY SECRETARY

The 2025 Bill transforms the CS into a **"Governance Navigator."** The following table describes the significance of this role in the updated landscape.

The Descriptive Role of CS as Strategic Architect

Domain	2025 Strategic Role	Value-Maximization Significance
Admission	IU/NeSL Custodian	Prevents "lightning admissions" through real-time data parity, preserving reputation.
Guarantors	Sec 28A Asset Strategist	Increases the "Recovery Pool" by integrating promoter assets into a unified plan.

Negotiation	CIIRP Notice Strategist	Orchestrates the 30-day window to avoid the "Moratorium Vacuum" and retain control.
Sustainability	ESG Value Recommender	Embeds carbon and social resilience into the IM to attract "Impact Capital."
Global	Jurisdictional Architect	Evaluates "COMI" to secure NCLT recognition for global assets under Sec 240C.
Exit	Clean Slate Designer	Proactively identifies legacy liabilities to ensure the "Green Start" is truly absolute.

AVOIDANCE TRANSACTIONS AND THE "INTEGRITY PREMIUM"

The 2025 Amendment tightens the scrutiny on Preferential, Undervalued, Fraudulent and Extortionate (PUFE) transactions. The look-back period now explicitly includes the window between the filing of the application and the admission date [1].

- **The CS as Vigilance Architect:** The CS must recommend an annual **Transaction Integrity Audit**. In a high-velocity environment, there is no "litigation shield" to hide assets while a petition is pending. Proving transaction integrity increases the "Governance Premium" of the company, making it a "clean" asset for institutional investors.

CONCLUSION: THE "GREEN START" MANDATE [12]

The **IBC (Amendment) Bill, 2025**, provides the Indian corporate sector with a high-performance resolution engine. By stripping away judicial delays and clarifying creditor rights, the Bill creates a "speedway" for recovery. However, speed without a roadmap leads to value erosion.

The **Company Secretary** is the architect who provides that roadmap. By transitioning from a Compliance Officer to a **Strategic Architect**, the CS ensures that corporate recovery is not merely a financial accounting exercise but a transformation into a resilient, ESG-aligned entity. In the corporate "Second Life," the **"Green Start"** is your strategic recommendation for excellence—ensuring the entity is not only solvent but sustainable for the decades to come.

The IBC (Amendment) Bill, 2025, marks the end of the Company Secretary as a mere procedural gatekeeper and the birth of the **Strategic Architect**, who must now leverage legislative precision and ESG principles to transform corporate insolvency into sustainable value creation.

5 KEY TAKEAWAYS FROM THIS ARTICLE

- **From Compliance to Strategy:** Transition from a "rule-follower" to a **Strategic Architect** who designs value-driven recovery plans using IBC 2025 tools.
- **ESG as the North Star:** Integrate **Environmental, Social, and Governance** metrics into resolution plans to ensure long-term sustainability rather than just short-term debt recovery.
- **Asset Maximization via Section 28A:** Master the new **Guarantor Pooling** provisions to prevent the fragmentation of assets and maintain the entity's "going concern" value.
- **The 14-Day Readiness Mandate:** Shift to a **pre-insolvency digital readiness** model to meet the Bill's strict 14-day mandatory admission window and prevent value erosion.
- **Surgical Resolution (CIIRP):** Utilize **Component-wise Insolvency (CIIRP)** to save viable business units independently, preserving jobs and economic value during a crisis.

Disclaimer: *The views and opinions expressed under this article are solely those of the author in her personal capacity. They do not represent or reflect the views of the author's employer or any of its affiliates.*

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ARTICLE

The Future of Insolvency Practice: Technology, ESG and New-Age Business

The insolvency landscape globally and in India is undergoing seismic transformation. The confluence of artificial intelligence, blockchain-powered transparency, ESG-integrated restructuring, and new-age digital business models is fundamentally redefining the contours of insolvency practice. This article examines how insolvency professionals (IPs), resolution applicants, creditors, and the adjudicating authority ecosystem must adapt to a world where corporate failure itself is no longer merely a financial phenomenon—it is simultaneously a governance, environmental, and social event. Drawing on developments under the Insolvency and Bankruptcy Code, 2016 (IBC), international frameworks, IBBI regulatory evolution, and global best practices, this paper charts a roadmap for the next decade of insolvency practice in India.

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INTRODUCTION

THE EVOLVING ARCHITECTURE OF INSOLVENCY

The Insolvency and Bankruptcy Code, 2016 (IBC) represented India's most significant structural reform in creditor-debtor relations since independence. Enacted to address the twin challenges of non-performing assets (NPAs) plaguing the banking sector and the absence of time-bound resolution mechanisms, IBC fundamentally altered the governance of corporate distress. In less than a decade, it has resolved over ₹3.16 lakh crore for creditors, transforming India's ranking in the World Bank's Ease of Doing Business index on the 'Resolving Insolvency' parameter from 136th (2016) to 52nd (2023).

Yet, the very dynamism that characterises the modern economy—platform businesses, intangible-heavy corporations, ESG-linked debt instruments, cross-border digital operations—poses fundamental questions that the existing insolvency architecture was not designed to answer. A fintech startup with no fixed assets but a million users, a renewable energy SPV bound by green bond covenants, or a multinational with interlinked data centres across jurisdictions: each represents a qualitatively different insolvency challenge than the steel or power sector cases that defined IBC's early jurisprudence.

The future of insolvency practice, therefore, lies at the intersection of three great forces: technological disruption, ESG imperatives, and the governance challenges of new-age businesses. This article traces each of these trajectories, analyses their convergence, and proposes a forward-looking framework for insolvency professionals, regulators, and policymakers.

TECHNOLOGY AS THE NEW OPERATING SYSTEM OF INSOLVENCY

a) Artificial Intelligence and Machine Learning in Resolution

The sheer complexity of modern insolvency proceedings—thousands of creditors, voluminous contracts, multi-jurisdictional assets, intertwined group structures—creates an information processing challenge that is increasingly beyond unaided human capacity. Artificial Intelligence (AI) and Machine Learning (ML) tools are being deployed across every stage of the insolvency lifecycle:

- **Due Diligence Automation:** AI-powered contract review platforms such as Kira Systems and Luminance can process thousands of contracts in hours, flagging change-of-control clauses, cross-default provisions, and material adverse change (MAC) clauses critical to the resolution professional's assessment.
- **Claim Verification:** ML models can cross-verify creditor claims against ledger data, detecting duplicate submissions, inflated claims, and intercompany transfers that may indicate preferential transactions.
- **Asset Valuation:** Computer vision and satellite imagery analytics are being used to assess plant condition, infrastructure deterioration, and real estate values—particularly useful when the corporate debtor's management is uncooperative or the assets are geographically dispersed.
- **Predictive Analytics for Resolution Outcomes:** ML models trained on historical IBC cases can

predict resolution timelines, likely haircuts, and probability of liquidation—informing both resolution applicants' bidding strategies and creditors' decisions on resolution plans.

- **Natural Language Processing (NLP) for Case Management:** NLP tools can extract relevant orders from the NCLT and NCLAT databases, helping IPs track judicial precedents relevant to their specific case in real time.

The IBBI's iRP platform and the e-voting mechanism for Committee of Creditors (CoC) decisions already represent early digitisation. The logical next step is an AI-assisted CoC analytics dashboard that presents real-time liquidation value scenarios versus resolution plan value comparisons, enabling more informed decision-making by lenders.

b) Blockchain Technology: Trust, Transparency, and Traceability

Blockchain offers transformative possibilities for insolvency proceedings by creating immutable, transparent, and auditable records of all transactions and decisions. Its relevance to insolvency practice spans several dimensions:

Application Area	Current Challenge	Blockchain Solution
Claims Registry	Duplicate / fraudulent claims difficult to detect	Immutable creditor registry with timestamped filings
Asset Tracing	Asset stripping before insolvency commencement	Real-time on-chain ownership trails
Resolution Plan Voting	Proxy manipulation, vote confidentiality concerns	Smart contract-based CoC voting with audit trail
Distribution to Creditors	Manual disbursement, priority disputes	Smart contract waterfall distribution by priority
Cross-Border Asset Recovery	Lack of jurisdictional coordination	Shared blockchain ledger among jurisdictions

Estonia's e-residency ecosystem and Singapore's Courts' use of distributed ledger technology (DLT) for case management offer instructive models. For India, the Ministry of Corporate Affairs' MCA21 V3.0 portal and the IBBI's Information Utilities (IUs) framework—particularly the National E-Governance Services Ltd. (NeSL)—are natural candidates for blockchain integration.

c) RegTech and SupTech: Compliance Reimagined

The regulatory compliance burden on insolvency professionals—mandatory reporting to IBBI, CoC submissions, NCLT filings, public announcements, and resolution plan disclosures—is substantial. Regulatory Technology (RegTech) solutions can automate compliance calendars, generate IBBI-compliant reports, and flag procedural deviations in real time, reducing the risk of technical invalidation of proceedings.

Supervisory Technology (SupTech), deployed by the IBBI itself, can enable pattern recognition across thousands of active cases—identifying abnormal timelines, unusual CoC voting patterns, or suspicious related-party transactions warranting deeper scrutiny. This positions the IBBI to evolve from a reactive regulator to a proactive, data-driven supervisor.

POLICY PERSPECTIVE

The Reserve Bank of India's regulatory sandbox framework and SEBI's InvIT/REIT regulatory innovations provide precedents for IBBI to establish a regulatory sandbox for InsurTech-backed credit insurance and AI-driven resolution tools in insolvency proceedings.

d) Digital Assets and Crypto in Insolvency: An Emerging Frontier

The collapse of FTX (2022), Celsius Network (2022), and Voyager Digital (2022) globally demonstrated that digital asset insolvencies present entirely novel challenges: the characterisation of crypto assets (property vs. currency vs. security), the treatment of hot and cold wallet holdings, identification of beneficial ownership through pseudonymous blockchain addresses, and the enforcement of claims across stateless digital networks.

With the growth of Web3 enterprises, NFT platforms, and cryptocurrency exchanges in India, the IBBI and the MCA must proactively develop a framework addressing: (i) the classification of digital assets in a corporate debtor's estate; (ii) the appointment of technically qualified IPs for crypto-native entities; and (iii) international cooperation protocols for cross-chain asset recovery.

ESG AND INSOLVENCY: A TRANSFORMATIVE CONVERGENCE

a) The ESG-Distress Nexus: Understanding Corporate Failure Through a New Lens

Environmental, Social, and Governance (ESG) factors are no longer peripheral to corporate performance—they are increasingly causative of corporate distress. The following categories of ESG-driven corporate failures are already visible:

- **Environmental Regulatory Failure:** Companies in extractive industries, thermal power, and chemical manufacturing facing stranded asset risks due to climate policy shifts, carbon taxes, and environmental litigation. The closure of multiple coal-dependent power plants under financial stress illustrates how environmental transition can accelerate insolvency.

- **Social Licence to Operate Loss:** Companies facing mass consumer boycotts, employee strikes, or community opposition due to labour violations, unsafe working conditions, or human rights abuses. Social risk materialising as financial distress.
- **Governance Failure as Insolvency Trigger:** The IL&FS crisis (2018), the PMC Bank collapse (2019), DHFL's implosion—each traceable to governance deficits: tunnelling, related-party abuse, Board capture, and auditor complicity.
- **ESG-Linked Debt Covenant Violations:** With the growth of green bonds, sustainability-linked loans (SLLs), and social bonds in India's debt market, breaches of ESG covenants (e.g., failure to meet renewable energy targets or Scope 3 emission reduction milestones) are emerging as new triggers for accelerated repayment clauses and credit events.

b) ESG Integration in the Resolution Process

The IBC's resolution framework is predominantly financial—maximising value for creditors within a defined timeline. ESG integration challenges this paradigm in important ways:

> The insolvency practice of the next decade will be unrecognisable compared to the formative years of IBC implementation.

Firstly, resolution plans submitted under Section 30 of the IBC currently require disclosure of financial projections but have no mandatory ESG due diligence requirement. This creates a risk of value-destructive outcomes where a resolution applicant with a poor ESG track record acquires a corporate debtor, only to face regulatory action, reputational damage, or ESG-linked debt defaults post-acquisition. The IBBI should consider requiring resolution applicants to submit an ESG compliance statement as part of the information memorandum process.

Secondly, the liquidation value versus going concern value dichotomy in IBC must now incorporate ESG stranded asset risk. An infrastructure asset with significant carbon liability may have a market value far below its book value once environmental provisioning is accounted for. Registered Valuers under the IBBI (Mechanism for Issuing Regulations) Rules must be equipped to perform ESG-adjusted valuations.

Thirdly, ESG considerations should inform the priority waterfall in resolution. Unpaid wages (Social), environmental remediation liabilities (Environmental), and governance restitution orders should receive explicit recognition in the resolution plan framework.

GLOBAL BEST PRACTICE

The European Union's Corporate Sustainability Reporting Directive (CSRD) and the UK's FRC's revision of corporate governance codes now explicitly require disclosure of material ESG risks in distress scenarios. India's BRSR (Business Responsibility and Sustainability Reporting) framework mandated by SEBI should be extended to cover insolvency disclosures.

c) Green Restructuring: The Next Frontier

'Green restructuring' refers to the incorporation of sustainability transition plans into corporate rescue frameworks. Rather than merely restoring pre-distress financial parameters, a green restructuring aims to restructure the corporate debtor's business model toward environmental sustainability as a condition or component of the resolution plan.

The concept has gained traction in Europe. The EU's Business Rescue and Insolvency Directive (Directive 2019/1023) and the European Central Bank's climate-related financial risk guidelines have catalysed frameworks where banks prefer restructuring plans that include credible net-zero transition commitments. In India, with SEBI's green bond framework, RBI's climate risk disclosures for regulated entities, and the government's ambitious renewable energy targets, green restructuring presents a significant opportunity.

Practical implications for Indian insolvency practice include:

- Resolution plans for energy sector CDPs could include a phased transition from coal to renewable energy as part of the operational restructuring.
- Green bond issuance post-resolution to finance sustainable capex, with ESG covenant compliance monitoring built into the restructured entity's governance framework.
- Carbon credit monetisation as a new source of resolution value—particularly for land-intensive or forestry-linked corporate debtors.
- Collaboration with international climate finance institutions (IFC, ADB Green Finance) to co-finance resolution plans for climate-relevant assets.

d) ESG Due Diligence for Insolvency Professionals

An IP of the future must be competent to:

- Identify environmental liabilities (contaminated land, emission non-compliance penalties) as part of the estate asset-liability assessment.
- Evaluate supply chain labour practices and social obligations that may affect the corporate debtor's going concern value.

- Assess governance structures for recovery of fraudulent transactions under Section 66 of IBC (fraudulent trading) and Section 45 (avoidance of preferential transactions) using ESG governance diagnostics.
- Engage with ESG rating agencies to obtain a baseline sustainability assessment of the corporate debtor to inform the information memorandum.

NEW AGE BUSINESSES: INSOLVENCY FOR THE DIGITAL ECONOMY

a) The Insolvency of Intangible-Heavy Enterprises

Traditional insolvency law developed in an era of industrial capitalism, where corporate value resided primarily in physical assets: land, machinery, inventory, buildings. The liquidation-as-safety-net model presupposed that if a resolution failed, asset liquidation would recover meaningful value. In the digital economy, this presupposition fails catastrophically.

A unicorn startup may have a valuation of ₹10,000 crore based on its user base, data moats, algorithm IP, and network effects—none of which appear on its balance sheet at anything close to their economic value. Upon insolvency, the liquidation of its physical assets (servers, office furniture) may yield under ₹50 crore. The 'missing' ₹9,950 crore—the intangible value—evaporates upon insolvency commencement, as:

- User trust collapses, triggering user migration to competitors.
- Key talent exercises golden parachute clauses and departs.
- Partnerships and API access agreements include insolvency termination triggers.
- Data assets may be subject to privacy regulations preventing their monetisation without user consent.

b) Platform Economy Insolvency: Users, Data, and Network Effects

Platform businesses—e-commerce marketplaces, fintech lending platforms, social networks, sharing economy operators—have multi-sided market structures that create unique insolvency challenges:

Stakeholder	Nature of Claim / Interest	IBC Treatment Gap
Platform Users	Pre-paid wallet balances, in-platform credits, undelivered orders	Currently treated as unsecured operational creditors with minimal recovery
Marketplace Sellers	Goods delivered, payments pending through platform escrow	Treatment of platform escrow funds as estate assets vs. trust assets unclear
Data Subjects	Personal data held by corporate debtor	DPDP Act, 2023 obligations: data deletion vs. data asset monetisation conflict
Algorithm / IP Owners	Licensed technology embedded in platform	Ipso facto clauses in IP licences may void licences upon insolvency
Gig Workers	Unpaid earnings, benefits, platform-imposed deductions	Classified as operational creditors with limited priority

c) Startup Ecosystem and Early-Stage Insolvency

The Pre-Packaged Insolvency Resolution Process (PPIRP) introduced through the IBC Amendment Ordinance of 2021 (for MSMEs) represents a significant innovation: creditor-debtor negotiation precedes formal insolvency commencement, saving time and preserving going concern value. The PPIRP framework needs to be:

- Extended beyond MSMEs to cover startups and early-stage technology companies.
- Supported by a digital-first process architecture—all filings, claims, and plan submissions through a dedicated startup PPIRP portal.
- Integrated with SEBI's framework for distressed startup equity restructuring, including down-round ESOP treatment and preference share waterfall reconfigurations.
- Connected to India's insolvency ecosystem with venture debt providers, angel networks, and secondary venture capital funds that can provide DIP (Debtor-in-Possession) financing.

d) The IBC (Amendment) Bill, 2025: Structural Overhaul and Legislative Imperatives

Introduced in the Lok Sabha on 12 August 2025, the Insolvency and Bankruptcy Code (Amendment) Bill, 2025 (Bill No. 107 of 2025) represents the most comprehensive legislative overhaul of India's insolvency framework since the IBC's original enactment in 2016. Developed after three years of intensive stakeholder consultations, recommendations of the Insolvency Law Committee, and judicial experience across thousands of CIRP proceedings, the Amendment Bill directly addresses the systemic inefficiencies, jurisprudential ambiguities, and structural gaps that have impeded the Code's promise of time-bound, value-maximising, and creditor-centric resolution.

The Bill's most consequential structural innovation is the introduction of a new Chapter IV-A establishing the Creditor-Initiated Insolvency Resolution Process

(CIIRP) — an out-of-court mechanism enabling creditors and debtors to negotiate resolution frameworks for genuine business failures without immediate recourse to the Adjudicating Authority. This represents a significant philosophical shift from the existing court-centric, adversarial model toward a creditor-debtor collaborative architecture, broadly aligned with global best practices under the UNCITRAL Legislative Guide on Insolvency Law and the United Kingdom's Restructuring Plan framework. On the CIRP front, the Amendment Bill substantially curtails the discretion of the Adjudicating Authority in admitting applications under Section 7, limiting examination to three exhaustive grounds: the occurrence of default, completeness of the application, and absence of disciplinary proceedings against the proposed Resolution Professional. This legislative override directly responds to the Supreme Court's expansive reading in Vidarbha Industries Power Ltd. v. Axis Bank Ltd. (2022), which had introduced judicial discretion perceived to dilute the creditor-rights orientation of the Code. Strict statutory timelines are also mandated: the Adjudicating Authority must admit or dismiss applications within 14 days; NCLAT must dispose of appeals within three months; and liquidation proceedings must conclude within 180 days, extendable by 90 days upon reasoned order.

The Amendment Bill introduces enabling frameworks for two hitherto unaddressed structural challenges. First, under the proposed Section 59C, the Central Government is empowered to prescribe rules for coordinated group insolvency proceedings, enabling common NCLT benches, shared resolution professionals, and integrated committees of creditors across inter-linked corporate debtors — a long-overdue legislative response to the complexity witnessed in the Videocon Group, SREI Group, and Lavassa Group proceedings. Second, enabling provisions for a structured cross-border insolvency framework are incorporated, drawing on UNCITRAL Model Law principles and empowering the Central Government to prescribe conditions for administering cross-border proceedings — a development that acquires particular significance in the context of digital-economy enterprises and is examined in greater detail in section 4.4 below.

The Amendment Bill also strengthens the preferential, undervalued, fraudulent, and extortionate credit (PUFE) transaction framework significantly. Creditors are now empowered to file avoidance applications directly under the amended Section 47 where the Resolution Professional or Liquidator fails to act; related-party asset transfers lose their safe-harbour protection under the amended Section 49; and liquidators are authorised to file applications for fraudulent or wrongful trading under Section 66. The clean slate principle under Section 31 is codified with retrospective declaratory effect, providing certainty regarding the extinguishment of pre-resolution claims and overcoming litigation uncertainty on settled resolutions. The waterfall priority mechanism under Section 53 is clarified to confine government dues strictly to the fifth and sixth distribution priority levels, resolving the controversy arising from the Rainbow Papers judgment that had threatened creditor recovery certainty. For insolvency practice, the Amendment Bill's additional contributions include CoC supervisory authority over liquidation proceedings, a penalty framework for vexatious litigation under the new Section 64A, expanded service provider definitions incorporating registered valuers within IBBI's regulatory ambit, and enabling provisions for integrating personal guarantor assets into the resolution plan with CoC approval. When enacted, the Amendment Bill will fundamentally reshape the operating environment for insolvency professionals, resolution applicants, and adjudicating authorities—demanding greater procedural discipline, faster decision-making, and internationally integrated practice capabilities.

e) Cross-Border Insolvency in the Age of Digital Globalisation

India's adoption of Chapter V of the UNCITRAL Model Law on Cross-Border Insolvency through the IBC (Amendment) Act, 2021 (for certain categories of corporate debtors) marks a watershed moment in the development of the code. However, the operationalisation of cross-border recognition—particularly for digital and platform businesses with assets distributed across cloud infrastructure, intellectual property registered in multiple jurisdictions, and creditors spanning multiple countries—requires further elaboration.

Key challenges include:

- Recognition of foreign main proceedings (COMI determination) for companies with cloud-native operations, where the 'centre of main interests' may be genuinely ambiguous.
- Recovery of assets parked in tax-efficient jurisdictions (Mauritius, Singapore, Netherlands) through layered holding structures—a common feature of Indian startup funding architectures.
- Aligning with US Chapter 11 and Chapter 15 proceedings, UK administration processes, and Singapore's Judicial Management framework when the same group entity is subject to insolvency proceedings in multiple jurisdictions simultaneously.
- The mutual recognition of information utility data across jurisdictions—an area where bilateral frameworks between India, Singapore, UAE, and UK could yield significant efficiency gains.

REGULATORY EVOLUTION: IBBI, NCLT, AND THE FUTURE FRAMEWORK

a) IBBI's Transformation Agenda

The Insolvency and Bankruptcy Board of India (IBBI) has demonstrated remarkable regulatory agility since its establishment in 2016. From its initial framework of Corporate Insolvency Resolution Process (CIRP) regulations, it has progressively added Pre-Packaged Insolvency (PPIRP) regulations, Personal Guarantor insolvency framework, IBBI (Information Utilities) Regulations, and an increasingly robust IP disciplinary framework.

The trajectory of IBBI's evolution over the next decade should encompass:

Reform Area	Proposed Development
Digital Infrastructure	Integrated IBBI Digital Platform: single-window for case management, claims filing, CoC communication, IP reporting, and NCLT interface
ESG Disclosures	Mandatory ESG assessment in Information Memorandum; environmental liability register for corporate debtors in extractive / industrial sectors
AI Regulation	Guidelines for AI-assisted valuation tools; disclosure requirements when AI tools are used in due diligence
IP Competency	Mandatory ESG and technology certification for IPs handling digital / green sector CDPs; CPE requirements updated
Startup Framework	PPIRP extension to startups; DIP financing framework; fast-track liquidation for zero-asset digital entities
Cross-Border	Bilateral insolvency cooperation agreements with Singapore, UK, UAE; COMI guidelines for digital businesses

b) NCLT Capacity Building for Technology-Intensive Cases

The National Company Law Tribunal (NCLT) faces a significant capacity challenge in adjudicating insolvency matters involving complex technology businesses, digital assets, algorithmic valuations, and ESG-linked disputes. Several measures are essential:

- **Specialised Technology and Digital Assets Bench:** Modelled on the US Bankruptcy Court's pilot programme for complex financial instruments, dedicated NCLT benches with technology advisors for cases involving digital assets, platform businesses, and AI-intensive operations.
- **Expert Witness Framework:** Formalised protocols for the deposition of data scientists, ESG valuation experts, cybersecurity specialists, and blockchain forensic experts as technical witnesses in NCLT proceedings.
- **Expedited Discovery for Digital Evidence:** Digital forensics discovery protocols that account for cloud-stored evidence, encrypted communications, and algorithmic audit trails—replacing paper-intensive processes.
- **NCLT-IBBI Data Interface:** Real-time sharing of case status data between NCLT and IBBI for the proactive identification of proceedings at risk of breaching statutory timelines.

THE INSOLVENCY PROFESSIONAL OF TOMORROW

a) A Multi-Disciplinary Competency Framework

The complexity of modern insolvency demands a multi-disciplinary practitioner who combines:

Competency Domain	Specific Capabilities Required
Financial Expertise	Forensic accounting, business valuation (DCF, comparable company, intangible asset valuation), financial modelling
Legal Acumen	IBC jurisprudence, commercial contracts, cross-border insolvency law, intellectual property law
Technology Literacy	AI/ML applications in due diligence, blockchain fundamentals, cybersecurity risk assessment, data privacy law (DPDP Act)
ESG Proficiency	Environmental liability assessment, BRSR framework, green finance instruments, social impact measurement
Governance & Ethics	Corporate governance diagnostics, fraud detection, director liability analysis, forensic investigation
Stakeholder Management	CoC negotiation, employee relations, public communication in high-profile cases, media management

LESSONS FROM MUNICIPAL INSOLVENCY PRACTICE

Urban local bodies do not fall under IBC, yet the financial distress of municipal corporations—characterised by over-leveraged balance sheets, unfunded pension liabilities, infrastructure asset impairment, and governance deficits—shares structural characteristics with corporate insolvency. The State Finance Commission framework, Comptroller and Auditor General oversight, and the 16th Central Finance Commission's urban fiscal transfer architecture collectively constitute a quasi-insolvency resolution framework for municipalities.

Three insights from municipal finance that have direct relevance to the future of corporate insolvency practice:

- **ESG is Already Embedded in Public Finance:** PMC's green bond issuance, its BRSR-inspired sustainability disclosures, and its ESG-linked project financing for the SNAP sewage treatment scheme demonstrate that sustainability is not an add-on but an integral dimension of public investment. Corporate insolvency professionals must similarly internalise ESG as core to their practice, not peripheral.

- **Technology Transforms Accountability:** SAP FICO implementation at PMC transformed financial reporting from a retrospective exercise to a real-time governance tool. Similarly, AI and blockchain integration in insolvency proceedings will transform resolution from a retrospective value recovery exercise to a forward-looking governance intervention.
- **Stakeholder Complexity Demands Governance Sophistication:** A municipal corporation managing the competing interests of citizens, elected representatives, state government, creditors (bondholders), the CAG, and international development finance institutions navigates stakeholder complexity that mirrors the CoC-IP-NCLT-creditor ecosystem in corporate insolvency. The lessons of transparent communication, documented decision-making, and proactive regulatory engagement apply equally to both domains.

WAY FORWARD FOR LENDERS AND FINANCIAL CREDITORS

- Integrate ESG-risk stress testing into credit appraisal and early warning system (EWS) frameworks to identify ESG-driven distress signals before insolvency commencement.
- Include ESG covenant maintenance as a standard feature of sustainability-linked loans (SLLs) and green bonds, with structured workouts that incorporate transition plans.
- Develop internal capability to assess intangible asset values in digital-native corporate debtors, including platform network effects, data asset valuation, and algorithmic IP.

CONCLUSION

The insolvency practice of the next decade will be unrecognisable compared to the formative years of IBC implementation. The corporate failures of the future will not be the familiar steel plant or power distribution company—they will be platform unicorns with invisible assets, renewable energy SPVs bound by green covenants, and AI-driven fintechs whose value lies in algorithms rather than assets.

The insolvency professional who will thrive in this environment is not merely technically competent in the mechanics of CIRP—they are ESG-literate, technology-fluent, governance-sophisticated, and globally connected. They understand that a distressed corporate debtor is not just a financial problem to be solved but a governance, environmental, and social event to be managed with wisdom, speed, and integrity.

The IBC has given India a world-class insolvency framework. The task of the next decade is to future-proof it—through regulatory evolution, professional capacity building, technological integration, and ESG embedding—so that it remains fit for purpose in an economy that is digital, sustainable, and deeply interconnected with the global financial system.

As insolvency professionals, Company Secretaries are uniquely positioned at the intersection of law, governance, finance, and ethics—the precise quadrant where the future of insolvency practice will be defined. The time to prepare is now.

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The DPDP Compliance Clock: What Company Secretaries Need to Know and Do Now?

This Article is a practical walkthrough of India's Digital Personal Data Protection Act, 2023, and the DPDP Rules, 2025 — with a governance lens for Company Secretary Professionals.

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INTRODUCTION

On 13 November 2025, the Ministry of Electronics and Information Technology published three gazette notifications in quick succession. The first brought several sections of the Digital Personal Data Protection Act, 2023 into force immediately. The second notified the Digital Personal Data Protection Rules, 2025. The third formally established the Data Protection Board of India, with its headquarters in the National Capital Region.

For Company Secretaries, this date matters more than it might first appear. The DPDP Act, 2023 is not a niche technology regulation. It cuts across board governance, compliance reporting, vendor contracts, employee data handling, and customer-facing operations. Every company that collects personal data in digital form — which, in 2026, is practically every company — falls within its scope.

The timeline is staggered. Some provisions took effect immediately in November 2025. Consent Manager registration provisions shall come into force by November 2026. The remaining bulk of the Act — covering notice, consent, data principal rights, security safeguards, breach notification, and Significant Data Fiduciary obligations — kicks in by May 2027, eighteen months from the date of notification.

That gives organisations roughly twelve months from the date of this publication to get their house in order. For the CS, this window is when the real work begins.

THE DPDP FRAMEWORK: ACT AND RULES (HEREINAFTER THE ACT)

The DPDP Act, 2023 (No. 22 of 2023), received Presidential assent on 11 August 2023. It is a principles-based statute — deliberately concise, with much of the operational detail left to subordinate rules. The Act defines the key roles (Data Fiduciary, Data Processor, Data Principal, Significant Data Fiduciary, Consent Manager), sets out obligations, and establishes the enforcement mechanism through the Data Protection Board.

The DPDP Rules, 2025, notified on 13 November 2025, fill in those operational gaps. They prescribe the contents of a privacy notice, the form of breach intimation, the requirements for verifiable parental consent when processing children's data, the retention timelines for specific classes of Data Fiduciaries, and the additional obligations of Significant Data Fiduciaries including periodic Data Protection Impact Assessments and audits.

One cannot read the Act without the Rules, and the Rules make little sense without the Act. For compliance planning, both must be read as one consolidated framework.

APPLICABILITY

Section 3 of the Act makes the applicability broad. The Act applies to any processing of digital personal data within India, whether the data was collected digitally or was collected in non-digital form and later digitised. It also reaches processing outside India if it relates to offering goods or services to individuals in India.

The only carve-outs are narrow: personal data processed by an individual for personal or domestic purposes, and personal data that the Data Principal (or someone under a legal obligation) has made publicly available.

For Company Secretary professionals advising listed companies, unlisted public companies, or private companies of any size, the question is not whether the Act applies. It does. The question is what needs to change in your current governance and compliance setup to meet these obligations.

GOVERNANCE OBLIGATIONS THAT REACH THE BOARD

The Act places obligations squarely on the Data Fiduciary — defined under Section 2(i) as any person who alone or in conjunction with others determines the purpose and means of processing personal data. The company acts

through its board and officers, and these obligations become board-level governance matters.

Here are the specific obligations that a Company Secretary should track:

ACCOUNTABILITY REGARDLESS OF OUTSOURCING

Section 8(1) clear that the Data Fiduciary is responsible for complying with the Act and Rules in respect of any processing done by it or on its behalf by a Data Processor, irrespective of any agreement to the contrary. Accountability cannot be outsourced. If your vendor mishandles personal data, the liability sits with you as the Data Fiduciary. This has direct implications for vendor due diligence, contract terms, and board-level risk oversight.

SECURITY SAFEGUARDS ARE NOW A LEGAL MINIMUM

Section 8(5) requires the Data Fiduciary to take reasonable security safeguards to prevent personal data breach. Rule 6 expands this with specific technical requirements: encryption, obfuscation, masking or virtual tokens for securing personal data; access controls on computer resources; monitoring logs for detecting unauthorised access; data backups for business continuity; and a one-year minimum retention of logs. Rule 6 also mandates that contracts with Data Processors include appropriate security safeguard provisions.

> The DPDP Act is not a technology law dressed in legal language. It is a governance statute. It asks organisations to be accountable for the personal data they collect, to be transparent about why they collect it, and to give individuals meaningful control over their own information.

For the Company Secretary, this means the company's information security posture is no longer just an IT matter. It is a compliance obligation with statutory backing and penalty exposure of up to two hundred and fifty crore rupees under the Schedule to the Act.

BREACH NOTIFICATION WITHIN SEVENTY-TWO HOURS

Section 8(6) requires the Data Fiduciary to intimate the Board and each affected Data Principal in the event of a personal data breach. Rule 7 adds teeth to this: the Data Fiduciary must notify each affected Data Principal without delay, describing the breach, its consequences, the mitigation measures taken, and the safety measures the individual can take. The intimation to the Board must include an initial description without delay, followed by a detailed report within seventy-two hours covering the events leading to the breach, findings regarding the person who caused it, remedial measures, and a report on intimations given to affected Data Principals.

This is a tight timeline. Organisations that lack an incident response playbook, a pre-drafted notification template, and a tested escalation chain will struggle when an incident occurs. The CS should ensure these are in place, tested through tabletop exercises, and reviewed by the board or a designated committee at least annually.

NOTICE AND CONSENT ARE SUBSTANTIVE, NOT CEREMONIAL

Section 5 and Rule 3 together define what a proper privacy notice looks like under the DPDP framework. The notice must be presented independently — not buried in a terms-of-service document. It must give, in clear and plain language, an itemised description of the personal data being collected and the specific purpose for which it will be processed. It must also provide the communication link for withdrawing consent, exercising rights, and making a complaint to the Board.

Section 6(1) defines consent as free, specific, informed, unconditional, and unambiguous, with a clear affirmative action. Any consent obtained through bundling, dark patterns, or pre-ticked boxes will not meet this standard. Section 6(3) requires that consent requests be presented in English or any language listed in the Eighth Schedule to the Constitution. Section 6(10) places the burden of proof on the Data Fiduciary: if a question arises in proceedings, the Data Fiduciary must prove that proper notice was given and valid consent was obtained.

For organisations that have been collecting consent through generic privacy policies or blanket terms, this is a significant recalibration. The CS should work with legal and IT teams to audit existing consent mechanisms and redesign them where they fall short.

CHILDREN'S DATA: VERIFIABLE PARENTAL CONSENT

Section 9 imposes additional safeguards for processing personal data of children (defined as individuals below eighteen years) and persons with disability who have a lawful guardian. The Data Fiduciary must obtain verifiable consent from the parent or lawful guardian before processing. Section 9(2) prohibits processing that is likely to cause any detrimental effect on the well-being of a child. Section 9(3) bans tracking, behavioural monitoring, and targeted advertising directed at children.

Rule 10 specifies how verifiable parental consent works: the Data Fiduciary must adopt appropriate technical and organisational measures and exercise due diligence to confirm that the person identifying herself as the parent is an identifiable adult — either through reliable identity and age details already held by the Data Fiduciary, or through details voluntarily provided by the individual or through a virtual token issued by an authorised entity.

Rule 12 and the Fourth Schedule list specific exemptions — for instance, healthcare establishments processing a child's data for health services, educational institutions for educational activities and child safety, and certain purposes like creating email accounts or determining a child's real-time location for safety. But these exemptions are narrow and conditional.

Companies operating in edtech, gaming, social media, or any consumer-facing digital service should map their data flows against these requirements immediately.

DATA PRINCIPAL RIGHTS AND THE NINETY-DAY RESPONSE WINDOW

The Act grants Data Principals four rights: the right to access information about their personal data and its processing (Section 11); the right to correction, completion, updating, and erasure (Section 12); the right to grievance redressal (Section 13); and the right to nominate another individual to exercise these rights in case of death or incapacity (Section 14).

Rule 14(1) requires the Data Fiduciary and Consent Manager to prominently publish on their website or app the means through which a Data Principal can exercise these rights. Rule 14(3) sets the grievance response timeline at a reasonable period not exceeding ninety days, and requires appropriate technical and organisational measures to ensure the system works within that period.

Ninety days may sound generous, but in practice, if an organisation receives a correction or erasure request and the data sits across multiple systems, processors, and backups, fulfilling it within ninety days takes planning and tested workflows. The Company Secretary should ensure that a documented Standard Operating Procedure exists for handling these requests.

RETENTION, DELETION AND THE ONE-YEAR LOG RETENTION RULE

Section 8(7) requires the Data Fiduciary to erase personal data when the Data Principal withdraws consent or when the specified purpose is no longer being served, whichever is earlier — unless retention is needed for compliance with another law. Section 8(8) deems the purpose as no longer served if the Data Principal neither approaches the Data Fiduciary nor exercises her rights for a prescribed period.

Rule 8 and the Third Schedule specify these periods for certain large Data Fiduciaries: e-commerce entities with at least two crore registered users, online gaming intermediaries with at least fifty lakh users, and social media intermediaries with at least two crore users must erase personal data of three years after the Data Principal last approached them, unless the data is needed for enabling access to the user account or stored virtual tokens.

Rule 8(3) introduces a separate obligation: Every Data Fiduciary must retain personal data, associated traffic data, and processing logs for a minimum of one year from the date of processing, for purposes specified in the Seventh Schedule (which covers State use for sovereignty, security, and law enforcement functions). After that one-year minimum, the data must be erased unless another law requires longer retention.

This creates a balancing act. You cannot delete too soon (the one-year floor applies), and you cannot retain too long (the purpose-based ceiling applies). Getting this right requires a retention schedule that maps each category of personal data to its lawful purpose, the applicable retention floor, and the trigger for deletion.

IF YOU ARE (OR MAY BECOME) A SIGNIFICANT DATA FIDUCIARY

Section 10 empowers the Central Government to notify any Data Fiduciary or class of Data Fiduciaries as a Significant Data Fiduciary based on factors such as volume and sensitivity of data processed, risk to Data Principals' rights, and impact on sovereignty, electoral democracy, security, and public order.

Once notified, the obligations escalate. Section 10(2) requires the Significant Data Fiduciary to appoint a Data Protection Officer who is based in India, is responsible to the board of directors or equivalent governing body, and is the point of contact for grievance redressal. The Significant Data Fiduciary must also appoint an independent data auditor and undertake periodic Data Protection Impact Assessments and audits.

Rule 13 adds specifics: The DPIA and audit must happen at least once every twelve months, and the person conducting them must furnish a report of significant observations to the Board. Rule 13(3) requires the Significant Data Fiduciary to verify that its algorithmic software and technical measures are not likely to pose a risk to Data Principals' rights. Rule 13(4) requires measures to ensure that personal data specified by the Central Government is not transferred outside India.

Even if your organisation is not yet notified as a Significant Data Fiduciary, it is worth building toward these standards. The notification criteria are broad, and the Central Government retains discretion. Being prepared beats scrambling after a notification.

CROSS-BORDER DATA TRANSFER

Section 16 allows the Central Government to restrict transfer of personal data to specific countries or territories by notification. Rule 15 clarifies that personal data may be transferred outside India subject to requirements the Central Government may specify regarding making such data available to any foreign State or any person or entity under the control of or any agency of such a State.

As of the date of writing, no country-specific restriction notifications have been issued. But organisations with global operations or offshore data processing arrangements should build contractual safeguards and monitor government notifications closely. The CS should ensure that data transfer clauses in vendor contracts are reviewed and updated to reflect this evolving position.

CONSENT MANAGER: A NEW INTERMEDIARY

Section 6(7) allows the Data Principal to give, manage, review, or withdraw consent through a Consent Manager. Rule 4 and the First Schedule set out the registration conditions and obligations. A Consent Manager must be a company incorporated in India with a minimum net worth of two crore rupees, must operate an interoperable platform, must maintain consent records for at least seven years, and must avoid conflicts of interest with Data Fiduciaries.

For the Company Secretary, this is relevant in two ways. First, if your organisation is considering registration as a Consent Manager, the compliance burden is substantial — including periodic audits reported to the Board, conflict-of-interest controls, and restrictions on transfer of control without Board approval. Second, if your organisation will use a registered Consent Manager, you need to assess whether that manager meets the conditions in the First Schedule before onboarding them.

PENALTIES

The Schedule to the Act prescribes penalties that are significant by any measure. Failure to take reasonable security safeguards: up to two hundred and fifty crore rupees. Failure to notify the Board or affected Data Principals of a breach: up to two hundred crore rupees. Breach of children's data obligations: up to two hundred crore rupees. Breach of Significant Data Fiduciary obligations: up to one hundred and fifty crore rupees. Breach of any other provision: up to fifty crore rupees.

Section 33(2) lists the factors the Board will consider while determining penalty amounts: the nature, gravity, and duration of the breach; the type of personal data affected; whether the breach was repetitive; whether the Data Fiduciary gained or avoided loss from the breach; the mitigating actions taken and their timeliness; proportionality; and the likely impact of the penalty on the person.

These are not academic numbers. They are designed to get Board attention. The Company Secretary should ensure that the board or audit committee is briefed on the penalty framework, the company's current compliance gaps, and the remediation roadmap.

CHECKLIST FOR COMPANY SECRETARIES

Here is a practical checklist — not exhaustive, but a reasonable starting point:

1. **Map your data:** Identify what personal data the company collects, where it is stored, who processes it, for what purpose, and for how long. This is essential inventory to comply with Act.
2. **Audit your notices and consent mechanisms:** Compare them against Section 5, Section 6, and Rule 3. Are notices itemised and specific? Is consent free, informed, and unambiguous? Is it available in regional languages? Fix what falls short.
3. **Review vendor contracts:** Ensure every Data Processor engagement is backed by a valid contract with security safeguard provisions as required under Section 8(2) and Rule 6(1)(f). Add breach notification obligations and audit rights.
4. **Build a breach response playbook:** Pre-draft notifications for the Board and Data Principals. Define escalation chains. Run a tabletop drill. Document everything.
5. **Establish a grievance redressal mechanism:** Publish contact details of the Data Protection Officer (if applicable) or a designated person on the company's website and app. Set up workflows to handle and respond to requests within ninety days, as required under Rule 14(3).
6. **Prepare a retention schedule:** Map each category of personal data to its lawful purpose and applicable retention period. Build automated deletion triggers where possible. Remember the one-year log retention floor under Rule 8(3).
7. **Brief the Board:** Present the DPDP compliance status, the gap analysis, the remediation plan, and the penalty exposure. Ensure this is a standing agenda item for the audit committee or risk committee.
8. **Check children's data processing:** If the company operates any consumer-facing digital service — apps, websites, platforms — assess whether children's personal data is being collected and whether the verifiable consent requirements under Section 9 and Rule 10 are met.
9. **Monitor Significant Data Fiduciary notifications:** If the company processes large volumes of personal data or operates in a sensitive sector, anticipate the possibility of being notified as a Significant Data Fiduciary and start building toward DPO appointment, DPIA, and audit readiness.
10. **Train your people:** Compliance policies are only as good as the people who follow them. Conduct role-specific training — different content for the IT team, HR, marketing, customer support, and the legal function.

CONCLUSION

The DPDP Act, 2023 is not a technology law dressed in legal language. It is a governance statute. It asks organisations to be accountable for the personal data they collect, to be transparent about why they collect it, and to give individuals meaningful control over their own information. For the Company Secretary, these are familiar themes — accountability, transparency, and stakeholder protection are what the profession has always been about.

The compliance deadline of May 2027 feels distant, but the ground to cover is considerable. Data mapping, consent redesign, vendor contract overhaul, breach readiness, retention engineering, and board-level reporting — none of these happen overnight. The organisations that start now will have a working compliance programme by the time enforcement begins. Those that wait will find themselves retrofitting under pressure.

The CS professionals are well positioned to lead this effort. They understand governance frameworks, regulatory compliance cycles, and the language of board reporting. The DPDP framework is one more layer — but a layer that touches every function, every system, and every customer relationship the company has. The earlier, the Company Secretary engage, the better the outcome for the organisation and its stakeholders.

REFERENCES:

i. *Gazette Notification G.S.R. 843(E), dated 13 November 2025 (Commencement dates for various provisions of the Act).*

ii. *Gazette Notification G.S.R. 844(E), dated 13 November 2025 (Establishment of the Data Protection Board of India).*

iii. *The Digital Personal Data Protection Act, 2023 (No. 22 of 2023), dated 11 August 2023.*

iv. *The Digital Personal Data Protection Rules, 2025, G.S.R. 846(E), dated 13 November 2025.*

Whether a Company can Pay or Indemnify Fine, Penalty or Compounding Fee ordered to be paid by Directors or Officers of the Company?

Almost every provision of the Companies Act (whether it is providing for punishment by way of fine by a court or by way of penalty by an adjudicating authority or compounding fee by the Regional Director or National Company Law Tribunal), makes liable the company and every officer of the company who is in default (or in some cases the key managerial personnel). This liability arises by reason of the director or other officer of the company being made by law vicariously liable in respect of defaults for which the company as a distinct person is primarily liable.

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INTRODUCTION

Defaults, breaches, violations, failures, contraventions or non-compliances under the Companies Act, are all called 'offences' which give rise to a punitive liability. In different penal provisions of the Companies Act, different words are used, such as contravention, failure, default, refusal, non-compliance, negligence, etc. But the most frequently used word is 'default'. In the context of penal provisions under the Companies Act, default means failure to act; inaction or neglect; failure to perform an act or obligation legally required; failure to perform some legal requirement.

Almost every provision of the Companies Act (whether it is providing for punishment by way of fine by a court or by way of penalty by an adjudicating authority or compounding fee by the Regional Director or National Company Law Tribunal), makes liable the company and every officer of the company who is in default (or in some cases the key managerial personnel). This liability arises by reason of the director or other officer of the company being made by law vicariously liable in respect of defaults for which the company as a distinct person is primarily liable.

Etymologically, 'vicarious' means performed, exercised, received, or suffered in place of another; taking the place of another person or thing; acting or serving as a substitute. The expression 'vicarious liability' denotes a legal liability imposed on one person for torts or crimes committed by another (usually an employee but sometimes an independent contractor or agent), although the person made vicariously liable is not personally at fault. When an offence under any law is committed by a company, prosecution is invariably launched against the company, its directors and some of its executives. As 'company' is an artificial person created by law, and is capable of acting only through human agency occupying the position of directors and executives, it is but natural that directors and executives are arraigned on a charge of an offence committed by the company.

A company or a body corporate, of which a company registered under the Companies Act, is a species, is an abstraction. It is a juristic person. It acts through human beings, who occupy the position of directors and officers; they are agents of the company. They are, therefore, liable for the offences committed, in law, by the corporation. As was stated in an old English case,[1] a corporation is an abstraction. It has no mind of its own any more than it has a body of its own; its active and directive will must consequently be sought in the person of somebody who for some purposes may be called an agent, but who is really the directing mind and will of the corporation, the very ego and centre of the personality of the corporation. That person may be under the direction of the shareholders in general meetings; that person may be the board of directors itself, or it may be, and in some companies it is so, that person has an authority co-ordinate with the board of directors given to him under the articles of association, and is appointed by the general meeting of the company and can only be removed by the general meeting of the company.

There are, thus, three types of monetary liability of director/officers of a company arising out of default in complying with any provisions of the Act, namely -

- Fine imposed by a court of law as a result of prosecution and criminal trial of an offence in respect of those provisions which lay down that that for a default, the company and every officer shall be 'punishable' with fine and/or imprisonment;

1. *Lennard's Carrying Co. Ltd. v Asiatic Petrolium Co. Ltd. (1915) AC 705, per Viscount Haldane L.C.*

- An amount ordered to be paid by the NCLT or the Regional Director or any officer authorised by the Central Government, on compounding of an offence under Section 441 of the Act;
- An amount of penalty imposed by an Adjudicating Officer under Section 454 of the Act, in respect of those provisions which lay down that that for a default, the company and every officer shall be liable to a penalty.

When a director or other officer of a company is penalized for a non-compliance by the company with any provision of the Companies Act, or for negligence, default, misfeasance, breach of duty or breach of trust, there are often instances of directors/officers are called upon to pay fine or penalty for the company's default in complying with the law as the company's agents being vicariously liable. There is no explicit provision in the statute declaring that fine or penalty or compounding fee ordered against a director/officer must be borne and paid by the director/officer personally out of his/her own pocket. The language used in the relevant statutory provision, however, does indicate that it is the personal liability of the director/officer against whom the order is passed, to bear and pay the fine/penalty. For example, see the following two provisions:

- If default is made in complying with the provision of this Section the company and every officer of the company who is in default *shall be punishable* with fine or imprisonment or with both.
- Where any default is made in complying with the provisions of this Section, the company and every officer of the company who is in default *shall be liable* to a penalty of fifty thousand rupees.

There is no explicit provision in the statute declaring that fine or penalty or compounding fee ordered against a director/officer must be borne and paid by the director/officer personally out of his/her own pocket.

The words 'shall be punishable' and 'shall be liable', qualifying both the company and every officer who is in default, and the fact that the company and every officer who is in default are separately made liable for the fine/penalty, make the intention of the Legislature that the fine/penalty imposed on an officer of a company is personal liability of such officer who is liable to pay it out of his own pocket. Furthermore, the principle of vicarious liability (as explained below) makes such liability the personal liability of the officer.

INDEMNITY AGAINST FINE, PENALTY, COMPOUNDING FEE OR EXPENSES IF ARTICLES OF ASSOCIATION OF A COMPANY SO PROVIDE

A question that often arises as to whether a fine or penalty or compounding fee imposed on a director or officer of a company is his personal obligation to be paid by him from his own pocket or the company can pay it or (if already paid by him) indemnify it. The Companies Act, 2013 is silent on this, although Table F does contain a provision enabling it to be indemnified by the company.

Position under Companies Act, 1956

The Companies Act, 1956 contained provisions on this subject in Section 201 and article 99 of Table A, which read as follows:

"201. Avoidance of provisions relieving liability of officers and auditors of company — (1) Save as provided in this Section, any provision, whether contained in the articles of a company or in an agreement with a company or in any other instrument, for exempting any officer of the company or any person employed by the company as auditor from, or indemnifying him against, any liability which, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, misfeasance, breach of duty or breach of trust of which he may be guilty in relation to the company, shall be void:

Provided that a company may, in pursuance of any such provision as aforesaid, indemnify any such officer or auditor against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 in which relief is granted to him by the Court."

"Indemnity:

99. Every officer or agent for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 in which relief is granted to him by the Court."

Legislative history and object of Section 201

In England, a provision corresponding to this Section was first enacted in English Companies Act, 1929 (Section 152) on the recommendation of the Greene Committee which was the result of the decision of Romer J in *Re, City Equitable Fire Insurance Co Ltd*[2] where the directors of the company successfully relied upon the company's articles modifying a director's duty to the company and exempting him from breach of that duty or granting blanket immunity to directors from liability for breach of duty. It was held in that case that where the articles of a company made the directors liable for losses only if those losses happened by their wilful negligence or default, they could not be held liable for a negligence which did not amount to a wilful negligence. Article 150 of the Articles of Association read as follows:

"The directors, auditors, secretary and other officers for the time being of the company, and the trustees (if any) for the time being acting in relation to any of the affairs of the company, and every of them, and every of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the company from and against all actions, costs, charges, losses, damages and expenses which they or any of them their or any of their heirs, executors or administrators shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own wilful neglect or default respectively, and none of them

2. *(1925) Ch 407: (1924) All ER 485.*

shall be answerable for the acts, receipts, neglects or defaults of the other or others of them, or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys of or belonging to the company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, unless the same shall happen by or through their own willful neglect or default respectively."

In the UK, in the Greene Committee's opinion such exemption provision of the articles provided the directors with unwarranted protection. The Committee stated:[3]

"To attempt by statute to define the duties of directors would be a hopeless task and the proper course in our view is to prohibit articles and contracts directed to relieving directors and other officers of a company from their liability under the general law for negligence and breach of duty or breach of trust."

In India, a provision similar to Section 152 of the English Companies Act, 1929 was enacted in 1937 by the Amendment Act of 1936 by inserting in the Indian Companies Act, 1913 a new Section 86C by which the provisions in the articles of association or in agreements exempting directors, managers and auditors from liability for negligence, default or breach of duty were declared void.

This was perhaps prompted by the observations of Marten CJ in the case of *Govind Narayan Kakade* v. *Rangnath Gopal Rajopandhye.*[4] In that case, a director of a bank was found liable for misfeasance or breach of trust for sum of Rs. 12,000 jointly with other directors of the bank. One of his defences was that the appellant not having been guilty of any wilful neglect or default is protected by the articles of association of the bank from this claim: or alternatively and that he had acted honestly and reasonably and ought fairly to be excused under Section 281 of the Indian Companies Act, 1913 (corresponding to Section 633 of the Companies Act, 1956 and Section 463 of the Companies Act, 2013). The company's article 99 of the articles of association of the company granted wide indemnity to its directors against liability except as might be incurred or occasioned by a director's own personal wilful act, neglect or default. It read as follows:

"Every person being or having been a director, agent or other officer of the company, his heirs, executors or administrators, shall at all times be indemnified and saved harmless, out of the funds of the company, from and against all costs, charges, losses, damages and expenses, whatsoever sustained or incurred in the proper execution of his respective powers, duties and office as well as from and against all claims, actions, suits and demands, whatsoever brought or made against him or them in respect of any engagement or liability of the company, save any such as may be incurred or occasioned by his own personal wilful act, neglect or default."

While rejecting the indemnity claimed by the directors against liability in misfeasance proceedings, the learned Judge remarked:

"I would also like to add that in my opinion this appeal shews the desirability of some amendment of the Indian Companies Act, 1913, so as to nullify... the wide indemnities given by such articles of association as articles 98 and 99 in the present case. In this connection I would draw attention to Section 152 of the new English Companies Act, 1929, which in effect makes articles of that nature void. That Act also makes other important amendments for the protection in England of the investing public. This, however, is a matter for the Indian Legislature to decide on here. Fools cannot wholly be protected from the wiles of company promoters, and agents, but the path of the latter may be made more difficult by the Legislature, and particularly so in a case like the present, where, thanks to the managing agents and the directors, the expressed objects of the company, viz., to 'encourage the habit of saving money and to facilitate small but safe investments', have been sadly falsified in actual practice.."

Prohibition under the Section

Section 201 was a declaratory as well as prohibitory Section and was mandatory in character; it not only declared but also prohibited doing something by a company. The Section applied to all companies.

What Section 201 rendered void was exemption from, or indemnity against, liability for negligence, default, misfeasance, breach of duty or breach of trust of which he might be guilty in relation to the company, on the part of a director, other officer or auditor of the company, except the indemnity in the situation permitted by the proviso (Regulation 99 in Table A in Schedule I to the Companies Act, 1956; corresponding to Regulation 91 in Table F in Schedule I to the Companies Act, 2013). Section 201, by its substantive provision of sub-section (1), which was very widely worded, avoided any exemption or indemnification against "any liability", but such liability must be in respect of any negligence, default, misfeasance, breach of duty or breach of trust, in relation to the company. Moreover, such liability must attach to an officer "by virtue of any rule of law".

The liability contemplated under Section 201 was a monetary liability which was incurred by an officer of the company in the form of fine, penalty, compounding fee or payment of compensation or damages (contractual or tortious or business liability, that is a liability for a breach of obligations or duties arising in the course of a business.) A liability which results in imprisonment without monetary liability (such as fine) is outside the scope of this Section (and, in any case, such a liability cannot be exempted from or indemnified against).

This Section applied to any provision contained in a company's articles or in any contract or in any other document, and prohibits exempting any officer of the company (which includes director) or indemnifying him against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust of which he may be guilty in relation to the company. Any such provision was void. For instance, if a director was prosecuted, and convicted and fined for any contravention by the company of any provision of any law, the director could not be indemnified for the liability incurred by him, and could not, for instance, be reimbursed expenses incurred by him in respect of the proceedings including the amount of fine paid by him. This was the personal liability of the director concerned, and he could not claim it from the company.

Effect of the proviso

While the substantive provision in sub-section (1) declared that any provision for exempting any officer or an auditor from,

3. *Cmnd 2657, 1925-6, paras 45 and 47.*
4. *(1930) ILR 54 Bom 226: 32 Bom LR 232: AIR 1930 Bom 572.*

or indemnifying him against, any liability should be void; the words "Save as provided in this Section" sought to exempt the avoidance and it was set out in the proviso to sub-section (1), according to which a company may indemnify any such officer or auditor against any liability incurred by him in defending any proceedings, whether civil or criminal, if a judgment has been given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 (corresponding to Section 463 of the Companies Act, 2013) in which relief is granted to him by the Court. But the rigour of this Section was mitigated and relaxed by the proviso which permitted indemnifying an officer for liability incurred by him in the event of a judgment having been given by a court in favour of the director or where he was acquitted or discharged by the court. Indemnity is also permissible where a director was granted relief under Section 633 of the 1956 Act. The proviso only allowed indemnification against any liability in defending any proceedings, civil or criminal, in which judgment was given in favour of the company's officer or auditor or in which he had been acquitted or discharged or in connection with any application for relief under Section 633 if relief had been granted to him. Thus, the scope of the proviso is very limited.

Taking benefit of the saving clause contained in the proviso to Section 201, the articles of most companies included 'Indemnity' provision which resembled regulation 99 in Table A in Schedule I to the Act noted above. This regulation saved the directors against liability, and entitled them to be reimbursed the expenses in connection with any liability which attached them as directors in relation to the company.

As to the indemnification permitted by articles, etc. in pursuance of the proviso the MCA's views in one of its circulars are set out below:

"Reimbursement of the expenses to the Managing Directors, etc. for defending criminal cases — Companies sometimes place funds at the disposal of their managerial personnel for defending themselves in criminal proceedings instituted against them. Section 201 specifically provides that any provision whether contained in the articles of a company or in an agreement with a company or in any other instrument, for exempting any officer of the company or any person employed by the company as auditor from, or indemnifying him against, any liability which, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, misfeasance, breach of duty or breach of trust of which he may be guilty in relation to the company, shall be void. It has also been laid down in the proviso to sub-section (1) of the said Section that a company may in pursuance of any such provision, indemnify any such officer or auditor against any liabilities incurred by them in defending any proceeding whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the court. Thus, it is not permitted to a company to make its funds available to the managing directors, etc. in connection with any civil or criminal case instituted against them unless they are found by a competent court to be innocent and the question of reimbursement will arise only after the termination of the proceeding in favour of the officers of the company concerned."[5]

5. *Circular No. 8/72(12)/42/71-CL-V, dated 8 May, 1972.*

POSITION UNDER COMPANIES ACT, 2013

Section 201 of the Companies Act, 1956 has not been included in the Companies Act, 2013. However, strangely, Regulation 99 of Table A in Schedule I to the Companies Act, 1956 has been included as Regulation 91 of Table F, which is substantially identical to Regulation 99. It reads as follows:

Indemnity.

"**91.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal."

The fact of not re-enacting Section 201 implies that a provision for exempting or indemnifying directors against, any liability shall not be void and the proviso may be incorporated by a company in its articles of association to avail of the benefit of indemnity subject to the condition stipulated in the concluding part of the proviso. This is what precisely has been done by Regulation 91 of Table F.

While omitting Section 201 of the Companies Act, 1956, and, at the same time, retaining in Regulation 91 of Table F, a provision similar to Regulation 99 of Table A in Schedule I in the Companies Act, 1956, has to be presumed to be a deliberate act on the part of the Legislature. It should be noted that Regulation 99 of Table F is identical to the proviso to Section 201. This seems to be the reason why the Parliament while enacting Companies Act 2013, has omitted Section 201 but retained Regulation 91 (which was in fact the proviso in Section 201), thereby allowing companies to have included in their Articles of Association a provision similar to Regulation 91, so that the company can indemnify a director and other officer, for the fine or penalty and expenses incurred directly related to the proceedings in question, if such director or officer is acquitted, or in which relief is granted to him, by the court or the Tribunal (e.g. NCLT/NCLAT). Indemnity means protection or security against damage or loss or compensation for damage or loss sustained; and to indemnify means to compensate for damage or loss sustained, expense incurred, etc; to give (someone) money or another kind of payment for some damage, loss, or injury.

Thus, while the 2013 Act has done away with the provisions that Section 201 of the 1956 Act contained, it retained the provision in article 99 of Table A in Regulation 91 of Table F. Regulation 91 permits a company to indemnify an officer of the company out of the assets of the company (asset includes money) against any liability incurred by him in defending any proceedings, whether civil or criminal, in which -

- a judgment is given in his favour; or
- he is acquitted; or
- relief is granted to him by the court or the Tribunal.

This means that no indemnification would be permitted if an officer is held guilty and liable to pay fine or penalty levied by a court or tribunal.

Section 5(6) of the Act provides that the articles of a company shall be in respective forms specified in Tables, F, G, H, I and J in Schedule I as may be applicable to such company. As per Section 5(7), a company may adopt all or any of the regulations contained in the model articles applicable to such company; and as per Section 5(8), in case of any company,

which is registered after the commencement of this Act, insofar as the registered articles of such company do not exclude or modify the regulations contained in the model articles applicable to such company, those regulations shall, so far as applicable, be the regulations of that company in the same manner and to the extent as if they were contained in the duly registered articles of the company. These provisions of Section 5 make it clear that in order to avail of the benefit of the indemnification contemplated by Regulation 91, a company must have in its Articles of Association an express provision similar to Regulation 91. In other words, in absence of an express provision in the articles, a company cannot indemnify the director or other officer if a judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal. Needless to state, no indemnification would be permitted if a director or other officer is held guilty and liable to pay fine or penalty fee levied by a court or tribunal.

WHETHER OFFICERS OF A COMPANY CAN BE INDEMNIFIED AGAINST FINE, PENALTY, OR EXPENSES IF ARTICLES OF ASSOCIATION OF A COMPANY SO PROVIDE

Defaults, breaches, violations, failures, contraventions or non-compliances under the Companies Act are called 'offences' which give rise to a penal liability. In different penal provisions of the Companies Act different words are used, such as contravention, failure, default, refusal, non-compliance, negligence, etc. But the most frequently used word is 'default'. In the context of penal provisions under the Companies Act, default means failure to act; inaction or neglect; failure to perform an act or obligation legally required; failure to perform some legal requirement.

Almost every provision of the Companies Act (whether it is providing for punishment by way of fine by a court or by way of penalty by the National Company Law Tribunal), makes liable the company and every officer of the company who is in default (or in some cases the key managerial personnel). This liability arises by reason of the director or other officer of the company being made by law vicariously liable. There are, thus, three types of monetary penal liability of director/officers of a company arising out of default in complying with any provisions of the Act, namely -

- Fine imposed by a court law as a result of criminal trial of an offence in respect of those provisions which lay down that, in case of default, the company and every officer shall be 'punishable' with fine and/or imprisonment;
- An amount ordered to be paid by the NCLT or the Regional Director or any officer authorised by the Central Government, on compounding of an offence under Section 441 of the Act;
- An amount of penalty imposed by an Adjudicating Officer under Section 454 of the Act, in respect of those provisions which lay down that, in case of default, the company and every officer shall be liable to a penalty.

When a director or other officer of a company is penalized for a non-compliance by the company with any provision of the Companies Act, or for negligence, default, misfeasance, breach of duty or breach of trust, there are often instances of directors/officers are called upon to pay fine or penalty for the company's default in complying with the law as the company's agents being vicariously liable. Almost all penal provisions of the Act make directors and officers of a company liable for punishment of fine or penalty or compounding fee. When a director or other officer of a company is punished by way of fine (by a court) or made liable to pay penalty or compounding fee (by an adjudicating officer), can the company indemnify or reimburse the money paid by the director/officer by way of fine or penalty or compounding fee and expenses incurred in defending the case?

WHETHER COMPOUNDING FEE LEVIED ON A DIRECTOR OR OTHER OFFICER CAN BE PAID BY THE COMPANY

It may also be noted that a compounding fee is imposed in pursuance of a voluntary act on the part of a director/officer of a company who on his own approaches the concerned authority (Regional Director/NCLT) for compounding an offence and agrees to pay the compounding fee. Therefore, in my opinion, a compounding fee cannot be brought within the ambit of article 91 of the Articles of Association of the Company.

Thus, so far as compounding fee levied by the regional Director or National Company Law Tribunal, in lieu of fine, when an offence which makes officers of a company liable to punishment by way of fine, it appears that, following the principle that a fine or penalty imposed on a director or officer is his personal obligation and not the company's, such fee cannot be paid by the company or indemnified/reimbursed by the company, since when an offence is compounded on an application of an officer of a company, he accepts the guilt of non-compliance or default and prays for exoneration from prosecution and excuse him for the default, the compounding fee is not of the same character as the fine which would otherwise have been payable and hence the case does not fall under any of the three circumstances specified in Regulation 91 of Table F, namely, a liability incurred by him in defending any proceedings, whether civil or criminal, in which a judgment is given in his favour; he is acquitted; or relief is granted to him by the court or the Tribunal.

In the interim order in *Prem Jain v. Union of India* (W.P. No. 30273 of 2024), it was submitted that payment of the compounding fee paid by any other person apart from the petitioner (director of a company) is contrary to Section 441(1) of the Act which clearly requires that the Regional Director or any officer authorized by the Central Government has to pay/credit to the Central Government such sum as the Tribunal or the Regional Director or any other officer authorized by the Central Government may specify. The compounding fee levied on a director was, however, paid by the company but shown in records as paid by the concerned director. The Telangana High Court has expressed a view that a compounding fee is a personal liability that cannot be reimbursed by the Company. If a company pays the fee, it effectively results in an unauthorized reimbursement, which violates the punitive intent of the statute. The Regional Director's order specifically mandated that fees be paid from the individual's "own sources". The Court noted that the company paying approximately Rs.30,000 on behalf of multiple directors was a factual error that required rectification to reflect that the Petitioner did not satisfy the requirement through that specific transaction.

❐

ARTICLE

Partly Paid-Up Shares: Legal Framework and Treatment in Corporate Actions

Partly paid-up shares are a long-standing concept and has been applied by companies in the Indian capital markets for many years. Initially, partly paid-up shares were issued by companies with a dual motive:

1. Companies could enjoy the flexibility of raising funds to meet their amortised / deferred Cash Flow requirements and
2. It facilitated the retail investors to enter the capital market with minimum cash requirements and allowed them a deferment for fully subscribing to the share's ownership.

Nowadays, very few companies issue partly paid equity shares, and the motive for issuing partly paid-up shares has changed from a dual fold approach to a multifold motive. This article combines and explains the treatment of partly paid-up shares while undertaking any corporate action.

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INTRODUCTION

Companies Act, 2013 permits companies to issue shares either fully paid and / or partly paid. Nowadays, partly paid shares are often used as a tool to match the cash flow requirement of the Company and also assure Investor by facilitating him deferred infusion tagged along to the performance matrix. Therefore, this instrument is gaining popularity among investors and the Company. Companies are also issuing partly paid-up shares as a cash flow management or other strategy.

In designing and issuance of shares or structuring of share capital, companies often resort to various corporate actions like private placement, rights issue, bonus issue, split or consolidation of shares, etc. The compliance officer needs to work on the minutest detail to give justice to all the aspects pertaining to the structuring, designing, compliance and after effects of issuance of partly paid-up Shares.

PARTLY PAID-UP SHARES

Partly paid-up shares are those where the shareholder has paid only a fraction / portion of the total face value (including premium, if any) to the company towards subscription and / or call money of the Share. The remainder amount (uncalled capital) is treated as a liability of the shareholder, which the company can "call" (demand) at a later date in the manner as the Board deem fit in compliance with the Shareholder's approval (wherever required).

Example 1: If Face Value of a share is ₹10 – the company might demand ₹4 at the time of application and allotment. The remaining amount i.e. ₹6 becomes the "uncalled capital."

ISSUE OF PARTLY PAID-UP SHARES

Companies often issue partly paid-up shares when they have a long-term project that requires capital in phases rather than all at once. This strategic move allows Companies to accept the cash inflow as and when required. It also facilitates the Companies to maintain the Return on Equity Ratio (ROE).

Advantages and Disadvantages

	Company	Investors
Advantages	• Funds can be available in a short duration as and when required. • Helps to maintain ideal cash flow.	• Cash outflow is limited and in deferred manner which helps them participate with a deferred liability. • Investors also have an option to opt out, if the company is not achieving the desired milestones.

Disadvantages	**Non-Fulfilment Risk**: Investors may not respond to the calls which results into forfeiture of shares and desired cash flow targets may not be achieved. **Compliance Cost**: The company needs to bear the cost of compliance apportioned to each call event.	Investors are obligated to pay for the calls irrespective of market conditions and their existing commitments (which may result in a lack of liquid cash available). Risk of Forfeiture of shares and confiscation of amounts paid till calls – in case of non-payment.

Calls

The Process of Making a Call

The process typically follows these five key steps:

1. **Board's Approval**

   The power to make a call lies with the Board of Directors (Section 179). However, the Board must comply with the performance parameters (if any) executed in a Shareholders' Agreement.

2. **Statutory Treatment with respect to Shares issued at Premium**

   Shares are issued on a premium and also partly paid:

   a) **Call of Entire Unpaid Amount**

   The company may call the entire unpaid portion of the face value along with the unpaid securities premium, thereby resulting in the shares becoming fully paid-up.

   b) **Call of Unpaid Amount in Parts**

   The company may also call the unpaid face value and the unpaid securities premium in parts. For example, out of ₹10/- Face Value, ₹6/- towards face value and ₹4/- towards premium is outstanding (unpaid). In this case Company may call for ₹5/- towards face value and ₹4/- towards premium. Even after such call, ₹1/- (towards face value) can be maintain as unpaid and status of the share remain partly paid.

3. **Call Money on Partly paid and Share Premium – Important Legal Aspect**

   When shares are issued on partly paid basis and on a premium, a practical difficulty arises:

   a) Can a company demand the entire unpaid face value along with the unpaid premium?

   b) Can a company demand some portion of the face value and the entire premium amount?

   c) Can a company demand some portion of the face value and some portion of the premium?

   Answer to all the questions above is **'Yes'.**

4. **Practical Implication**

   Once the premium amount becomes due pursuant to a call:

   Non-payment may attract the same consequences as non-payment of call money, including:

   - Interest on calls in arrears, and
   - Forfeiture of shares, in compliance with the Articles of Association.

Illustrative Example:

Suppose a company issues shares with the following payment structure:

Face Value: ₹10
Share Premium: ₹400
Issue Price: ₹410

Payment Terms:

Stage	Amount
Application	₹4
First Call	₹3 + ₹200 premium
Final Call	₹3 + ₹200 premium

If a shareholder fails to pay the First Call, the ₹200 premium due along with that call also becomes part of the call money in arrears.

Consequently, the company may:

- Charge interest on the entire unpaid amount, and
- Initiate forfeiture proceedings if permitted under the Articles.

5. **Whether Form PAS-3 is required to be filed for Calls?**

   No, Form PAS-3 (Return of Allotment) is not required to be filed when a company collects "call money" on shares that have already been allotted.

   The distinction lies in the legal trigger for the form. Here is the breakdown:

   - The Trigger for filing Form PAS-3

     Under Section 39(4) and Section 42(9) of the Companies Act, 2013, Form PAS-3 is specifically a Return of Allotment. It must be filed only when a company allots new securities.

   - Why it isn't filed for Calls

     Existing Allotment: When you make a call, you are simply collecting the balance due on shares that were already allotted in the past. Since no "new" allotment is taking place, the requirement to file a return of allotment does not arise.

TREATMENT OF PARTLY PAID-UP SHARES ON VARIOUS CORPORATE ACTIONS

1. **Private Placement:**

Can a Company issue shares when the company's existing partly paid shares are uncalled?

Yes, the Companies Act, 2013 does not expressly prohibit a company from making a fresh private placement merely because existing shareholders have unpaid call money on previously issued shares.

Neither Section 42 nor Section 62 of the Companies Act, 2013 requires that all previously issued shares must be fully paid before undertaking a new private placement.

Therefore, legally a company may proceed with a fresh issue even if earlier shares remain partly paid.

However, Section 42(5) provides that:

No fresh offer or invitation under this section shall be made unless the allotments with respect to any offer or invitation made earlier have been completed or that offer or invitation has been withdrawn or abandoned by the company.

What does it meaning when we mention "Allotment is Completed"?

Completion of allotment does not mean the shares must become fully paid. Once shares are allotted, and Form PAS-3 is filed, then the allotment is considered as completed. It does not depend on the amount of application money received – it is on the event of allotment. The liability of the uncalled sums continues to be payable by the Shareholder as and when Board initiates a Call on those shares.

> The objective of issuing partly paid shares has now shifted from providing financial flexibility to investors to utilizing them as an investment instrument in start-up companies.

2. **Transfer and transmission of partly paid shares:**

Partly paid shares can also be transferred (using Form SH-4) pursuant to Section 56 of the Companies Act, 2013. The Act provides for an extra layer of compliance in the case of transfer of partly paid shares.

Since the shares are not fully paid, the Act also transfers the liability of the unpaid amount and ensures that the transferee is aware that the shares are partly paid.

a) **The Statutory Requirement Section 56(3)**

If an application is made by the Transferor (the seller) for the registration of a transfer of partly paid shares, the company cannot register the transfer unless:

- The company gives Notice of the Application to the Transferee in Form SH-5.
- Transferee gives a No Objection Certificate (NOC) for such transfer.

b) **Key Secretarial Implications**

- **Liability Shift**: Once the transfer of partly paid shares is registered in the Register of Members (MGT-1), the Transferor is discharged from the liability of unpaid amount, and the Transferee becomes legally responsible and liable for all future calls.
- **Calls in Arrear**: If there are existing "Calls in Arrear" by the transferor (seller) (existing unpaid call), the Board may refuse the transfer under the power given in the Articles of Association (AoA) until the same are cleared.
- **Stamp Duty**: Stamp duty is calculated on the Consideration Amount (the actual price paid), not the face value and irrespective of the partly paid or fully paid.
- **Endorsement**: The Share Certificate must be endorsed to reflect the name of the new holder while clearly mentioning the "Partly Paid" status.

3. **Rights Issue:**

In a Rights Issue, the offer to subscribe is based on the number of shares held, not the amount paid on them. In practice, rights entitlements are usually determined based on the number of shares held by the shareholder, even where shares are partly paid. However, Section 62 technically refers to proportion of paid-up share capital. This is a common point of confusion, but the distinction is clear:

a) **Eligibility is per Share, not per Rupee**

If a company announces a Rights Issue in the ratio of 1:5 (one new share for every five held), a shareholder holding 100 shares gets 20 rights entitlements—regardless of whether those 100 shares are fully paid (₹10) or partly paid (e.g., ₹5).

The "Rights" attach to the legal ownership of the share entity itself, not the quantum of capital contributed.

b) **Can the Ratio be Adjusted? (The "Pro-Rata" Exception)**

While an entitlement (the right to apply) is usually based on the number of shares, the dividend rights and voting rights on the new shares will eventually be pro-rata.

However, a company can technically create different classes of shares. If the Articles of Association

allows it, the Board could theoretically propose a scheme where the offer is different for different classes, but under Section 62, the standard practice is:

- **The Ratio:** Applied to the total number of equity shares held.
- **The Result:** All shareholders (fully or partly paid) receive the offer in the same proportion.

4. **Bonus Issue:**

Under Section 63(2)(a), no company can capitalize its profits or reserves for the purpose of issuing fully paid-up bonus shares unless its partly paid-up shares, outstanding on the date of allotment, are made fully paid-up.

The company must follow one of two paths regarding its partly paid shares:

Option A: Make a Call. The company must make a final call, collect the balance money, and ensure the shares are "fully paid-up" before the record date of the bonus issue.

Option B: (Where Different Classes Exist): If the company has issued different classes of shares, and the partly paid shares belong to a separate class, the bonus issue may be structured in respect of the class consisting of fully paid shares only.

However, where the partly paid shares form part of the same class of equity shares, the company must first make such shares fully paid-up before the allotment of bonus shares, either by making a call on the unpaid amount or by capitalising reserves in accordance with the provisions of the Companies Act, 2013.

5. **Reduction of Share Capital:**

Under Section 66(1)(a), a company limited by shares may, by a special resolution, reduce its share capital in any manner, and in particular, may:

"Extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up."

Practical Scenario:

If a share has a face value of ₹10 (where ₹4 is paid-up and ₹6 is uncalled), the company can apply to the NCLT to:

Extinguish the liability: Reduce the face value from ₹10 to ₹4 which results into the shares become fully paid-up at ₹4, and the shareholder is no longer liable to pay the remaining ₹6.

6. **Buyback of Shares:**

Company cannot undertake buyback of shares if they are not fully paid up. Section 68 clearly prohibits a Company from buying back the shares unless they are fully paid. If a Company intends to undertake a buyback activity, then it must make a final call to make the share fully paid and then proceed with the buyback.

7. **Declaration of Dividend on Partly Paid Shares:**

Declaration and payment of dividend on partly paid shares is primarily governed by the AOA of the Company.

The Pro-Rata Concept (Section 51)

A company may, if so authorised by its articles, pay dividend in proportion to the amount paid- up on each share.

If the Articles are silent on the same, the dividend must be paid on the amount paid-up by the shareholder.

Illustration:

- Shareholder A holds 1 share of ₹10/- fully paid.
- Shareholder B holds 1 share and ₹5 Paid-up, ₹5 unpaid.
- If the company declares a 10% dividend, Shareholder A receives ₹1.00, while Shareholder B will be entitled only for ₹0.50.

TREATMENT FOR CALLS IN ADVANCE

- If a shareholder has paid money in advance (amount not yet called by the company), in this case, shareholder is not entitled to dividends on that advance payment. Section 50, provides "Calls in Advance" are treated as a debt the company owes the member (often earning interest) rather than part of the paid-up share capital.

Treatment of Calls in Arrear:

If a shareholder owes "call money" which is outstanding:

Deduction or withholding: Most Articles (and Table F) allow the Board to deduct the unpaid call amount (and any interest due) from the dividend payable to that specific shareholder. Company may hold the payment of dividend unless the called amount is paid by the shareholder.

CONCLUSION

Apart from the above corporate actions, partly paid-up shares also require careful consideration in matters relating to SBO compliance, voting rights, determination of holding-subsidiary relationships, oppression and mismanagement, restructuring, FEMA.

REFERENCE:

i. Companies Act, 2013

Invitation For Research Papers in CS Journal – May 2026 Issue

We invite Research papers / Manuscripts to publish in 'Chartered Secretary' with the objective of creating proclivity towards research among its members both in employment and practice. As research is an integral part of the scientific approach towards an issue for arriving at concrete solutions, in view of this it is essential to ensconce the research-oriented approach. Further, research is pervasive, i.e., it is not restricted to a particular field. Whether it is engineering, management, law, medicine, etc. without proper research, it is almost next to impossible to ascertain the solution of a problem.

Contributions may be sent on topics like Secretarial Practice, Auditing Standards, Company Law, Mercantile Law, Industrial Law, Labour Relations, Business Administration, Accounting, CG & CSR, Legal Discipline, and Digital Transformation & Artificial Intelligence or on any other subject and topic of professional interest.

Participants are requested to send their Research Paper with the following terms:

- The Research Paper should be original and exclusive for Chartered Secretary.
- It should be ensured that the Research Paper has not been/will not be sent elsewhere for publication.
- Research Paper should include a concise Title, Abstract name of the author(s) and address.

Members and other readers desirous of contributing Research Paper may send the same latest by **Friday, April 24, 2026** for the **May 2026** issue of Chartered Secretary Journal at **cs.journal@icsi.edu**

The length of the Research Paper should ordinarily be between 2,500 - 4,000 words in MS Word format.

We look forward to your co-operation in making this initiative of the Institute a success.

Regards,

Team ICSI

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RESEARCH CORNER

- Beyond Compliance: OSH Code, 2020 and the Shift to Rights-Based Workplace Safety

Beyond Compliance: OSH Code, 2020 and the Shift to Rights-Based Workplace Safety

The Occupational Safety, Health and Working Conditions Code, 2020 represents a significant legislative effort to unify India's historically fragmented occupational safety framework by consolidating thirteen sectors-specific labour statutes into a single code. This paper critically examines whether the OSH Code, as enacted, signals a substantive transformation from a fragmented and enforcement-driven regulatory model to a right-oriented and facilitative system of workplace safety governance grounded in constitutional guarantees under Article 21 of the Constitution of India. Using a doctrinal and policy-analysis approach, the paper analyses the architecture and operative provisions of the OSH Code through the interrelated perspectives of employers, workers, and regulators. The paper argues that while the OSH Code has the normative capacity to strengthen occupational safety governance and accountability in India, its practical efficacy remains contingent upon the scope and quality of delegated rule-making, consistency of State-level implementation, and institutional capacity for facilitative enforcement. By combining plain-language statutory exposition with constitutional and jurisprudential analysis, the paper seeks to bridge the gap between legislative design, legal doctrine, and compliance practice, and to contribute to the evolving discourse on labour law reform in post-consolidation India.

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INTRODUCTION

Work is central to human dignity and social development, requiring that economic growth be accompanied by safe, humane, and dignified working conditions. In India, this evolving conception—shifting from mere subsistence needs (***Roti, Kapda aur Makaan***) to employment, security, and respect (***Rozgaar, Suraksha aur Samman***)—forms the normative basis of labour regulation. Historically, Indian labour law emerged from exploitative colonial conditions marked by unsafe workplaces, coercive contracts, and minimal legal protection, with early statutes offering limited safeguards driven more by imperial interests than worker welfare. Post-Independence legislation expanded protections but resulted in a fragmented regulatory regime comprising multiple sector-specific laws with overlapping jurisdictions, inconsistent definitions, weak penalties, and limited coverage of emerging forms of work. Influenced by International Labour Organization principles linking social justice with occupational safety and health, India consolidated this fragmented framework into four Labour Codes. The Occupational Safety, Health and Working Conditions Code, 2020 represents this reform effort by establishing a unified, contemporary framework aimed at aligning economic growth with worker safety, health, and dignity.

The 13 Laws that were replaced	
Old Law	**Covered**
Factories Act, 1948	Manufacturing workers
Mines Act, 1952	Mining operations
Plantations Labour Act, 1951	Tea, coffee, rubber plantations
Contract Labour Act, 1970	Contract workers
Building & Construction Workers Act, 1996	Construction sites
Dock Workers Act, 1986	Ports and dockyards
Inter-State Migrant Workmen Act, 1979	Workers crossing state borders
Motor Transport Workers Act, 1961	Road transport workers
Beedi & Cigar Workers Act, 1966	Beedi and cigar workers
Working Journalists Act, 1955	Journalists
Sales Promotion Employees Act, 1976	Sales promotion staff

Working Journalists (Wages) Act, 1958	Journalist wage fixation
Cine-Workers & Cinema Theatre Workers Act, 1981	Film and cinema workers
All thirteen of these laws have been repealed. The OSH Code now covers all of them — under one registration, one inspector, one set of rules.	

WHAT EMPLOYERS MUST KNOW AND DO

The Code applies to establishments once prescribed workforce thresholds are met. In general, it covers most establishments employing 10 or more workers, with higher thresholds for factories (20 with power; 40 without power). Mines, docks/ports, and hazardous or life-threatening activities are covered irrespective of worker strength, while contract labour provisions apply when 50 or more contract workers are engaged.

KEYNOTE	If your establishment falls under any hazardous or life-threatening activity notified by the Central Government, the threshold of 10 workers does NOT apply. You must comply irrespective of headcount.

Step 1: Register Your Establishment

You must register under the OSH Code (Section 3). This is a single online registration — not the multiple registrations previously required under 13 different laws. If you already had a registration under one of the old laws, that registration is treated as valid under the OSH Code, provided you update your details within the prescribed time.

Important: If you do not register, you cannot legally employ workers. This is more serious than a penalty — it can stop your business operations entirely.

Step 2: Obtain a Licence (If required)

Contractors who supply workers, and employers running factories or hazardous premises, need a licence under Section 119. One combined licence now covers factories, beedi/cigar premises, and contract labour engagement. Contractors can get a 'work-specific licence' for a single project or a 'national licence' to operate across multiple states.

Appeal Against Registration/Licence Decisions (Sections 4, 52, 75, 119)

- Any person aggrieved by a registration order can appeal within 30 days to the designated Appellate Officer.
- The Appellate Officer must dispose of the appeal within 30 days of receipt.
- Licencing decisions can similarly be appealed within 30 days.
- The appeal must be filed electronically and is disposed of electronically within 30 days.

Step 3: Know Your Duties (Section 6)

The Code sets out a clear list of what every employer must do. These are not guidelines — they are legal obligations:

Your Duty	What It Means in Practice
Hazard-free workplace (S.6(1)(a))	Identify all risks. Provide proper equipment. Maintain machines. Fix problems promptly.
Safe systems of work (S.6(1)(b))	Have written procedures for dangerous tasks. Train workers before they start.
Free health check-up every year (S.6(1)(c))	Pay for annual medical examination for every employee. You cannot charge the worker.
Safe handling of materials (S.6(1)(d))	Proper storage, transport, and disposal of chemicals, waste, and equipment.
E-waste disposal (S.6(1)(e))	Dispose of electronic waste safely. New obligation — no equivalent under old laws.
Letter of Appointment (S.6(1)(f))	Every employee must receive a written letter of appointment. Existing employees: issue within 3 months of the Code's commencement.
No cost to workers (S.6(1)(g))	You cannot recover the cost of safety equipment, health checks, or welfare facilities from workers.

Step 4: Welfare Facilities You Must Provide

The Code requires specific welfare facilities depending on the size of your workforce:

Welfare Facility	Threshold/Trigger	Applicable Establishments
Washing facilities (separate for male/female)	All employers — no threshold	All establishments
Bathing places and locker rooms (separate for male, female, transgender)	All employers — no threshold	All establishments
Sitting arrangements for employees who work standing	All employers — no threshold	All establishments
Storage for clothing + drying of wet clothing	All employers — no threshold	All establishments
Canteen facility	100 or more workers (including contract labourers)	All establishments

First-aid boxes with adequate contents — accessible during all working hours	All employers — no threshold	All establishments
Medical examination before employment and at specific intervals	All mines	Mines
Ambulance room	More than 500 workers ordinarily employed	Factories, Mines, Construction
Rest rooms / shelter rooms — separate for male, female, transgender	More than 50 workers	Factories and Mines
Lunch room	More than 50 workers	Factories and Mines
Creche for children under 6 of employees	More than 50 workers	All establishments
Welfare Officer	250 or more workers ordinarily employed	Factories, Mines, Plantations

Creche — Common Facility Option

Establishments need not set up a separate Creche. They may avail of a common Creche facility provided by the Central Government, State Government, Municipality, private entity, NGO, or pool resources with other establishments for a joint Creche (Section 24(3)).

Step 5: Special Rules for Contract Workers

If you engage contract workers through a contractor:

- The contractor must hold a valid licence under the OSH Code. If they do not, you (the principal employer) are liable.
- You cannot use contract labour for 'core activities' of your business — unless specific exceptions apply (e.g., the activity is ordinarily done through contractors, or there is a sudden surge in work volume).
- Welfare facilities for contract workers are now your primary responsibility — not the contractor's secondary obligation as under the old law. The cost-recovery mechanism from contractors has been removed.

Action point: Review all manpower supply agreements immediately. Ensure licences are valid and contracts clearly allocate safety responsibilities.

Step 6: Working Hours and Leave

The OSH Code regulates hours of work, overtime, annual leave, and shifts (as the Factories Act did). Key points:

- Maximum 8 hours per day / 48 hours per week for most workers.
- Overtime rate: twice the ordinary wage rate.
- Workers must have at least one rest day in every 7 days.
- Annual leave: 1 day for every 20 days of work completed in the year.

The OSH Code permits women to be employed for all types of work during night hours (6 PM to 6 AM), provided: (a) the woman consents; (b) the employer ensures her safety and security; and (c) conditions on working hours and holidays are met.

Note: State-level shops and establishments laws continue to apply alongside the OSH Code. Where there is a conflict, apply whichever provision is more favourable to the employee.

Step 7: Women Working Night Shifts

The OSH Code permits women to be employed for all types of work during night hours (6 PM to 6 AM), provided: (a) the woman consents; (b) the employer ensures her safety and security; and (c) conditions on working hours and holidays are met. This is a central-level enabling provision — but State rules and shops/establishments laws must also be checked.

What Happens If You Break the Rules?

Penalties under the OSH Code are significantly higher than under the old laws. Ignorance is not a defence.

Offence	Penalty
General non-compliance (S.94)	Fine of Rs. 2-3 Lakhs. Rs. 2,000 per day for continuing violation.
Obstructing the Inspector (S.95)	Up to 3 months imprisonment OR Rs. 1 Lakh.
Not maintaining registers / filing returns (S.96)	Fine of Rs. 1 Lakh (Rs. 2 Lakhs on repeat).
Safety failures in hazardous factory (S.102)	Up to 2 years imprisonment + Rs. 5 Lakhs.
Repeat hazardous safety breach (S.102(2))	Up to 3 years imprisonment OR Rs. 20 Lakhs.
Worker death caused by your violation (S.103)	Up to 2 years imprisonment + minimum Rs. 5 Lakhs fine. 50% of fine goes to the deceased worker's family.
Serious injury caused by your violation (S.103)	Up to 1 year imprisonment + Rs. 2-4 Lakhs. 50% to the injured worker.

Who is an 'Employer' Under the Code?

The definition of employer is broad and inclusive. It covers:

a. Any person who employs workers directly or through a third person

b. **In a Factory:** The Occupier of the factory

c. **In a Mine:** The Owner, Agent, or Manager

d. **In Government establishments:** The head of department or person specified

e. **In local authority establishments:** The Chief Executive

f. Contractors and sub-contractors

g. Legal representatives of a deceased employer

DIRECTOR/ CS ALERT	In companies, any ONE director (other than an Independent Director as defined under Companies Act, 2013) shall be deemed to be the 'Occupier' of a factory. Independent Directors are explicitly excluded. This means the Board must designate a Director as Occupier and ensure they are registered.

Personal Liability of Directors and Company Secretaries

The OSH Code goes further than most people realise. It does not just fine the company — it can hold individual officers personally liable.

Section 109(2) — Named Officers

If a company commits an offence under the OSH Code and that offence is attributable to the consent, connivance, or neglect of any Director, Manager, or Company Secretary — that individual is personally liable to the same penalty as the company itself.

What this means:

- A Company Secretary who knew about a safety risk, was advised of it, and did nothing — can be prosecuted personally.
- A Director designated as 'Occupier' of a factory carries the full burden of the employer's safety duties under the Code.
- Independent Directors are excluded from being the 'Occupier' (Section 2(zs)) — but they are NOT excluded from Section 109(2) liability if they were negligent.

Good governance practice: Maintain a documented OSH compliance file — Board resolutions on safety, Safety Committee minutes, training records, health check-up records, incident reports. This file is your 'due diligence' defence in any prosecution.

First Offence? You Get a Chance to Fix It

Under Section 110(1), before any prosecution is launched, the Inspector must give the employer a written notice and 30 days to correct the violation. This is called the 'comply before prosecute' principle.

But this does not apply if: (a) a worker has been killed or injured; or (b) the same violation has happened before within the last 3 years. In those cases, prosecution can be immediate.

You can also settle (compound) most offences by paying 75% of the maximum fine, under Section 114. This option is not available if you have already settled or been convicted for the same offence within the past 3 years.

WHAT EMPLOYEES MUST KNOW

Your Rights Under the OSH Code

The Code gives every worker — factory worker, contract worker, migrant worker, construction worker, journalist, film worker — a set of legally enforceable rights. These cannot be taken away by your employer, your contract, or any workplace policy.

Your Right	What It Means
Safe workplace (S.6(1)(a))	Your employer must remove hazards and maintain safe conditions. You can report any unsafe condition.
Free health check-up (S.6(1)(c))	Every year, your employer must arrange and pay for a medical examination for you.
Letter of Appointment (S.6(1)(f))	You are entitled to a written letter stating your job, pay, and terms. This matters most for informal workers.
No deduction for safety (S.6(1)(g))	Your employer cannot deduct your pay to cover safety equipment, uniforms, health checks, or welfare facilities.
Know your hazards (S.14(1))	You have the right to ask your employer what health and safety risks exist at your workplace.
Raise safety concerns (S.14(1))	If safety is inadequate, you can represent this to your employer or the Safety Committee — and if unsatisfied, to the Inspector.
Full wages during shutdown (S.38)	If the Inspector issues a prohibition order and shuts your workplace, you still get paid your full wages during the shutdown period.

Your Most Important Right: Reporting Imminent Danger

If you genuinely believe that you or your colleagues are in imminent danger of serious injury or death, you have the right to:

1. Tell your employer (directly or through the Safety Committee) about the danger. The employer must take corrective action.
2. At the same time, notify the Inspector-cum-Facilitator.
3. The Inspector will investigate and decide whether the danger is real. The Inspector's decision is final.
4. If the Inspector orders a shutdown, you will continue to receive your wages.

Important: The Code does not give you the right to individually walk off the job and refuse to work. The process must go through the Inspector. This is different from some other countries' laws, and a point that may be reviewed in future amendments.

Your Duties (Section 13) — You Have Responsibilities Too

The Code is not one-sided. Along with rights, every worker also has duties. Breaching these duties can result in a penalty of up to Rs. 10,000. Here is what you must do:

Your Duty	Plain Meaning
Take care of yourself and others (S.13(a))	Don't act carelessly in ways that could hurt you or your colleagues.
Follow safety standards (S.13(b))	Comply with any safety rules notified by the government or your employer.
Cooperate with your employer (S.13(c))	Help your employer meet their safety obligations — attend training, use equipment provided.
Report unsafe conditions (S.13(d))	Tell your employer about hazards or dangerous situations as soon as you notice them. You cannot be penalised for this.
Don't misuse safety equipment (S.13(e))	Do not tamper with, damage, or misuse fire extinguishers, PPE, safety guards, or any protective device.
Don't endanger others (S.13(f))	Do not deliberately create a risk for yourself or others without a genuine reason.

Note on the reporting duty: You cannot be fined for failing to report an unsafe condition (S.13(d) is excluded from the penalty provision). But you should report — it protects you and your colleagues.

Special Protections for Migrant Workers

If you have been recruited from one state and are working in another state, you have additional protections under the OSH Code:

- You can register yourself on the government portal using Aadhaar and self-declaration — you do not need your employer to do this for you.
- If you are injured at work, the accident must be reported to authorities in both your home state and the state where you are working — and to your next of kin.
- You are entitled to the same welfare facilities and health protections as local workers.

Hazardous Workplaces: Extra Protections

If you work in a factory that deals with dangerous chemicals, explosives, or other hazardous materials, your employer has additional obligations toward you under Sections 84-89:

- The employer must disclose all hazardous information to workers and to people living near the factory.
- The employer must maintain health records for all workers in hazardous processes.
- The employer must carry out periodic medical examinations.
- The employer must have an emergency plan and conduct safety drills.

THE REGULATOR'S NEW ROLE: INSPECTOR-CUM-FACILITATOR

The Name Change Is Not Just Cosmetic

Under the old laws, the enforcement officer was simply the 'Inspector' — someone who arrived, checked compliance, and issued notices. The OSH Code renames and redefines this role. The officer is now the 'Inspector-cum-Facilitator' (Section 34).

The addition of 'Facilitator' is deliberate. Section 35(1(v) expressly requires the Inspector-cum-Facilitator to supply information and sensitise both employers and workers about the Code and how to comply. Enforcement is the last resort — facilitation is the first step.

Powers of the Inspector-cum-Facilitator (Section 35)

The Inspector-cum-Facilitator has the following powers, which apply to all categories of establishments — not just factories:

Power	What It Enables
Enter and inspect	Enter any workplace at any reasonable time to inspect conditions, records, and equipment.
Search and seize	Take samples of materials, substances, or equipment that may be evidence of a violation.
Examine records	Require employers to produce registers, returns, licences, health records, and accident reports.
Order corrective action	Direct the employer to fix any unsafe condition within a specified time.
Issue prohibition order (S.38)	Where there is imminent danger, order the workplace or specific activity to stop. Workers continue to receive wages during the stoppage.
Protect complainant identity (S.39(3))	Even under an RTI request, the identity of a worker who raised a safety complaint must not be disclosed.
Conduct health surveys (S.20)	Require medical examinations of workers for occupational health surveys.

How Inspections Now Work: The Web-Based Randomised System

Under Section 34(3), inspections are no longer assigned at the discretion of individual officers. They are allocated through a web-based, computerised randomisation system. Each establishment has a unique number. Each inspector has a unique number. The system assigns inspections automatically.

This is designed to eliminate selective targeting, reduce opportunities for corruption, and bring transparency to inspection scheduling. The Inspector-cum-Facilitator cannot choose which establishment to inspect without the system allocating it.

The 'Comply Before Prosecute' Rule (Section 110)

Before filing a prosecution complaint, the Inspector-cum-Facilitator must:

- Issue a written notice to the employer identifying the violation.
- Give the employer 30 days to rectify the violation.
- Only if the violation is not rectified within 30 days, file a prosecution complaint.

This rule does NOT apply if: (a) an accident has occurred, or (b) the same violation has been committed within the previous 3 years. In these situations, prosecution can be initiated immediately without any notice or waiting period.

The Limitation Period: Act Within 6 Months (Section 110(2))

Warning: A prosecution complaint must be filed within 6 months of the date on which the Inspector-cum-Facilitator became aware of the offence. Missing this window means the prosecution cannot be initiated. Inspectors must maintain a clear, dated record of when they became aware of each violation.

Composition of Offences (Section 114)

Most offences under the OSH Code can be settled (compounded) without going to court, by the employer paying 75% of the maximum fine for that offence.

Key points:

- This payment goes to the Social Security Fund — not to the inspector or the government's general revenue.
- Composition is not available if the employer has already been convicted for the same offence within the past 3 years, or has previously compounded the same offence within the past 3 years.
- This prevents repeat violators from simply paying a settlement fee each time as a cost of doing business.

Advisory Boards (Sections 16 and 17)

The National Occupational Safety and Health Advisory Board advises the Central Government on safety standards, rules, and implementation. State Boards advise State Governments. Both include employer and employee representatives alongside government officials and technical experts.

Gap to note: The Boards are advisory — their recommendations are not binding on the Government. The Code does not require the Government to respond to Board recommendations within any specified time, and does not require their advice or the Government's response to be published. This is a design gap that limits accountability.

State Rules: The Pending Challenge

The OSH Code provides the framework. The detailed rules — on specific thresholds, procedures, forms, and timelines — must be made by both the Central Government and each State Government.

Until final State rules are issued, the rules under the 29 repealed central laws continue to apply — to the extent they are not inconsistent with the Codes. This creates a transitional patchwork that inspectors must navigate carefully.

WHAT THE COURTS HAVE SAID: FIVE KEY PRINCIPLES

The OSH Code does not operate in isolation. Courts have built up decades of rulings on workplace safety under the old laws — and those rulings will continue to shape how the OSH Code is interpreted and enforced. Here are the five most important principles:

1. An employer's safety duty is absolute, not merely 'reasonable'

In M.C. Mehta v. Union of India (1987), the Supreme Court held that businesses running dangerous activities owe an absolute duty to ensure no harm occurs. The employer cannot escape liability by proving that they 'took all reasonable precautions.' The duty is non-delegable — you cannot outsource your responsibility to a contractor or supervisor.

OSH Code: This is reflected in the strict obligations for hazardous process factories under Sections 84-89 and the enhanced penalties under Section 102.

2. A safe workplace is a fundamental right under Article 21

In Bandhua Mukti Morcha v. Union of India (1984), the Supreme Court held that the constitutional right to life and dignity under Article 21 includes the right to a safe and healthy working environment. The State has an obligation to ensure employers comply with safety laws.

OSH Code: The employer's duty under Section 6 to maintain a hazard-free workplace is grounded in this constitutional right — it is an entitlement, not a favour.

3. A worker's own carelessness does not let the employer off the hook

In Municipal Corporation of Greater Bombay v. Laxman Iyer (2003), the Supreme Court held that even if a worker's careless behaviour contributed to an accident, the employer's duty to provide safe conditions is not discharged. The employer cannot simply point to the worker's mistake.

OSH Code: Under Section 106(2), an employer can raise a defence only by proving 'all reasonable measures' were taken — and courts will look at the entire system of work, not just one isolated act by the worker.

4. Company officers can be held personally liable

In State of Maharashtra v. Syndicate Transport (1964), the Bombay High Court held that individual officers of a company — not just the company itself — can be held personally liable for safety violations. The company structure does not protect individuals who were responsible for the failure.

OSH Code: Section 109(2) now explicitly names Directors, Managers, and Company Secretaries as personally liable where the offence is due to their consent, connivance, or neglect.

5. Worker health is a fundamental right — not a management favour

In Consumer Education and Research Centre v. Union of India (1995), the Supreme Court held that the right to health and medical care for workers is a fundamental right. Workplace safety is a legal entitlement — not something that can be granted or withdrawn at management's discretion.

OSH Code: This underpins the mandatory annual health check-up (Section 6(1)(c)), the hazardous process disclosure requirements (Sections 84-85), and the duty to maintain occupational health statistics (Section 21).

SUMMARY: WHAT TO DO RIGHT NOW

Employers — Your Immediate Action List

Action	Legal Basis	Priority
Register under the OSH Code (or confirm deemed registration)	Section 3	Urgent
Issue a Letter of Appointment to every employee	Section 6(1)(f)	Urgent
Designate a director as Occupier by Board resolution	Section 2(zs)	Urgent
Review and update all contractor/manpower supply agreements	Sections 21, 119	Urgent
Constitute or reconstitute the Safety Committee	Section 22	High
Schedule annual health check-ups for all employees	Section 6(1)(c)	High
Establish an incident reporting and investigation process	Sections 10, 11	High
Train all employees and supervisors on OSH Code obligations	Section 6(1)(b)	High
Set up documented OSH compliance file (CS office)	Section 109(2)	High
Check which State rules currently apply at each location	General Clauses Act / Codes	Ongoing

Employees — Your Key Takeaways

- You are entitled to a written letter of appointment. Ask for it if you have not received one.
- You are entitled to a free annual health check-up. You cannot be charged for it.
- If you see a safety hazard, report it to your employer or Safety Committee. You cannot be fined for reporting.
- If there is imminent danger, notify the Inspector-cum-Facilitator immediately.
- Do not misuse or tamper with any safety equipment. This is both a legal duty and a protection for your colleagues.
- Migrant workers: register on the government portal. You have the same rights as local workers.

Regulators — Your Key Responsibilities

- Inspections are randomised — assigned by the web system, not by individual officer discretion.
- Your primary role is facilitation first, enforcement second. Provide information. Sensitise employers and workers.
- Before prosecuting for a first violation: issue a 30-day notice (unless it involves an accident or repeat breach).
- File prosecution complaints within 6 months of becoming aware of the offence. The clock is running.
- Protect the identity of workers who raise safety complaints. This is mandatory — even in RTI responses.
- Where State rules are not yet finalised, apply central rules under the repealed statutes (to the extent not inconsistent with the Codes). Document this reasoning.

CONCLUSION

The journey from Roti, Kapda aur Makaan — bare subsistence — to Rozgaar, Suraksha aur Samman — employment, safety, and dignity — reflects seventy years of constitutional aspiration, ILO-aligned standard-setting, and painful lessons from industrial accidents. The OSH Code, 2020 is the most significant step India has taken to convert that aspiration into a single, enforceable legal reality.

For employers, the Code is a compliance challenge — but also an opportunity. Build systems, document processes, train people. The employer who builds a genuine safety culture will rarely face prosecution. The employer who treats safety as paperwork will eventually face both the Inspector and the court.

For employees, the Code is the strongest safety safety net Indian law has yet provided. Rights are meaningful only when workers know them. Ask for your letter of appointment. Attend your health check-up. Report hazards. The law is on your side. For regulators, the Code is a mandate for a new relationship with those you oversee — one built on information-sharing and support, with enforcement as a firm backstop where cooperation fails.

REFERENCES:

Legislation

i. *The Occupational Safety, Health and Working Conditions Code, 2020*
ii. *The Code on Wages, 2019 | Industrial Relations Code, 2020 | Code on Social Security, 2020*
iii. *The Companies Act, 2013 — Section 149(6) (Independent Director)*
iv. *ILO Convention No. 155 — Occupational Safety and Health Convention, 1981*

Key Cases

v. *M.C. Mehta v. Union of India (Oleum Gas Leak) AIR 1987 SC 1086 — absolute liability*
vi. *Bandhua Mukti Morcha v. Union of India AIR 1984 SC 802 — Article 21 and safe workplace*
vii. *Consumer Education and Research Centre v. Union of India (1995) 3 SCC 42 — health as fundamental right*
viii. *Municipal Corporation of Greater Bombay v. Laxman Iyer (2003) 8 SCC 731 — contributory negligence*
ix. *State of Maharashtra v. Syndicate Transport Co. (P) Ltd. (1964) 66 Bom LR 197 — corporate officer liability*

THE IMPACT OF SOCIAL MEDIA ON OUR LIVES

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The advent of Mobile Telephony which started with a bulky high cost wireless instrument, gradually but rapidly transitioned into smaller and smaller pocket-sized instruments. Then came the smart phone which brought in the additional dimension of video capabilities combined with all manner of applications, making the compact mobile phone, a complicated minicomputer.

Being able to communicate with family, friends, colleagues and business associates, access information and even, engage in digital transactions, have all made life much easier for the common man.

Many applications are available for playing solo games and providing platforms for many social and professional activities. Learning and teaching is being done online through these platforms. Consultations services are being provided which bridge distance barriers.

There are many applications available for entertainment in the form of music, dance, movies and serious podcasts on almost every imaginable topic form politics to religion, culture, history, science, defence and general knowledge. Groups can be formed for social interaction which may start with a few known like-minded friends and expand over time to include interstate and international contacts. These allow for individual inputs by each member and thus widen our networking base. Many social media platforms exist and information is often shared on several platforms, causing a ripple effect in the dissemination of both information and opinion. Opinions sometimes merge with information, creating an illusion of factual reality. This tends to spread in the social media platforms and can have many repercussions as rumors and opinions get confused for factual data giving rise to discussions, debates or even heated arguments which may end up causing stress due to emotional volatility. What started as a friendly group exchange of ideas and thoughts thus becomes a divisive force.

Technology has advanced at a rapid speed. Every second spent on the mobile phone or personal computer for any reason is available as user data. Online purchasing preferences to online viewing of movies, podcasts, music channels and investment activities provide a database for interested parties to influence people in the direction of their interest. If one has browsed for information on a topic, then one continues to receive many notifications regarding every aspect of that topic from many sources.

Advertisers use the available database to sell their products while opinion makers and political outfits use it their advantage to spread both information and misinformation, depending on their vested interest.

The great danger is that this availability of data has given an array of opportunities for unscrupulous tech savvy individuals to use it for scamming. Unsuspecting and naïve individuals get convinced by them and may share vital personal data. Bank accounts are commonly hacked and used for money laundering. Artificial Intelligence is being used to mimic the voice of family and friends to obtain information that would otherwise not be shared. Hacking of Social media accounts, professional work, personal emails and every type of communication is becoming common. The individuals need to be extra cautious in order to remain safe. Cybercrime has in itself become a major cause for concern for safety. Media pressure, gaming addiction and excessive screen time consequences are making life stressful for many. Social media activities provide entertainment and pleasure but they also ultimately decrease focus and attention span. Hence unlimited access to social media activities in children ultimately decreases their attention span, concentration power and creative thinking abilities thus diminishing their capabilities of learning and nurturing intellectual growth. Time spent on social media replaces healthy outdoor exercise, field games, active body movements and real time and place social interactions which are essential for all round development of the personality and character.

Information, rumors and opinions shared on social media platforms like WhatsApp, Face Book, Instagram and You Tube are heard and watched by innumerable people across the world and play a pivotal role in shaping one's own thinking, opinion and even behavior pattern. Impressions get created which may have no basis and information is imbibed which is sometimes factually incorrect. Social media should therefore not be the main or only source of our knowledge.

Social media is a powerful tool in garnering support from the general public by engaging in the spread of information towards this goal. Politicians often employ this method to enhance their own support by creating story lines that show them in good light. Many reputations are built and destroyed on the basis of social media exchanges. So each of us must be circumspect in the information we share on such platforms. Personal data is not always safe in public domain. These are some concerns we must be aware of while engaging in interactions on social media.

A significant number of adolescent children presented with Tics (involuntary movements) of the face and neck. This triggered serious concern among the parents and doctors in the community as tics are often due to neurological causes. It was eventually connected to a TikTok video on social media which showed this movement and it was subconsciously picked up and imitated by those who had seen this video which had gone viral. This example merely highlights the possibility of the subconscious mind to imbibe habits unknowingly. Repeated viewing of a trend on social media influences immature minds to accept as a norm what they view. Fads such as Tattoo and body piercing are promoted and adopted by many without questioning the rationale behind these fads. A normal healthy person should consider seriously any irreversible infliction on the body purely for cosmetic reasons. Unfortunately, the social media visuals sometimes become the guiding force of one's decision. Reason and logic then get replaced by compulsive obsession. These are some of the real dangers of unsupervised watching of some videos. Some video games available on social media platforms like Blue Whale and PubG have been found to influence the minds of children by drawing them in with tasks leading to secrecy, isolation, emotional pressure and eventually despair. Some have even been reported to have committed suicide because of these digital game videos. Parents must be aware of the time spent by their school going children on social media and must in clear terms explain the consequences and set limits of what may and may not be viewed by them. Parents are fully responsible for what the children view on social media and cannot shirk the responsibility of strict supervision in the name of freedom of choice.

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)

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

Motto सत्यं वद। धर्मं चर। speak the truth, pursue righteousness

Mission "To develop high calibre professionals facilitating good corporate governance"

PREVENTION OF MONEY-LAUNDERING ACT, 2002

Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Guidelines

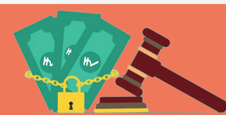
Prevention of Money-laundering Act, 2002 casts certain obligations on the reporting entities and Financial Intelligence Unit- INDIA have implemented AML & CFT Guidelines effective from June 19, 2023 for Professionals including Company Secretaries in Practice to establish an efficient reporting mechanism to prevent money laundering, terrorist financing and proliferation financing.

Reporting Entity

(As notified by Ministry of Finance vide its notification dated May 03, 2023)

Company Secretaries in Practice, carrying out the following Financial Transactions in the course of his/her profession would be termed as 'Reporting entity' under PMLA and Rules made thereunder:

(i) buying and selling of any immovable property
(ii) managing of client money, securities or other assets
(iii) management of bank, savings or securities accounts
(iv) organisation of contributions for the creation, operation or management of companies
(v) creation, operation or management of companies, limited liability partnerships or trusts, and buying and selling of business entities



Applicable Laws/Rules/Regulations

i. Prevention of Money-Laundering Act, 2002 (PMLA, 2002)
ii. Recommendations 24 to26 & 28 of Financial Action Task Force
iii. PML (Maintenance of Records) Rules, 2005
iv. AML & CFT Guidelines For Professionals with Certificates of Practice from ICAI, ICSI and ICMAI
v. Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 [applicable to all Company Secretaries]

Registration of Reporting Entities

Company Secretaries in Practice falling under the definition of Reporting Entity as per AML/CFT Guidelines need to register as "Reporting Entity".

Do's for Reporting Entities

- Appointment of Designated Director and Principal Officer
- Reporting of Suspicious Transaction Reports to Financial Intelligence Unit- INDIA
- Maintenance of Records
- Adoption of appropriate policies and procedures to prevent money laundering, terrorist financing and proliferation financing
- Performing Client Due Diligence (CDD) / Enhanced Due diligence (EDD)
- Appropriate training to its employees on the procedures for KYC, CDD, sanction screening and record keeping

ICSI PMLA Portal

ICSI PMLA Portal accessible at https://www.icsi.edu/home/money-laundring-prevention/ and consists of following: -

i. FAQs on AML & CFT Guidelines for Professionals
ii. Designated List (Amendments): Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005:
iii. List of individuals, designated as terrorist, under UAPA, 1967
iv. Notifications of Ministry of Finance
v. Weblinks of Documents related to Targeted Financial Sanctions Related to Terror Financing and Proliferation Financing

Steps to Register

(I) Click on the URL: https://stimulate.icsi.edu/
(ii) Click on the tab "Reporting Entity"
(iii) Click on the option "Register as a Reporting Entity"

For queries e-mail at: pmla@icsi.edu

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Secretary, The ICSI

Connect with ICSI | www.icsi.edu | Online Helpdesk : http://support.icsi.edu

4

LEGAL WORLD

- Workmen Employed In Associated Rubber Industry Ltd. v. Associated Rubber Industry Ltd. [SC]
- Securities and Exchange Board of India v. Terrascope Ventures Limited ETC. [SC]
- New India Assurance Co. Ltd. v. Rekha Chaudhary [SC]
- The Managing Director, KSRTC v. P. Visweswar [SC]
- The Management of Moolchand Khairati Ram Hospital & Ayurvedic Institute v. Thresiamma George [Del]
- Premsons Trading Pvt. Ltd. v. Hiraprasad Bindeshwar Yadav [Bom]
- Kannadiputhur Sundararaman Suresh v. Interglobe Aviation Ltd. & Anr [CCI]
- Vedansh Pandey v. Roppen Transportation Services Pvt. Ltd. [CCI]
- The Chamber of Tax Consultants & ORS v. The Commissioner of Income Tax & ORS [Bom]

Corporate Laws

Landmark Judgement

LMJ 04:04:2026

WORKMEN EMPLOYED IN ASSOCIATED RUBBER INDUSTRY LTD. v. ASSOCIATED RUBBER INDUSTRY LTD. [SC]

Civil Appeal No. 429 of 1975

O. Chinnappa Reddy & V. Khalid, JJ. [Decided on 19/08/1985]

Equivalent citations: AIR 1986 SC 1; (1986)I LLJ 142 SC; 1985(2) SCALE 321; (1985) 4 SCC 114; 1986 LAB IC 37; (1986) 59 Comp Cas 134.

Companies Act, 1956 - payment of bonus- lifting of corporate veil- investments transferred to subsidiary company by the parent company - dividends not reflecting in the profits for payment of bonus- whether a case for piercing the corporate veil-Held, Yes.

Brief facts:

The Associated Rubber Industry Ltd. had purchased, some years back, shares of INARCO Ltd. by investing a sum of Rs.4,50,000/-. They were getting annual dividends in respect of these shares and the amount so received was shown in the Profit and Loss Account of the company year after year. It was taken into account for the purpose of calculating the bonus payable to the workmen of the company. Sometime in the course of the year 1968, the company transferred the shares of INARCO Ltd. held by it to Aril Bhavnagar Ltd. (subsequently changed to the Aril Holdings Ltd.), a subsidiary company wholly owned by The Associated Rubber Industry Ltd. Aril Holdings Ltd. "had no other capital except the shares of INARCO Ltd. transferred to it by the Associated Rubber Industry Ltd. It had no other business or source of income whatsoever except receiving the dividend on the shares of INARCO Ltd. The dividend income from the shares of INARCO Ltd. was not transferred to The Associated Rubber Industry Ltd. and therefore, it did not find place in Profit and Loss Account of the company with the result that the available surplus for the purposes of payment of bonus to the workmen of the company became reduced. The net result of the exercise was that bonus at the rate of 4% only was paid to the workers for the year 1969 instead of at the rate of 16% to which they would have otherwise been entitled. We may mention here that Aril Holdings Ltd. was itself wound up in the year 1971 and amalgamated with The Associated Rubber Industry Ltd.

The workmen of the Associated Rubber Industry Ltd., Bhavnagar raised an industrial dispute claiming that they were entitled to be paid bonus at the rate of 16% for the year 1969. According to them, the transfer of the shares of INARCO Ltd. to Aril Holdings Ltd. was no more than a device to avoid payment of higher bonus to the workmen. Industrial Tribunal and thereafter the High Court of Gujarat under Article 226 of the Constitution, held that The Associated Rubber Industry Ltd. and Aril Holdings Ltd. were two independent companies with separate legal existence and therefore, the profits made by Aril Holdings Ltd. could not be treated as profits of The Associated Rubber Industry Ltd. for the purpose of computing to gross profits earned by the Associated Rubber Industry Ltd. It was further held that there was no evidence to show that the transfer of shares to Aril Holdings Ltd. was only a device to avoid payment of bonus to the workmen.

Decision: Allowed.

Reason:

If we now look at the facts of the case, what do we find? A new company is created wholly owned by the principal company, with no assets of its own except those transferred to it by the principal company, with no business or income of its own except receiving dividends from shares transferred to it by the principal company and serving no purpose whatsoever except to reduce the gross profits of the principal company. These facts speak for themselves. There cannot be direct evidence that the second company was formed as a device to reduce the gross profits of the Principal company for whatever purpose. An obvious purpose that is served and which stares one in the face is to reduce the amount to be paid by way of bonus to workmen. It is such an obvious device that no further evidence, direct or circumstantial, is necessary.

It was argued that in 1971, the Aril. Holdings Ltd. was wound up and amalgamated with The Associated Rubber Industry Ltd. and that this circumstance showed that the initial creation of Aril Holdings Ltd. was not a device of avoidance. But the learned counsel for the company was unable to explain why in the first instance Aril Holdings Ltd. was created and why later it was wound up. Probably, after Aril Holdings Ltd. was created, some unforeseen difficulties arose which have not been brought to light before us and it became necessary to wind it up and amalgamate it with The Associated Rubber Industry Ltd. We are therefore, satisfied that the amount of dividend from INARCO Ltd. received by the Aril Holdings Ltd. should be taken into account in assessing the gross profit of The Associated Rubber Industry Ltd. for the purpose of calculating the rate of bonus payable to the workmen of the Associated Rubber Industry Ltd. The appeal is allowed with costs and it is declared that workmen of The Associated Rubber Industry Ltd., Bhavnagar are entitled to be paid bonus at the rate of 16% for the year 1969.

LW 25:04:2026

SECURITIES AND EXCHANGE BOARD OF INDIA v. TERRASCOPE VENTURES LIMITED ETC. [SC]

Civil Appeal Nos. 5209-5211 of 2022

Pardiwala & K. V. Viswanathan, JJ. [Decided on 17/03/2026]

Securities and Exchange Board of India Act, 1992 read with SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003- preferential allotment – MOA altered to include additional objects- proceeds spent for purposes other than intended- whether post-issue alteration of MOA ratifies the use of proceeds-Held, No.

Brief facts:

The respondent No. 1-company made preferential allotment of equity shares to non-promoters. The object of the issue was to fulfil the additional fund requirements for capital expenditure including acquisition of companies/ business, funding long-term working capital requirements, marketing, setting up of offices abroad and for other approved corporate purposes. Immediately after receiving the proceeds of issue, the respondent instead of using the proceeds for approved objects, diverted to purchase shares of other companies and grant loans/advances.

Therefore, the WTM of SEBI initiated proceedings and passed an interim-order restraining the company promoters, directors including the individual respondents herein, the preferential allottees and, certain group companies of the first respondent from buying, selling or dealing in the securities markets, either directly or indirectly, in any manner, till further directions and later confirmed the interim order.

Meanwhile the Respondent Company, even before the ad interim order of WTM but after having diverted the proceeds of the preferential allotment to purchase shares and advance loans, carried out the amendments to the objects clause of the Memorandum of Association sought to include financing, investment and share trading in the objects.

On the appeal made by the respondents, the SAT set aside the order of the WTM on the ground that the objects of the company was amended and therefore the use of the funds were ratified and therefore the use of the funds for investment purposes was not illegal. Aggrieved by this order the SEBI was before the Supreme Court.

Decision: Allowed.

Reason:

In the above background, the question that arises for consideration is: Whether the SAT was justified in reversing the order of the Adjudicating Officer, and exonerating the respondents for alleged violations of PFUTP Regulations and the SCRA?

In the present case, the entire amount raised was utilized for a different object than the one set out in the EoGM notice and ratification was sought after committing the illegality. In view of the above, the reliance on Section 27 read with Section 62(1)(c) is completely misplaced.

There is another important aspect. SEBI's Regulations including the PFUTP is to protect the rights of several stakeholders and as such has public law dimensions. The Regulations are framed keeping in mind the rights and interests of multiple stakeholders involved in the securities market.

By a private resolution, a liability which is crystalized cannot be wiped off by contending that the shareholders have condoned the action. When rights of multiple stakeholders are involved and certain Regulations proscribe a particular course of action any breach of the Regulation has to face its consequences. They are not in the realm of private rights which can be waived off as ratified. What was said in the context of waiver will equally apply for ratifications since ratification of an illegality cannot be done.

In the present case, what is argued by the learned amicus is that notwithstanding the diversion of the funds raised through the preferential allotment, the purpose for which they were diverted, namely, advancement of loans and investment in shares is relatable to the Memorandum of Association as it originally stood and, in any event, was covered by the amendment to the Memorandum of Association made on 12.03.2014. We are not able to countenance the submission. What is crucial for our purpose is that the object set out in the explanatory note appended to the notice of EoGM prior to the issuance of preferential shares. The funds were not utilized for those disclosed objects. To make the matters worse for the respondents here, the diversions were made soon after the amounts were raised between 16.10.2012 and 08.11.2012. The diversion was contrary to the object set out to the explanatory note and was before any amendment was carried out to the Memorandum of Association and the purported resolution of ratification dated 29.09.2017. More importantly, the diversion was contrary to the PFUTP Regulations of SEBI, the SEBI Act and the disclosure norms under Section 173(2) of the Companies Act read with Regulation 73(1) of the SEBI ICDR Regulations, 2009. Being a plainly illegal act impacting a vast array of stakeholders other than the shareholders of the company, the question of ratification cannot arise at all.

The matter cannot be viewed from the prism of the shareholders alone. When matter involves public interest it cannot be deemed as private waivable right. What applied to waiver will also apply to ratification. No condonation or ratification on aspects opposed to public policy can be made, as it will seriously jeopardize public interest.

We also do not find the penalty imposed to be disproportionate. For the above reasons, the impugned order passed by the SAT cannot be sustained. Accordingly, we set aside the same. The Appeals are allowed.

Industrial & Labour Laws

LW 26:04:2026

NEW INDIA ASSURANCE CO. LTD. v. REKHA CHAUDHARY [SC]

Civil Appeal No. 174 of 2026

Aravind Kumar & P. B. Varale, JJ. [Decided on 23/02/2026]

Employees Compensation Act, 1923- Section 4A- penalty on employer- failure by employer to pay the penalty-whether insurer is liable to pay-Held, No.

Brief facts:

The Respondent no. 1-3 herein are the legal heirs of the deceased employee Shri Sandeep who was employed as a commercial driver by Respondent No. 4. The employee met with accident and died. The Commissioner under the employees Compensation Act, 1923 ["the EC Act"] arrived at the compensation amount at Rs. 7,36,680/- and also granted an Interest @12% on compensation amount with effect from 13.02.2017 i.e., date of incident. Further, the commissioner had also imposed penalty of 35% upon Respondent no. 4-employer for delaying the deposit payment of compensation within reasonable time without any justification.

Upon appeal by the claimants for enhancement of compensation, the Delhi High Court refused to enhance the compensation but foisted the payment of penalty also on the insurer i.e. the Appellant. It is pertinent to mention here that appellant has admitted its liability to pay the amount of compensation and interest. However, the Appellant is aggrieved by the limited aspect of imposition of liability for payment of Penalty under Section 4A(3)(b) of the EC Act. Hence, the present appeal.

Decision: Allowed.

Reason:

We have heard the learned counsels appearing on behalf of the parties at length and after perusing the material on record, we are of the considered view that the core issue which arises for our consideration is whether the High Court has committed an error to fasten the liability of paying the penalty component under Section 4A(3)(b) of the Employees' Compensation Act, 1923 upon the Appellant-Insurance Company in addition to the compensation and interest component?

The comparison of Section 4A clearly reveals that the legislative intent of the newly inserted Section 4A by way of Amendment Act of 1959 was totally different when compared to its substituted version which was brought in by way of Amendment Act of 1995. We say so because when Section 4A was newly introduced, all the three components: Compensation, Interest and Penalty, formed common part of sub-section (3). Moreover, the said sub-section (3) explicitly used the expression "together with" before the penalty component to indicate that the legislative intent was to ensure that entire liability of paying the compensation along with Interest and Penalty were fastened upon the employer, if he committed default to pay the compensation within one month from the date it fell due. Hence, during 1959 to 1995, if the employers had a valid indemnity contract in their favour, the entire liability to satisfy the claim of compensation, interest and penalty as imposed upon them could have been fastened upon the insurer and it had to indemnify entirely and the compensation and indemnity-holder would be entitled to recover all three components from the indemnifier. Nevertheless, the same is not the case after substitution of Section 4A by way of 1995 amendment wherein the three components i.e., compensation, interest and penalty have been severed to form part of two different clauses within the same sub-section (3) i.e., Clause (a) which includes compensation and interest component and Clause (b) which solely includes the penalty component. The legislative intent behind severing the penalty component was to address larger predicament of easing the burden of indemnifiers who were adversely impacted by the obligation to pay the penalty which was not even the natural corollary of the obligation on their part under the indemnity contract to pay compensation and interest, rather such additional burden by way of penalty arose consequent to the default of obligation on the part of employer to pay compensation within the stipulated period of one month from the date it fell due. As such, the indemnifier was imposed with higher monetary burden to pay the consolidated sum and was entrusted to discharge an obligation which was not consequent to the failure on its part. The employers were reluctant to pay the compensation and interest expeditiously within the stipulated time of one month from the date it fell due which resulted to levy of penalty upon them but since the penalty formed part of compensation and interest component by virtue of expression "together with" the indemnifier was compelled to pay the said component of penalty as well, as such, there remained no deterrence for the employers to deposit the compensation amount within a span of one month making the said obligation of depositing the compensation within time frame of one month redundant and the consequent penalty a mere dead letter.

Further the submission on the part of respondent that the Insurance policy covered all the components of financial liability under the ambit of policy which included compensation, interest and penalty cannot be accepted for two reasons, firstly, the respondent has not produced the extant insurance policy that was governing the field at the time of incident to persuade us on the said submission and secondly, which in our view, is further more significant is the presence of statutory obligation fastened upon the employer

by virtue of Section 4(A)(3) which mandates the payment of compensation determined under Section 4 within the time span of one month from the date it fell due. Thus, when the statute itself has obligated the employer to make the payment within one month, such obligation cannot be countenanced as subservient to any contractual obligation or bypassing the statutory obligation, as the same would tantamount to disregard of the legislative intent envisaged under the said provision.

Hence, in the light of aforesaid discussion, we are of the considered view that the present Appeal deserves to be allowed. Accordingly, it stands allowed.

LW 27:04:2026

THE MANAGING DIRECTOR, KSRTC v. P. VISWESWAR [SC]

Civil Appeal No(s). 5490-5491 of 2025 with Civil Appeal No(s). 5492-5493 of 2025

Prasanna B. Varale & Pankaj Mithal, JJ. [Decided on 16/03/2026]

Moter Vehicles Act - MACT allowed compensation after deducting group insurance benefit - private sector employees- group insurance benefit provided by employer- met with accident and died- whether the compensation under MACT should be net of the group insurance benefit-Held, No.

Brief Facts:

In this set of appeals the MACT allowed compensation to the deceased victims, were private sector employees, after deducting the group insurance benefit received from the insurance policy taken out by their respective employers. The Respondents challenged this deduction before the High Court and the High Court set aside the deduction made by the Tribunal. Aggrieved by the decision the Appellant Corporation was before the Supreme Court.

Decision: **Dismissed.**

Reason:

We have carefully considered the submissions advanced by the learned counsels for both the appeals and examined the impugned judgments. The question that falls for our consideration is whether the compensation receivable by the claimant through the security of Group Insurance Scheme provided by the employer securing for the employee without his (employee) contribution arising from the same incident i.e. motor accident be allowed to be deducted or not.

In view of the foregoing discussion, and in light of the settled principles laid down by this Court in *Helen C. Rebello* (Supra), *United India Insurance Co. Ltd.* (Supra) and *Sebastiani Lakra* (Supra), it is clear that amounts received by the dependents of the deceased under employer-provided group insurance or other contractual or social security benefits cannot be treated as "pecuniary advantages" liable to be deducted from compensation awarded under the Motor Vehicles Act, 1988. Such benefits arise out of an independent contractual relationship and lack the requisite nexus with the statutory compensation payable for death in a motor vehicle accident. The principle of balancing loss and gain cannot therefore be invoked to diminish the statutory entitlement of the claimants to just compensation.

Accordingly, we find no grounds to interfere with the approach adopted by the High Court in both matters in setting aside the deductions made by the Tribunal towards the group insurance amounts and in reassessing the compensation payable to the claimants. The impugned judgments of the High Court are consistent with the settled jurisprudence governing motor accident compensation and warrant no interference by this Court. Consequently, the present appeals fail and are dismissed.

LW 28:04:2026

THE MANAGEMENT OF MOOLCHAND KHAIRATI RAM HOSPITAL & AYURVEDIC INSTITUTE v. THRESIAMMA GEORGE [DEL]

LPA 788/2025 & CM APPL. 81562/2025

Devender Kumar Gupa & Tejas Karia, JJ. [Decided on 19/03/2026]

Industrial Disputes Act, 1947 - dismissal of employee without domestic enquiry-whether tenable-Held, No.

Brief Facts:

The Labour Court, while passing the Award, has held that the dismissal of the services of the sole respondent without holding a domestic inquiry was illegal and unjustified. The Labour Court has further held in its Award that the respondent is entitled for reinstatement with full back wages along with other benefits as applicable with periodical revision of wages from the date her services were terminated. Appellant challenged this award, by way of a writ petition, before the Single Judge of the High Court, which dismissed the writ petition. Now the Appellant was before the division bench on letters patent appeal challenging the judgement of the Single Judge.

Decision: **Dismissed.**

Reason:

Having heard the learned counsel for the parties and perused the pleadings available on record, the core issue which emerges to be considered and decided by this Court in this intra-court appeal is as to whether the order dated 22.12.2004 passed by the Industrial Tribunal according approval to the order, dismissing the respondent from service, dated 14.09.1998 under Section 33(2)(b) of the I.D. Act would bar the proceedings instituted by the respondent under Section 10 of the I.D. Act on the principle of res judicata.

A perusal of afore-quoted Section 33 of the I.D. Act reveals that the said provision has been enacted by the legislature for protection of the rights of the workmen during the pendency of any conciliation proceedings

or any other proceeding pending before an Arbitrator or a Labour Court or a Tribunal or National Tribunal in respect of the industrial dispute. The provision clearly prohibits any employer from altering the conditions of service applicable to workmen to their prejudice during pendency of such proceedings. It also prohibits that during the pendency of such proceedings; the Management or employer shall not discharge or punish by dismissal or otherwise any workman for any misconduct not connected with the dispute except with the express permission in writing of the authority before whom the proceeding is pending.

If we peruse the order dated 22.12.2004, what we find is that though the opportunity was available to the appellant, which could have been availed of as well, for leading the evidence to justify the dismissal, in the said proceedings no such evidence was led by the appellant to justify the dismissal and therefore, it cannot be said that the order dated 22.12.2004 decided the legality or otherwise of the dismissal order; it only accorded approval to the dismissal, meaning thereby it only lifted the statutory ban imposed on the employer under Section 33 of the I.D. Act to dismiss the respondent. In the absence of any finding on the legality of the dismissal order in the order of the Tribunal dated 22.12.2004 passed on the application preferred by the appellant under Section 33(2)(b) of the I.D. Act, it cannot be said that the proceedings under Section 10 of the I.D. Act instituted by the respondent after the order dated 22.12.2004 were barred by the principle of res judicata.

The facts of the instant case are clearly distinguishable from the facts in Rajasthan State Road Transport Corporation (Supra). It is to be noticed that in the said case, the workman was subjected to departmental inquiry and a charge against him was also framed and a departmental inquiry was conducted which led to termination of his services and further that in the approval application filed under Section 33(2)(b) of the I.D. Act, the Management was permitted to lead the evidence and prove the charge/misconduct before the Tribunal. However, so far as the facts of the instant case are concerned, indisputably no chargesheet was issued against the respondent; neither any showcause notice was given to her, nor any departmental inquiry was held against the respondent. Further, no evidence was led by the Management to justify the dismissal of the respondent in the proceedings under Section 33(2)(b) of the I.D. Act. No attempt was even made by the appellant to lead the evidence to prove the charge/misconduct against the respondent in the proceedings instituted by the appellant under Section 33(2)(b) of the I.D. Act, though, as held in Motipur Sugar Factory (Supra), it was open to the Management to have led the evidence and prove the charge/misconduct even in the proceedings of approval application under Section 33(2)(b) of the I.D. Act. However, no such attempt was made by the appellant to prove the charge in the said proceedings.

In the absence of any such finding proving the charge/misconduct against the respondent in the proceedings under Section 33(2)(b) of the I.D. Act, it cannot be said, as has been held in the judgments relied upon by the learned counsel for the respondent as aforementioned, that the proceedings instituted by the respondent under Section 10 of the I.D. Act, challenging the order of dismissal were barred by the operation of the principle of res judicata.

We may reiterate that the appellant had not reserved its right to prove the alleged misconduct of the respondent even in the proceedings instituted under Section 10 of the I.D. Act, as is apparent from perusal of paragraph 26 of the order dated 01.06.2015, which has been extracted herein above. Thus, it is a case where dismissal from service of the respondent was resorted to by the appellant without holding any inquiry or issuing a chargesheet or a showcause notice. It is also a case where the Management, despite the fact that it had the opportunity to establish and prove the misconduct in the proceedings, both under Section 33(2(b) and 10 of the I.D. Act, did not prove the same in either of these proceedings and therefore, the order of dismissal has rightly been held to be vitiated by the Award dated 10.04.2018 passed by the Labour Court as approved by the impugned judgment dated 28.11.2025 rendered by the learned Single Judge.

As regards the issue as to whether the respondent was a workman, a clear finding has been recorded by the Labour Court, as also by the learned Single Judge, that since she was not entrusted with any supervisory duties, she is to be treated as a workman within the meaning of the said term under Section 2(s) of the I.D. Act.

We also are in agreement with the findings recorded by the Labour Court while passing the Award and by learned Single Judge that the appellant is an Industry. For the reasons aforesaid, we do not find any good ground to interfere with the judgment and order dated 28.11.2025 passed by learned Single Judge. Resultantly, the appeal is dismissed.

LW 29:04:2026

PREMSONS TRADING PVT. LTD. v. HIRAPRASAD BINDESHWAR YADAV [BOM]

Writ Petition No. 15103 of 2024

Amit Borkar, J. [Decided on 17/03/ 2026]

Industrial Disputes Act, 1947 - closely connected concerns- employee was not allowed to resume work after absence - dismissal of employee for unauthorised absence- whether tenable - Held, No.

Brief facts:

By the present Petition instituted under Article 227 of the Constitution of India, the Petitioner assailed the Award passed by the Labour Court. By the said Award, the Labour Court partly allowed the reference and directed the Petitioner to reinstate the Respondent in service with continuity and to pay 60% back wages with effect from 17 August 2015.

Decision: **Dismissed.**

Reason:

The first question is whether the industrial dispute was properly and legally referred for adjudication against the Petitioner. The second question is whether the Labour Court was justified in directing reinstatement of the Respondent with continuity of service and payment of 60 percent back wages with effect from 17 August 2015.

There can be no dispute that before referring an industrial dispute under Section 12(5) of the Industrial Disputes Act the Government is expected to apply its mind to the material placed before it. The law does not contemplate a mechanical reference. The authority must at least look into the nature of the dispute and see whether there exists a industrial dispute requiring adjudication. However, the matter cannot be examined in a technical manner. The Government at that stage does not conduct a full trial. Its task is to see whether a dispute exists and whether the matter should be examined by the adjudicating authority. In the present case the record shows that the Respondent had filed a Justification Statement before the Conciliation Officer. In that statement the Respondent explained his grievance regarding termination of service. It is true that in the said statement the Respondent admitted that since the year 2011 his wages were being paid by Premsons Bazaar. The Conciliation Officer thereafter attempted conciliation between the parties. Since the dispute could not be resolved, a Failure Report dated 30 August 2016 was submitted. On the basis of this report the appropriate Government referred the dispute to the Labour Court on 22 February 2017. This sequence of events indicates that the Government acted upon the materials which were available before the Conciliation Officer. Once conciliation proceedings fail and the material shows a dispute regarding termination of service, the Government is generally justified in making a reference so that the matter can be examined by the Labour Court in detail. The mere fact that the employer has denied termination in its reply cannot by itself conclude the matter. Such denial only raises a factual dispute which requires adjudication. Therefore, the argument that the reference itself was illegal cannot be readily accepted.

The next question concerns the identity of the employer. The Petitioner strongly contends that there was no employer and employee relationship between the Petitioner and the Respondent. According to the Petitioner, Premson Trading Pvt. Ltd. and Premsons Bazaar are two distinct legal entities. The Petitioner relies heavily upon the Form-16 document which shows Premsons Bazaar as the employer. It is also pointed out that the Respondent himself admitted that his wages were being paid by Premsons Bazaar. On the basis of these facts the Petitioner argues that the dispute ought not to have been directed against the Petitioner at all.

The evidence on record shows that there was some level of interconnection between the two establishments. The witness of the Petitioner himself admitted that Premsons Bazaar is a sister concern of the Petitioner company. He also admitted that in certain circumstances the cashier of Premsons Bazaar used to pay salaries of employees working in the Petitioner's establishment. This admission assumes importance because it shows that the financial and employment arrangements between the two concerns were not completely separate in practice. The Respondent has also relied upon the Provident Fund receipt produced at Exhibit U-12. Provident Fund records are generally maintained with reference to the establishment where the employee actually works. Such records therefore carry evidentiary value regarding the existence of employment. When this document is read together with the oral admissions made during cross examination and the Form-16 produced on record, a picture emerges that the Respondent was performing work connected with the common enterprise of the sister concerns.

In such situations the Court cannot look only at the formal label of the employer mentioned in one document. It must see the real substance of the relationship. If the work performed by the employee, the payment of salary and the control exercised over the employee indicate a common management structure, the Court may examine the matter beyond the strict corporate form. The question always remains who was exercising real control over the employment of the workman. The Labour Court has examined these aspects in detail. It considered the documentary evidence and also the testimony of witnesses. On appreciation of this material the Labour Court reached the conclusion that the Respondent was working in connection with the establishment and that he had not been permitted to resume duty after his absence.

The Petitioner emphasises that the Respondent remained absent from 14 April 2015 to 29 May 2015. According to the Petitioner, this prolonged absence justified the management in treating him as having abandoned service. Absence from work is undoubtedly a relevant circumstance. However, absence by itself does not automatically result in termination of employment. In the present case, the Labour Court examined the Form-16, the Provident Fund document, the correspondence exchanged between the parties and the admissions made during cross examination. It also noticed that no disciplinary proceedings were initiated against the Respondent for alleged unauthorized absence. After considering these circumstances the Labour Court concluded that the Respondent had been unjustly kept out of employment and therefore deserved reinstatement with continuity of service.

Finally, the question of back wages requires consideration. The Labour Court has granted only 60 percent back wages from 17 August 2015. This shows that the Labour Court attempted to strike a balance between the rights of the workman and the circumstances of the case. The Court appears to have taken into account that the Respondent had remained absent for a certain period and that the entire situation was not free from controversy. At the same time it recognised that the Respondent had been deprived of employment for a long period. The adjudicating authority

has discretion to mould the relief depending upon the facts of each case. By awarding only 60 percent back wages the Labour Court appears to have exercised such discretion in a reasonable manner. This Court does not find the amount to be excessive or arbitrary. Moreover, Respondent has not filed separate petition challenging refusal to grant balance 40% back wages.

For all these reasons, the findings recorded by the Labour Court cannot be said to be unreasonable or unsupported by evidence. The conclusions reached by the Labour Court are based on appreciation of the material available on record. Therefore, no ground is made out for interference with the Award in exercise of supervisory jurisdiction.

Competition Laws

LW 30:04:2026

KANNADIPUTHUR SUNDARARAMAN SURESH v. INTERGLOBE AVIATION LTD. & ANR [CCI]

Case No. 42 of 2025

Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Anurag. [Decided on 11/03/2026]

Competition Act, 2002 - Sections 3 & 4- cancellation charges for air ticket - whether service provider abused its dominance-Held, No.

Brief facts:

The Information has been filed against Interglobe Aviation Limited ('Opposite Party No. 1'/'OP-1') and Air India Limited ('Opposite Party No. 2'/'OP-2') alleging contravention of Sections 3 and 4 of the Competition Act, 2002 ('the Act').

The Informant has submitted that OP-1, with over 65% market share in the domestic sector, is by far the largest and dominant player. OP-2, accounts for 27% market share. Together, both these players control over 90% market share and dominate the domestic aviation market. It is alleged that by acting individually and in concert, they have been maintaining unconscionable and illegal rates of cancellation charges. They are guilty of imposing unfair discriminatory and arbitrary conditions and prices for sale of services. The Informant states that although OP-2 may not have as large a market share as OP-1, by virtue of it being a duopolistic player along with OP-1 and adopting and maintaining the same practice of OP-1, they are in a position to act independently of competitive forces in the matter of cancellation charges.

The Informant also states that OP-1 and OP-2 are guilty of engaging in anti-competitive practice by acting in concert that has the effect of determining the cancellation charges of air tickets. The Informant has submitted that the airlines' practice of levying penal charges for ticket cancellation by a passenger is not only irrational and indiscriminate, but is also unfair, abuse of dominant position and violative of the law of contract.

Decision: Dismissed.

Reason:

The Commission noted that the Informant has made an allegation of violation of Section 3(1) and Section 3(3(a) of the Act. The presumption under Section 3(3) of the Act would require existence of an agreement, and establishing conduct which is presumed to be anti- competitive. Under Section 2(b) of the Act; an agreement need not be "formal or in writing" and it may be any arrangement, understanding or action in concert. However, the Informant, in support of his allegation that the OPs are acting in concert, has not submitted any evidence/ conduct to adduce that OP-1 and OP-2 have entered into an agreement, whether formal or informal, to influence cancellation charges.

The Commission also noted that the Informant has also alleged violation of Section 4(1), 4(2)(a)(i) and 4(2)(a)(ii) of the Act. The Commission notes that, as per the Informant, OP-1 and OP-2 are dominant enterprises having 65% and 27% market share, respectively. The Commission notes the averment of the Informant that OP-1 and OP-2 are acting individually and in concert, and that they have been maintaining unconscionable and illegal rates of cancellation charges.

The Commission is of the view that the concept of collective dominance is beyond the purview of the Act. The Commission has reiterated the said position in the recent case of Airen Metals Private Limited Vs. Hindalco Industries Limited; Case No. 31 of 2024 decided on 30.05.2025.

The Commission notes that even otherwise, in the facts of the present case, Informant's allegation of abuse of dominance, does not warrant further examination as OPs have in place a system for refund of tickets and it is possible to have a substantial refundable ticket by passengers if they opt for that category of ticket. A passenger has options to select a fare that will give him the maximum or full refund depending on the airline and type of air fare selected, time of cancellation of the ticket, amongst other factors. The refund and cancellation terms are disclosed to passengers in advance. These are applied equally to all consumers and not in a discriminatory, unfair or exclusionary manner.

The Commission notes that the Informant, is seen to have received less refund for the flight from Chennai to Kolkata for which he had less than 7 days remaining and received a higher refund for the flight from Kolkata to Chennai for which he had over 7 days' time to cancel the ticket.

The Commission also notes that the remedy of the Informant for alleged breach of the Indian Contract Act, 1872 in the present matter does not lie before the Commission. Further, dissatisfaction with a contractual term or desire for more favourable terms and conditions does not constitute violation of the Act.

The Commission also notes that the Informant has also made a passing reference in the above IA to the cancellation of several thousands of flights by OP-1 in the month of December, 2025. However, the Commission notes that the gravamen of the present matter is on a totally different subject and cannot be considered to have a bearing on the subject of cancellation of flights by OP-1. In any case, the Commission has ordered investigation under Section 26(1) of the Act against OP-1 in relation to its mass cancellation of flights in December, 2025 in Case No. 44 of 2025.

In view of the Information provided and analysis carried out in preceding paragraphs, the Commission is of the opinion that no prima facie case of contravention of Sections 3 and 4 of the Act is made out against OP-1 and OP-2. Accordingly, the Information is directed to be closed forthwith under Section 26(2) of the Act.

LW 31:04:2026

VEDANSH PANDEY v. ROPPEN TRANSPORTATION SERVICES PVT. LTD. [CCI]

Case No. 31 of 2025

Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Anurag. [Decided on 17/03/2026]

Competition Act, 2002 - Section 4- abuse of dominance-two wheeler passenger aggregation-charges less than the competitors- whether service provider abused its dominance-Held, No.

Brief facts:

The Informant has alleged that the OP [Rapido] without verifying permit fees, commercial-tax premiums, annual fitness testing and third-party passenger risk insurance, etc., allows the usage of private/unlicensed bike-taxi while offering the service of two-wheeler passenger aggregation, which in turn enables the OP to offer rides at cheaper prices. The Informant has alleged that the OP has violated the provisions of Section 4 of the Act, *inter alia,* by providing services at a lower price, as compared to its competitors, in violation of Section 4(2)(a)(ii) of the Act. It is also alleged that the OP has indulged in the practice of denial of market access by steering customers in its favour which is in violation of Section 4(2)(c) of the Act. The Informant has also cursorily stated that the OP operates a hub and spoke style platform arrangement.

Decision: **Dismissed.**

Reason:

The Commission notes that the crux of the allegation raised by the Informant is that private vehicles without necessary permits, are being used by the OP and is of the view that the same falls beyond the purview of the Act. A special legislation, i.e. Motor Vehicles Act, 1988, is in place to deal with the allegations raised in that regard. The Commission also notes that the Information is devoid of any evidence to indicate any competition concern as envisaged under the provisions of Section 3 and/or Section 4 of the Act. Therefore, having regard to the nature of allegations raised in the Information, the Commission is of the view that the delineation of the relevant market and subsequent assessment of dominance and abuse may be dispensed with.

Thus, having read the Information and the annexures, the Commission is of the view that no prima facie case of contravention under Section 3 and/or Section 4 of the Act has been made out by the Informant and that the present Information be closed forthwith under Section 26(2) of the Act. Consequently, no case for grant of relief(s) as sought under Section 33 of the Act arises, and the same is also rejected. Accordingly, the I.A. No. 411 of 2025 is disposed of as dismissed. The Commission while holding the above has expressed nothing on the merits of the legal rights and remedies available to the Informant.

LW 32:04:2026

THE CHAMBER OF TAX CONSULTANTS & ORS v. THE COMMISSIONER OF INCOME TAX & ORS [BOM]

Writ Petition (L) No. 7587 of 2026

B. P. Colabawalla & Firdosh P. Pooniwalla, JJ. [Decided on 09/03/2026]

Income Tax Act, 1961- Section 12AB- registration of public charitable trusts- trust deed did not contain the clause that it is a irrevocable trust- Registration refused- whether correct-Held, No.

Brief facts:

This Writ Petition basically challenged the action of Respondent No. 1, the Commissioner of Income Tax (Exemptions), in rejecting applications for renewal of registration under Section 12AB of the Act. The core issue arose for determination revolved around a view taken

by Respondent No. 1 (which the Petitioners allege was untenable) while processing renewal applications filed in Form 10AB under the registration regime effective from 1st April 2021 in terms of Section 12AB of the Act. Respondent No. 1 has rejected the applications for renewal of registration of Petitioner Nos. 3 to 8, primarily, on two grounds viz. (i) the trust deed or instrument constituting the concerned entities does not contain an explicit clause stating that the trust is "irrevocable" and/or providing for the manner of dissolution and (ii) the applicants, in their online Form 10AB, were compelled to answer "Yes" to the question in Row 6, viz., "Whether the trust deed contains clause that the trust is irrevocable?"

Since, the trust deeds were silent on this aspect, Respondent No. 1 has treated this reply as furnishing "false or incorrect information," which constitutes a "specified violation" in terms of clause (g) of the Explanation below Section 12AB(4) of the Act.

Being aggrieved by the rejection orders and the systemic issue affecting a large number of charitable trusts, the Petitioners have approached the High Court invoking its jurisdiction under Article 226 of the Constitution of India.

Decision: Allowed.

Reason:

We have heard the learned counsel for the parties and have perused the papers and proceedings. The entire controversy in the present Petition hinges on whether the absence of an explicit "irrevocability clause" in a trust deed renders a public charitable trust "revocable" in law, thereby justifying the rejection of its registration.

In summary, we hold that a public charitable trust is deemed irrevocable by operation of law unless the instrument of trust expressly provides a power of revocation. The absence of an explicit irrevocability clause is not a ground for rejecting an application for registration or renewal under Section 12AB of the Act. Even if the Deed provides for any revocability clause, due to operation of Sections 22(3A) and 22(3B) of the MPT Act, such trusts which are registered under the MPT Act, would be irrevocable insofar as the Income-tax Act is concerned but we leave this issue open to be decided in an appropriate case. The action of Respondent No. 1, is therefore, contrary to the plain language of the statute, binding judicial precedents of this Court, and is manifestly arbitrary. Such action, as rightly pointed out by the Petitioners, have shaken the entire ecosystem of functioning of the charitable trusts. It cannot be forgotten that the trusts are contributing to nation building by doing charitable activities and that too voluntarily and, thus, must be treated with a fair and reasonable approach by the revenue.

In the result, the Writ Petition is allowed. Due to the peculiar facts, as presented by the Petitioners, we pass the following order:

(i) The Respondents shall refrain from rejecting applications for registration/renewal under Section 12AB solely on the ground of the absence of an explicit irrevocability and/or dissolution clause in the Trust Deed/instrument.

(ii) The Respondents shall not treat the answer "Yes" to Row 6 of Form 10AB, in the absence of any explicit clause of irrevocability, as furnishing "false or incorrect information" constituting a "specified violation". Further, this shall not be a ground to reject an application for registration under Section 12AB of the Act.

(iii) The Respondents shall also amend the utility of Form 10A/10AB to allow applicants to correctly state their position regarding the irrevocability clause without being forced to make an incorrect declaration. This should be done as soon as possible.

(iv) Question number 6 in Form 10AB should be modified to read thus, "Is the trust/institution revocable?"

(v) The impugned orders passed in the case of Petitioner Nos. 3 to 8 rejecting registration under Section 12AB of the Income-tax Act, are hereby quashed and set aside.

(vi) All such orders where renewal of registration under Section 12AB has been rejected on the grounds discussed above, are also hereby quashed and set aside.

(vii) Further, it is also directed that all consequential orders passed denying registration under Section 80G of the Act, where such rejection is on the ground that once registration under Section 12AB is denied, registration under Section 80G also cannot be granted, are also hereby quashed and set aside. This would, of course, apply only to a case where registration under Section 12AB has been rejected on the grounds discussed above. The above order that we pass is to avoid any multiplicity of litigation so as to not require the trusts to challenge the orders passed by Respondent No. 1 denying registration under Section 12AB and 80G of the Act on the grounds as discussed in this order.

(viii) Respondent No.1 shall decide the applications of the Petitioners and all other similarly situated trusts, whose orders are hereby quashed, afresh and in accordance with the law and the ratio laid down in this judgment, within a period of six weeks from today. Any order so passed shall be deemed to come into effect from 1st April, 2026.

5

FROM THE GOVERNMENT

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- Corrigendum
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- Reserve Bank of India (Regional Rural Banks – Financial Statements: Presentation and Disclosures) – Second Amendment Directions, 2026
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- Reserve Bank of India (Local Area Banks – Prudential Norms on Declaration of Dividends) Repeal Directions, 2026
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- Implementation of Section 51A of UAPA,1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Delisting of 01 entry

Corporate Laws

Ministry of Corporate Affairs

01 Advisory for Stakeholders for Name Reservation and Incorporation of Company and LLP

[Issued by the Ministry of Corporate Affairs]

Resemblance For Name Reservation of Company / LLP

1. Ensure that the proposed name(s) are distinctive and do not closely resemble, phonetically or otherwise, with any existing or well-known names. Additionally, confirm that they are sufficiently unique to avoid sounding similar to established brands or entities.

   The instances of applications filed in 2026 with the CRC that were rejected are as follows:

Existing Name	Proposed Name
Avon **Engineering** Private Limited	Avon **Engineers** Private Limited
SQYD Construction And **Designing** LLP	SQYD Construction and **Design** LLP
Progressive **Jewels** LLP	Progressive **Jewellers** Private Limited
AI-**Connect** (OPC) Private Limited	AI**Connectz** Private Limited
Shreeji **Electricals** Limited	Shreeji **Electronics** Private Limited
Prestige **Infrastructure** Private Limited	Prestige **Infra** Private Limited
Element7 Hotels And Resorts Private Limited	**Seven Elements** Hotel And Resort Private Limited
Met Technologies Private Limited	**Meet** Technologies Private Limited
Zencare Pharmaceuticals LLP	**Carezen** Pharmaceuticals Private Limited
Veera Lifesciences Private Limited	**Vira** Lifesciences Private Limited
Den Hills Private Limited	**DenHilz** Private Limited
Cross Border Exports Private Limited	**Across** Borders Exports Private Limited
Prop **Hunters** LLP	Prop**Hunterz** Private Limited

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

02 Corrigendum

[Issued by the Ministry of Corporate Affairs [File No.EGov-04/5/2023-e-Gov-MCA] dated 12.03.2026]

With reference to this Ministry's Request for Proposal (RFP) issued vide GeM Bid No. GEM/2026/B/7218384 dated 11.02.2026 for Hiring of Social Media Agency, it is hereby informed that the following amendments have been incorporated in the Bid and RFP document:

a. Clause 13.1 stating, "A studio for recording should be available in Tier-I & Tier-II cities. The final edited and packaged podcast will be delivered and published," stands deleted.

b. Revision of the estimated bid value to ₹180 lakhs for the entire two-year contract period instead of ₹90 lakhs.

c. The validity of Bid is extended up to 23.3.2026. Accordingly, the Bid End Date/ Time may be read as 23.03.2026 (15:00 Hrs).

2. All prospective bidders are requested to take note of the above amendments and submit their proposals strictly in accordance with the revised provisions of the RFP document.

SANTOSH KUMAR
Under Secretary to the Government of India

03 The Companies (Accounting Standards) Amendment Rules, 2026

[Issued by the Ministry of Corporate Affairs [F. No. 17/51/2013-CL-V (Pt.)] dated 10.03.2026]

In exercise of the powers conferred by Section 133 read with Section 469 of the Companies Act, 2013 (18 of 2013), the Central Government, in consultation with the National Financial Reporting Authority constituted under Section 132 of the said Act, hereby makes the following rules to amend the Companies (Accounting Standards) Rules, 2021, namely:—

1. Short title and commencement - (1) These rules may be called the Companies (Accounting Standards) Amendment Rules, 2026.

   (2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Accounting Standards) Rules, 2021, in the Annexure, under the heading B. Accounting Standards, under the sub-heading Accounting Standard (AS) 22, —

   (a) after paragraph 2, the following paragraph shall be inserted, namely: -

   "2A. This Standard applies to taxes on income arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published

by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

Such tax law, and the taxes on income arising from it, are hereafter referred to as 'Pillar Two legislation' and 'Pillar Two income taxes'. As an exception to the requirements in this Standard, an enterprise should neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes."

BALAMURUGAN DEVARAJ
Joint Secretary

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

Securities and Exchange Board of India

04 Clarification regarding eligibility of members of the Institute of Cost Accountants of India to conduct annual audit of Research Analysts

[Issued by the Securities and Exchange Board of India vide Circular HO/38/12/12(1)2026-MIRSD-SEC-FATF/I/7934/2026 dated 25.03.2026]

1. SEBI vide Master Circular for Research Analysts dated February 06, 20261 ('Master Circular'), has provided a consolidated document containing all directions/ instructions/ reporting requirements pertaining to Research Analysts (RAs).

2. The paragraph 31 of Chapter VI of the Master Circular, *inter alia,* provides that a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India can conduct annual audit of an RA to verify compliance with the provisions of the SEBI (Research Analysts) Regulations, 2014 ('RA Regulations') and circulars issued thereunder.

3. Given the representation from the Institute of Cost Accountants of India and considering the recognition of Cost Accountants to conduct annual audit of RAs, under Regulation 25(3) of the RA Regulations, it has been decided to modify the aforementioned paragraph to clarify eligibility of members of the Institute of Cost Accountants of India to conduct annual audit of RAs.

4. Accordingly, the paragraph 31 of Chapter VI of the Master Circular, shall be replaced with the following:

   "Annual audit report and adverse findings, if any:

   In terms of regulation 25(3) of the RA Regulations, research analyst or research entity shall conduct annual audit in respect of compliance with RA regulations and circulars issued thereunder from a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute of Cost Accountants of India within six months from the end of each financial year and submit a compliance audit report to RAASB/ SEBI within a period of one month from the date of the audit report but not later than October 31st of each year for the previous financial year. RA/research entity shall publish the status of the compliance audit report on its website and shall also publish the adverse findings of audit, if any, along with the action taken thereof on its website. RA/ research entity shall provide the compliance audit report to its clients."

5. The provisions of this circular shall be applicable from the date of issue of this circular.

6. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 25(3) of the SEBI (Research Analysts) Regulations, 2014, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

7. This circular is issued with the approval of the competent authority.

8. This circular is available on the SEBI website at www.sebi.gov.in under the category, 'Legal→Circulars'.

DIVYA HAMIRBASIA
Deputy General Manager

05 Clarification regarding eligibility of members of the Institute of Cost Accountants of India to conduct annual audit of Investment Advisers

[Issued by the Securities and Exchange Board of India vide Circular HO/38/12/12(1)2026-MIRSD-SEC-FATF/I/7933/2026 dated 25.03.2026]

1. SEBI vide Master Circular for Investment Advisers dated February 06, 2026[1] ('Master Circular'), has provided a consolidated document containing all directions/ instructions/ reporting requirements pertaining to Investment Advisers (IAs).

2. The paragraph 31.2 of Chapter VII of the Master Circular, *inter alia,* provides that a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India can conduct annual audit of an IA to verify compliance with the provisions of the SEBI (Investment Advisers) Regulations, 2013 ('IA Regulations') and circulars issued thereunder.

3. Given the representation from the Institute of Cost Accountants of India and considering the recognition of Cost Accountants to conduct annual audit of IAs, under Regulation 19(3) of the IA Regulations, it has been decided to modify the aforementioned paragraph to clarify eligibility of members of the Institute of Cost Accountants of India to conduct annual audit of IAs.

4. Accordingly, the paragraph 31.2 of Chapter VII of the Master Circular, shall be replaced with the following:

   "To conduct annual audit and submit a report and adverse findings, if any

   In terms of regulation 19(3) of the IA Regulations, IA is required to conduct an annual audit in respect

of compliance with the IA Regulations and circulars issued thereunder from a member of the Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute of Cost Accountants of India within six months from the end of each financial year. Submit a report of the same and adverse findings of the audit, if any, along with action taken thereof duly approved by the individual IA/ management of the non-individual IA within a period of one month from the date of the audit report but not later than October 31st of each year for the previous financial year."

5. Additionally, paragraph 1(i)(i) of Chapter I of the Master Circular, shall be replaced with the following:

   "The IAs shall maintain on record an annual certificate from a member of ICAI/ ICSI/ ICMAI or from an auditor confirming compliance with the client level segregation requirements as specified in Regulation 22 of the IA Regulations. Such annual certificate shall be obtained within 6 months of the end of the financial year and form part of compliance audit, in terms of Regulation 19(3) of the IA Regulations."

6. The provisions of this circular shall be applicable from the date of issue of this circular.

7. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulations 19(3) and 22(5) of the SEBI (Investment Advisers) Regulations, 2013, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

8. This circular is issued with the approval of the competent authority.

9. This circular is available on the SEBI website at www.sebi.gov.in under the category, 'Legal →Circulars'.

DIVYA HAMIRBASIA
Deputy General Manager

06 Addendum to SEBI Circular on Borrowing by Mutual Funds

[Issued by the Securities and Exchange Board of India vide Circular HO/(92)2026-IMD-POD-2/I/7885/2026 dated 25.03.2025]

1. SEBI vide Circular No. HO/(92)2026-IMD-POD-2/I/6961/2026 dated March 13, 2026 (hereafter referred as "the circular") prescribed certain guidelines on borrowing by Mutual Funds and incorporated at clause 5.9 of SEBI Master Circular for Mutual Funds dated March 20, 2026 (hereafter referred as "master circular").

2. In clause 4 of the circular (clause 5.9.1 of the master circular), guidelines were specified for intraday borrowings by mutual funds.

3. In order to address the operational challenges raised by asset management companies with respect to intraday borrowings by mutual funds, it has been decided that the applicability of guidelines related to the intraday borrowings in the circular, i.e., clause 5.9.1 of the master circular shall now come into effect from July 15, 2026.

4. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.

5. This Circular is available at www.sebi.gov.in under the link "Legal → Circulars".

PRIYANKA MAHAPATRA
General Manager

07 Ease of doing business measures – Relaxations in certain reporting requirements for certain Stock Brokers and doing away with the requirement of reporting of demat account

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/38/11/(1)2026-MIRSD-POD/I/7656/2026 dated 23.03.2026]

1. SEBI has specified provisions pertaining to enhanced supervision of Stock Brokers ("brokers")/Depository Participants ("DPs") under para 15 of Master Circular for Stock Brokers dated June 17, 2025 (hereinafter mentioned as "Master Circular").

2. In terms of para 15.3 of Master Circular, all demat accounts maintained by brokers should be appropriately tagged. However, the said requirement is not applicable for the demat accounts which are used exclusively for banking activities by brokers which are also banks.

3. Further, as per para 15.4 of Master Circular, brokers are required to inform Stock Exchanges of their existing and new bank accounts. However, broker which is also bank may be required to report to Stock Exchange only those bank accounts that are used for their stock broking activities. Further, brokers are required to inform Stock Exchange of existing and new demat accounts.

4. In this regard, representation has been received from exchanges to relax the reporting requirement of demat account for brokers and to align the reporting framework of brokers which are primary dealers with the exemptions provided to brokers which are banks. In view of the same and to enhance regulatory efficiency as well as to promote ease of doing business for brokers by harmonizing and relaxing the reporting obligations, it has been decided to modify the relevant paras in Master Circular as under:

ARADHANA VERMA
General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

08 Review of Coverage of Settlement Guarantee Fund for Commodity Derivatives Segment

[Issued by the Securities and Exchange Board of India vide Circular HO/47/16/14(1)2026-MRD-POD1/I/7115/2026 dated 16.03.2026]

1. SEBI Master Circular SEBI/HO/MRD/MRD-PoD-1/P/CIR/2023/136 for Commodity Derivatives Segment dated August 04, 2023, *inter alia*, prescribes norms related to Core Settlement Guarantee Fund (SGF). The extant provisions pertaining to coverage of SGF, as provided in paragraph 22 of Annexure O of the said circular are as follows:

   "Core Settlement Guarantee Fund (Core SGF) – Annexure O

   22) Standardized Stress Testing for Commodity Derivatives

   Part C. Coverage

   ……..

   ……..for each of the scenarios in Part A, Clearing Corporations shall calculate –

   A. Credit exposure due to simultaneous default of at least 2 clearing members (and their associates) causing highest credit exposure.

   B. 50% of the credit exposure due to simultaneous default of all clearing members."

2. Based on representations received from stakeholders, recommendation of the Risk Management Review Committee (RMRC) and public comments received, and with the objective of facilitating Ease of Doing Business, it has been decided to modify the provisions contained in Part C (with respect to Coverage of SGF) of paragraph 22 ("Standardized Stress Testing for Commodity Derivatives") of Annexure O of SEBI Master Circular for Commodity Derivatives Segment dated Aug 04, 2023, as under:

   "Part C. Coverage

   For each of the scenarios in Part A, Clearing Corporations shall calculate the credit exposure due to simultaneous default of at least 3 clearing members (and their associates) causing highest credit exposure."

3. Further, based on the comments received during public consultation, the following clause has been inserted after paragraph 22 ("Standardized Stress Testing for Commodity Derivatives") of Annexure O of SEBI Master Circular for Commodity Derivatives Segment dated Aug 04, 2023:

   "Core Settlement Guarantee Fund (Core SGF) – Annexure O

   ……

   ……

Other Provisions

23) SEBI, may, after due deliberation, grant exemptions or relaxations from the strict enforcement of provisions relating to the Settlement Guarantee Fund (SGF) in the commodity derivatives segment, on a case to case basis. Such exemptions may be considered after taking into account the prevailing market conditions, the adequacy of applicable risk management framework and keeping in view the overall objective of investor protection."

4. The circular shall come into force with immediate effect.

5. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 51 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

6. The Circular is issued with the approval of the competent authority.

7. This Circular is available on SEBI website www.sebi.gov.in under the category "Circulars" and "Info for Commodity Derivatives".

NEETIKA RAJPAL
Deputy General Manager

09 Borrowing by Mutual Funds

[Issued by the Securities and Exchange Board of India vide Circular HO/(92)2026-IMD-POD-2/I/6961/2026 dated 13.03.2026]

A. Intraday Borrowings

1. As per prevalent industry practice, primarily for liquid and overnight schemes, the redemption payouts to the investors are processed in the morning hours of T+1 day whereas the mutual fund schemes receive the maturity proceeds from TREPS and reverse repo in the evening hours of T+1 day. In order to bridge the intraday timing mismatch of inflow and outflow of funds, the mutual funds enter into formal intraday borrowing arrangements with financial institution such as banks.

2. SEBI has notified SEBI (Mutual Funds) Regulations, 2026 vide notification no. LAD-NRO/GN/2026/294 dated January 14, 2026 to come into force from April 01, 2026. Regulation 42(1) of SEBI (Mutual Funds) Regulations, 2026 permits mutual funds to borrow funds for the purpose of repurchase or redemption of units or payment of interest or Income Distribution Cum Capital Withdrawal payout to the unitholders or for settlement of trades by equity oriented index funds and equity oriented exchange traded funds (ETFs) on

account of under execution of sell trades on the stock exchange. Such borrowings shall not exceed 20% of net assets of a scheme and duration of such borrowings shall not exceed a period of 6 months.

3. In terms of Regulation 42(2) of SEBI (Mutual Funds) Regulations, 2026, the limit of 20% is not applicable for intraday borrowings subject to such conditions as may be specified by the Board.

PRIYANKA MAHAPATRA
General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

10 Ease of Doing Business – Relaxation in certification requirement for Persons Associated with Research Services (PARS) – Sales and other non-core services

[Issued by the Securities and Exchange Board of India vide Circular HO/38/12/(5)2026-MIRSD-POD/I/6703/2026 dated 11.03.2026]

1. In terms of Regulation 7 of Securities and Exchange Board of India (Research Analysts) Regulations, 2014 ("RA Regulations"), Persons Associated with Research Services (PARS), shall, *inter alia,* obtain relevant certification from National Institute of Securities Market (NISM).

2. Vide Gazette Notification dated February 14, 2025 under Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007, it was, *inter alia,* specified that PARS shall obtain certification from NISM by passing the "NISM Series-XV: Research Analyst Certification Examination".

3. Based on the feedback from market participants and as a step towards ease of doing business, it has been decided to specify a lighter NISM certification module for PARS, such as sales staff, relationship managers and other staff, who perform sales and other non-core services, have client contact but are not directly associated or involved in research related aspects.

4. Accordingly, the following is being specified:

   4.1. PARS, who perform sales and other non-core services, shall obtain certification from NISM by passing the "NISM Series-XXV-A: Persons Associated with Research Services (Sales and Other Non-Core Services) Certification Examination", as mentioned in the NISM Communique No. NISM/ Certification/NISM Series-XXV-A: Persons Associated with Research Services (Sales and Other Non-Core Services) Certification Examination/ 2026/ 01 dated January 30, 2026.

   4.2. PARS, other than those who perform sales and other non-core services, shall continue to obtain certification from NISM by passing the "NISM Series-XV: Research Analyst Certification Examination".

5. The PARS (as referred at paragraph 4.1 above) who have already obtained NISM Series-XV certification, as on the date of this circular, shall not be required to undertake NISM Series-XXV-A certification at this stage. Such PARS shall obtain NISM Series-XXV-A certification only after expiry of the validity of their NISM Series-XV certification.

6. The provisions of this circular shall come into force with immediate effect.

7. The Research Analyst Administration and Supervisory Body, is advised to:

   7.1. make necessary amendments to the relevant bye-laws and rules, for the implementation of this circular; and

   7.2. bring the provisions of this circular to the notice of the registered Research Analysts and also disseminate the same on its website.

8. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 7 of the Securities and Exchange Board of India (Research Analysts) Regulations, 2014 and Regulation 3(1) of SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

9. This circular is issued with the approval of the competent authority.

10. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal→Circulars'.

DIVYA HAMIRBASIA
Deputy General Manager

11 Introduction of Voluntary Lock-in / Debit freeze facility to Mutual Fund folios

[Issued by the Securities and Exchange Board of India vide Circular HO/24/12/12(5)2026-IMD-SEC-1/I/6373/2026 dated 06.03.2026]

1. In order to promote digital security of units of Mutual Fund investors, in consultation with AMFI, it is decided that a voluntary debit freeze facility be introduced for Mutual Fund investors across demat and non-demat (i.e., Statement of Account) folios to ensure that no units shall be debited from such folios till the time they are unlocked.

2. Debit freeze facility to be made available for unit holders:

   2.1. An Inter-operable RTA platform named MF Central, was introduced for enhancing investor experience in Mutual Fund Transactions / service requests by SEBI as per Para 16.6 of SEBI Master Circular on Mutual Funds.

   2.2. In the first phase, the facility to lock the folio shall be provided to mutual fund investors by the RTAs through MF Central platform.

2.3. The facility shall be enabled only for KYC complied (Registered / Validated) investors having valid Email ID and Mobile number (both mandatory).

2.4. AMFI shall prescribe the detailed process for locking and unlocking of folios to all AMCs / RTAs and shall also provide the processes to be followed by different types of investors after due consultation with SEBI.

2.5. AMFI is also advised to prescribe the detailed list of financial transactions and non-financial transactions that are allowed during such lock-in period to AMCs / RTAs.

2.6. The detailed process of opting for such a facility and impact on different financial transactions and non-financial transactions during the lock in period shall be disclosed by all AMCs / RTAs on their websites and in Statement of Additional Information (SAI).

3. The circular will come into effect from April 30, 2026.

4. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with the provision of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996 to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.

5. This circular is available at www.sebi.gov.in under the link "Legal→Circulars".

CHETAN FUMAKIYA
Deputy General Manager

12 Regulatory Reporting by AIFs

[Issued by the Securities and Exchange Board of India vide Circular HO/19/28/(1)2026-AFD-SEC3/I/6176/2026 dated 04.03.2026]

1. In terms of Regulation 28 of SEBI (Alternative Investment Funds) Regulations, 2012 (hereafter referred to as "AIF Regulations") read with Clause 15.1.1. of SEBI Master Circular for AIFs dated May 07, 2024, AIFs are required to submit activity reports to SEBI in the formats specified with respect to the activities carried on by the AIFs.

2. Presently all AIFs are required to submit report on their activity to SEBI on quarterly basis within 15 calendar days from the end of each quarter in the reporting format hosted by AIF Industry Association – Indian Venture and Alternate Capital Association (IVCA), on their website.

3. Clause 15.1.4 of the Master Circular for AIFs dated May 07, 2024 states that "To keep pace with the fast-changing landscape of AIF industry and for policy and supervision purposes, the aforesaid reporting format shall be reviewed periodically by industry associations / any AIF Standard Setting Forum in consultation with SEBI. In case of any revisions in the reporting format, revised format shall be made available on websites of industry associations / the AIF Standard Setting Forum at least 1 month prior to end of the quarter."

4. Accordingly, reporting format for AIFs has been reviewed to suitably incorporate the changes to AIF Regulations and circulars issued thereunder.

5. To improve ease of doing business, the frequency of submitting reports has also been reviewed in consultation with the Standards Forum of AIFs. A Working Group constituted by SEBI on "Ease of Doing Business and Reducing Cost of Compliance" had also recommended to reduce the frequency of reporting by AIFs.

6. It has been decided that, AIFs will submit a comprehensive Annual Activity Report at the end of March of each financial year. The Annual Activity Report shall be submitted by all AIFs online on the SEBI Intermediary Portal (SI Portal) within 30 calendar days from the end of March of every financial year. The first such Annual Activity Report shall be submitted for the year ending March 2026 latest by May 31, 2026.

7. A limited Quarterly Activity Report shall be submitted by all AIFs online on the SI Portal in a revised format within 15 calendar days from the end of each such quarter. The first such report shall be submitted for the quarter ending June 2026.

   No separate submission of Quarterly Activity Report will be required for quarter ending March of every year as the Annual Activity Report includes the data points of the Quarterly Activity Report.

8. The revised reporting formats shall be made available on the website of Standards Forum i.e. IVCA within 3 days from the date of issuance of this circular. IVCA shall assist all AIFs in understanding the reporting requirements and in clarifying or resolving any issues that may arise in connection with reporting to ensure accurate and timely reporting.

9. This circular shall supersede the provisions under Clause 15.1 of Chapter 15 – "Reporting by AIFs" of the Master Circular for Alternative Investment Funds (AIFs) dated May 07, 2024.

10. The provisions of this circular shall come into force with immediate effect.

11. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 28 and Regulation 36 of SEBI (Alternative Investment Funds) Regulations, 2012 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

12. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework - Circulars" and "Info for - Alternative Investment Funds."

MANISH TEKRIWAL
Deputy General Manager

13 Guidelines for Custodians

[Issued by the Securities and Exchange Board of India vide Circular HO/19/(1)2025-AFD-FPICELL/I/5928/2026 dated 04.03.2026]

1. SEBI (Custodian) Regulations, 1996 (Custodian Regulations) were amended vide notification dated September 18, 2025. The amendment notification, *inter alia,* specified provisions related to net worth, rendering of financial services, obligations and responsibilities for Custodian. In this context, the specific conditions and modalities with respect to various provisions pertaining to Custodians are being prescribed by way of this Circular.

2. Segregation of activities

2.1. Regulation 9 (f) of Custodian Regulations specifies as under:

"9. The certificate granted to custodian shall be subject to the following conditions, namely:-

(a) …

(b) …

(f) besides providing custodial services, it may carry on any activity relating to rendering of financial services;

Provided that a custodian who is not a banking company as defined under the Banking Regulations Act, 1949 or a subsidiary/associate/joint venture of such banking company may render such financial services subject to conditions as may be specified by the Board."

In this regard, the following is specified –

2.1.1. The list of activities relating to rendering of financial services that can be carried out by a Custodian, in terms of the certificate granted under the Custodian Regulations shall be specified through the Custodians and DDPs Standards Setting Forum ('CDSSF'), in consultation with SEBI.

2.1.2. Custodian (except which is a Bank or a subsidiary / associate / joint venture of a Bank) shall undertake financial services activities falling under the purview of SEBI and those outside the purview of SEBI through separate Strategic Business Units (SBU) respectively. The following safeguards shall be put in place by such Custodian:

i. Separate accounts shall be prepared and maintained for the SBUs on arms-length basis;

ii. Net worth criteria for Custodian shall be satisfied after excluding the books of the SBU.[1]

2.1.3. Custodian (except which is a Bank or a subsidiary/ associate/ joint venture of a Bank) rendering unregulated financial services shall make appropriate disclosure to its clients to this effect. Such Custodian shall obtain an acknowledgement from the client that no recourse is available to them with SEBI for their grievances related to the services obtained by them with respect to such unregulated activities of the Custodian.

2.2. The requirements of clauses (i) and (ii) of Regulation 13 of Custodian Regulations shall not apply to a Custodian subject to such conditions as may be specified by SEBI. Accordingly, a Custodian may share manpower resources, infrastructure and systems across other financial services activities undertaken by it, subject to the following conditions:

2.2.1. Custodian shall ensure that adequate controls and mechanisms, including chinese walls and adherence to 'need to know' principles, are in place to address issues of conflicts of interest.

2.2.2. Custodian shall continue to adhere to general guidelines as specified in SEBI Circular no. CIR/MIRSD/5/2013 dated August 27, 2013 for dealing with conflict of interest.

SIDDHARTH K DACHALWAL
Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

Reserve Bank of India

14 NOP-INR position of Authorised Dealers

[Issued by the Reserve Bank of India vide RBI/2025-26/252 A.P. (DIR Series) Circular No. 24 dated 27.03.2026]

Attention of Authorised Dealers is invited to the Master Direction - Risk Management and Inter-Bank Dealings dated July 05, 2016, as amended from time to time. In terms of paragraph A(ii)(a) of Annex I of the Master Direction, the Reserve Bank may prescribe limits for open positions involving Rupee (NOP-INR) for exchange rate management, depending on market conditions.

2. Accordingly, it has now been decided that Authorised Dealers shall ensure that their NOP-INR positions in the onshore deliverable market shall be maintained within US$ 100 million at the end of each business day. Authorised Dealers shall ensure compliance with the above at the earliest but no later than April 10, 2026.

3. The directions contained in this circular have been issued under Sections 10(4), 11(1) and 11(2) of the FEMA, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

DIMPLE BHANDIA
Chief General Manager

15 Master Direction - Reserve Bank of India (Unique Identifiers in Financial Markets) Directions, 2026

[Issued by the Reserve Bank of India vide RBI/FMRD/2025-26/392 FMRD.MIOD.No.9/11.01.057/2025-26 dated 26.03.2026]

Identifiers such as the Legal Entity Identifier (LEI) and Unique Transaction Identifier (UTI) are key global standards for promoting transparency in the financial markets.

2. The Reserve Bank has mandated the implementation of LEI and UTI for transactions in financial markets regulated by it. The directions for the implementation of these unique identifiers have been issued through various circulars, as set out in Annex. The directions have now been consolidated and issued in this Master Direction.

3. The Master Direction has been issued in exercise of the powers conferred under Section 45W of the Reserve Bank of India Act, 1934, read with Section 45U of the Act and of all the powers enabling it in this behalf.

DIMPLE BHANDIA
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

16 Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Listing of 02 Entries

[Issued by the Reserve Bank of India vide RBI/2025-26/251 DOR.AML.REC.445/14.06.001/2025-26 dated 27.03.2026]

Please refer to Chapter IX on "Requirements/obligations under International Agreements - Communications from International Agencies" of the Reserve Bank of India - Know Your Customer, Directions, 2025 dated November 28, 2025 as amended on December 29, 2025 ("Directions"), in terms of which, regulated entity shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967 and amendments thereto, it does not have any account in the name of individuals / entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC).

2. In this connection, Ministry of External Affairs (MEA), Government of India has informed about the UNSC press releases SC/16323 and SC/16324, both dated March 26, 2026 wherein the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities approved the addition of the entries specified below to its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities subject to assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2734 (2024), and adopted under Chapter VII of the Charter of the United Nations.

VEENA SRIVASTAVA
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

17 Currency Chest operations on March 31, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/250 DCM(CC) No.S4781/03.51.01/2025-26 dated 16.03.2026]

In terms of instructions contained in circular DoR. CO.SOG(Leg)No.401/09.08.024/2025-26 dated February 03, 2026, all branches of the banks dealing with Government receipts and payments are to be kept open for transactions on March 31, 2026 (Tuesday-Public Holiday), so as to account for the Government transactions in FY 2025-26 itself. Since such transactions might necessitate operations at CCs, the banks are advised to keep their CCs open on March 31, 2026, akin to a normal working day.

2. The CC holding banks shall keep the linked branches suitably informed.

SUMAN NATH
Chief General Manager

18 Reserve Bank of India (Rural Co-operative Banks – Financial Statements: Presentation and Disclosures) – Second Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/DOR/2025-26/249 DOR.ACC.REC.No.444/21.04.018/2025-26 dated 16.03.2026]

Please refer to the Reserve Bank of India (Rural Co-operative Banks – Financial Statements: Presentation and Disclosures) Directions, 2025 (hereinafter referred to as 'the Directions').

2. On a review, consequent to the issuance of the Implementation of Risk Based Premium (RBP) Framework dated February 6, 2026, by the Deposit Insurance and Credit Guarantee Corporation (DICGC), and in exercise of the powers conferred by the Section 35A read with Section 56 of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify paragraph 10(11)(v) as under:

10(11)(v) Payment of DICGC Insurance Premium

~~Sr. No.~~	~~Particulars~~	~~Current Year~~	~~Previous Year~~
~~i)~~	~~Payment of DICGC Insurance Premium~~		
~~ii)~~	~~Arrears in payment of DICGC premium~~		

A bank shall disclose in the annual report that 'deposit insurance premium as applicable was paid to DICGC within the prescribed timelines'. In case the bank has not paid as per the required timelines, the same shall also be disclosed.

4. The above amendments shall come into force from April 1, 2026.

SUNIL T. S. NAIR
Chief General Manager

19 Reserve Bank of India (Urban Co-operative Banks – Financial Statements: Presentation and Disclosures) – Third Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/DOR/2025-26/248 DOR. ACC.REC.No.443/21.04.018/2025-26 dated 16.03.2026]

Please refer to the Reserve Bank of India (Urban Co-operative Banks – Financial Statements: Presentation and Disclosures) Directions, 2025 (hereinafter referred to as 'the Directions').

2. On a review, consequent to the issuance of the Implementation of Risk Based Premium (RBP) Framework dated February 6, 2026, by the Deposit Insurance and Credit Guarantee Corporation (DICGC), and in exercise of the powers conferred by the Section 35A read with Section 56 of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify paragraph 10(11)(vi) as under:

10(11)(vi) Payment of DICGC Insurance Premium

~~Sr. No.~~	~~Particulars~~	~~Current Year~~	~~Previous Year~~
~~i)~~	~~Payment of DICGC Insurance Premium~~		
~~ii)~~	~~Arrears in payment of DICGC premium~~		

A bank shall disclose in the annual report that 'deposit insurance premium as applicable was paid to DICGC within the prescribed timelines'. In case the bank has not paid as per the required timelines, the same shall also be disclosed.

4. The above amendments shall come into force from April 1, 2026.

SUNIL T. S. NAIR
Chief General Manager

20 Reserve Bank of India (Regional Rural Banks – Financial Statements: Presentation and Disclosures) – Second Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/DOR/2025-26/247 DOR. ACC.REC.No.442/21.04.018/2025-26 dated 16.03.2026]

Please refer to the Reserve Bank of India (Regional Rural Banks – Financial Statements: Presentation and Disclosures) Directions, 2025 (hereinafter referred to as 'the Directions').

2. On a review, consequent to the issuance of the Implementation of Risk Based Premium (RBP) Framework dated February 6, 2026, by the Deposit Insurance and Credit Guarantee Corporation (DICGC), and in exercise of the powers conferred by the Section 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify paragraph 10(11)(vi) as under:

10(11)(vi) Payment of DICGC Insurance Premium

~~Sr. No.~~	~~Particulars~~	~~Current Year~~	~~Previous Year~~
~~i)~~	~~Payment of DICGC Insurance Premium~~		
~~ii)~~	~~Arrears in payment of DICGC premium~~		

A bank shall disclose in the annual report that 'deposit insurance premium as applicable was paid to DICGC within the prescribed timelines'. In case the bank has not paid as per the required timelines, the same shall also be disclosed.

4. The above amendments shall come into force from April 1, 2026.

SUNIL T. S. NAIR
Chief General Manager

21 Reserve Bank of India (Small Finance Banks – Financial Statements: Presentation and Disclosures) – Third Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/DOR/2025-26/244 DOR. ACC.REC.No.439/21.04.018/2025-26 dated 16.03.2026]

Please refer to the Reserve Bank of India (Small Finance Banks – Financial Statements: Presentation and Disclosures) Directions, 2025 (hereinafter referred to as 'the Directions').

2. On a review, consequent to the issuance of the Implementation of Risk Based Premium (RBP) Framework dated February 6, 2026, by the Deposit Insurance and Credit Guarantee Corporation (DICGC), and in exercise of the powers conferred by the Section 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify paragraph 10(14)(vii) as under:

10(14)(vii) Payment of DICGC Insurance Premium

~~Sr. No.~~	~~Particulars~~	~~Current Year~~	~~Previous Year~~
~~i)~~	~~Payment of DICGC Insurance Premium~~		
~~ii)~~	~~Arrears in payment of DICGC premium~~		

A bank shall disclose in the annual report that 'deposit insurance premium as applicable was paid to DICGC within the prescribed timelines'. In case the bank has not paid as per the required timelines, the same shall also be disclosed.

4. The above amendments shall come into force from April 1, 2026.

SUNIL T. S. NAIR
Chief General Manager

22 Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2026

[Issued by the Reserve Bank of India vide Notification No. FEMA 6 (R)/(5)/2026-RB dated 23.03.2026]

In exercise of the powers conferred by clause (ga) of sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendments to the Foreign Exchange Management (Export and Import of Currency) Regulations, 2015 (Notification No. FEMA 6 (R)/RB-2015 dated December 29, 2015) (hereinafter referred to as 'the Principal Regulations'), namely: —

1. Short title & Commencement:

i. These Regulations may be called the Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2026.

ii. They shall come into force from the date of their publication in the Official Gazette.

2. Insertion of Annex:

In the Principal Regulations, after the existing regulations, the following Annex shall be inserted, namely:

Annex

CURRENCY DECLARATION FORM (CDF)

[See Regulation 6]

Instructions for passengers:

1. This form need not be completed in cases where the aggregate value of the foreign exchange brought in by the passenger in the form of currency notes, bank notes, or travellers' cheques does not exceed U.S.$ 10,000/- or its equivalent and/or the value of foreign currency notes does not exceed U.S.$ 5,000 or its equivalent.

2. Passengers are advised to produce this form to a bank authorised to deal in foreign exchange or money changer at the time of conversion of foreign exchange into Indian rupees or reconversion of rupees into foreign exchange.

3. Visitors to India may please note that in case they do not wish to encash all the foreign exchange declared below they should retain this form with them for production to the Customs at the time of their departure from India to enable them to take with them the unutilised balance.

4. Details of travellers' cheques/currency notes need not be furnished.

5. Foreign tourists need not indicate their address.

N. SENTHIL KUMAR
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

23 Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1988 (2011) Taliban Sanctions List: Amendment of 22 Entries: UAPA Update 02 of 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/242 DOR.AML.REC.437/14.06.001/2025-26 dated 11.03.2026]

Please refer to Chapter IX on "Requirements/obligations under International Agreements - Communications from International Agencies" of the Reserve Bank of India - Know Your Customer, Directions, 2025 dated November 28, 2025 (amended as on December 29, 2025) ("Directions"), as per which, regulated entity shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967 and amendments thereto, it does not have any account in the name of individuals / entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC).

2. In this connection, Ministry of External Affairs (MEA), Government of India has informed about the UNSC press release SC/16313 dated March 10, 2026 wherein the Security Council Committee established and maintained pursuant to Security Council resolution 1988 (2011) has enacted amendments to the 'Taliban Sanctions List', which includes names of individuals and entities associated with the Taliban.

2.1 The Security Council Committee pursuant to resolution 1988 (2011) enacted the amendments specified with strikethrough and/or underline in the entries as specified in the Annex on its 1988 List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2816 (2026), and adopted under Chapter VII of the Charter of the United Nations.

3. Press release dated March 10, 2026 regarding the above can be found at https://press.un.org/en/2026/sc16313.doc.htm

4. In view of the above, regulated entities are advised to take appropriate action in terms of Chapter IX of the aforementioned Directions of RBI and strictly follow the procedure as laid down in the UAPA Order dated February 02, 2021 (amended on April 22, 2024) annexed to the directions.

5. Updated lists of individuals and entities linked to ISIL (Da'esh), Al-Qaida and Taliban issued by UNSC Committee are available at: www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list https://www.un.org/securitycouncil/sanctions/1988/materials

6. Further, as per the instructions from the Ministry of Home Affairs (MHA), any request for de-listing received by any bank, stock exchanges/ depositories, intermediaries regulated by SEBI and Insurance companies is to be forwarded electronically to Joint Secretary (CTCR), MHA for consideration. Individuals, groups, undertakings or entities seeking

to be removed from the Security Council's Taliban Sanctions List can submit their request for delisting to either directly to the Focal Point for Delisting established pursuant to resolution 1730 (2006) or through his/her State of residence or nationality. More details are available at the following URL: ttps://main.un.org/securitycouncil/en/sanctions/1988/materials/procedures_delisting

7. Regulated entities are advised to take note of the aforementioned UNSC communications and ensure meticulous compliance.

VEENA SRIVASTAVA
Chief General Manager

24 Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/241 DOR.MRG.REC.No.436/21-01-002/2025-26 dated 10.03.2026]

Please refer to paragraph 77 on 'Treatment of total counterparty credit risk' of the Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Directions, 2025. It has been decided to amend these instructions to provide greater clarity and to largely align them with international standards.

2. Accordingly, in exercise of the powers conferred by Section 45L of the Reserve Bank of India Act, 1934, and all other provisions / laws enabling the Reserve Bank of India (RBI) in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. (i) These instructions shall be called the Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026.

(ii) These Amendment Directions shall come into effect from the date of issue.

4. The Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Directions, 2025, are amended as provided below:

4.1. In paragraph 77(1), the following note shall be inserted in the end, namely: –

"Note: For computation of capital requirement on a consolidated basis, an AIFI shall include CCR exposures of all entities required to be consolidated in terms of Section B 'Scope of application of capital adequacy framework' under Chapter II of these Directions."

SUNIL T. S. NAIR
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

25 Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/240 DOR.MRG.REC.No.435/21-01-002/2025-26 March 10, 2026 dated 10.03.2026]

Please refer to paragraph 52 on 'Treatment of total Counterparty Credit Risk' of the Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Directions, 2025. It has been decided to amend these instructions to provide greater clarity and to largely align them with international standards.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and all other provisions / laws enabling the Reserve Bank of India (RBI) in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. (i) These instructions shall be called the Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Amendment Directions, 2026.

(ii) These Amendment Directions shall come into effect from the date of issue.

4. The Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Directions, 2025, are amended as provided below.

4.1. Table 10 in paragraph 52(2) shall be substituted by the following, namely: –

SUNIL T. S. NAIR
Chief General Manager

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26 Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/239DOR.MRG.REC.No.434/21-01-002/2025-26 dated 10.03.2026]

Please refer to paragraph 75 on 'Treatment of total Counterparty Credit Risk' of the Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Directions, 2025. It has been decided to amend these instructions to provide greater clarity and to largely align the guidelines with international standards.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and all other provisions / laws enabling the Reserve Bank of India (RBI) in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. (i) These instructions shall be called the Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026.

(ii) These Amendment Directions shall come into effect from the date of issue.

4. The Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Directions, 2025, are amended as provided below.

4.1. Table 14 in paragraph 75(2) shall be substituted by the following, namely: –

SUNIL T. S. NAIR
Chief General Manager

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27 Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/238 DOR.MRG.REC.No.433/21-01-002/2025-26 dated 10.03.2026]

Please refer to paragraph 85 on 'Treatment of total Counterparty Credit Risk' of the Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025. It has been decided to amend these Directions to provide greater clarity and to largely align them with international standards.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and all other provisions / laws enabling the Reserve Bank of India (RBI) in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. (i) These instructions shall be called the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026.

(ii) These Amendment Directions shall come into effect from the date of issue.

4. The Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025, are amended as provided below.

4.1. In paragraph 85(1), the following note shall be inserted in the end, namely: –

"Note: For computation of capital requirement on a consolidated basis, a bank shall include CCR exposures of all entities required to be consolidated in terms of Section B 'Scope of application of capital adequacy framework' under Chapter II of these Directions.".

4.2. Table 16 in paragraph 85(2) shall be substituted by the following, namely: –

SUNIL T. S. NAIR
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

28 Reserve Bank of India (Local Area Banks – Prudential Norms on Declaration of Dividends) Repeal Directions, 2026

[Issued by the Reserve Bank of India vide RBI/DOR/2025-26/237 DOR.ACC.REC.No.426/21.02.067/2025-26 dated 10.03.2026]

The Reserve Bank of India being satisfied that it is necessary and expedient in the public interest to do so, hereby repeals the Reserve Bank of India (Local Area Banks – Prudential Norms on Declaration of Dividends) Directions, 2025 (DOR.ACC.REC.161/21-02-067/2025-26) issued on November 28, 2025, with effect from Financial Year (FY) 2026-27. The Directions shall be replaced with Reserve Bank of India (Local Area Banks – Prudential Norms on Declaration of Dividends) Directions, 2026 issued on March 10, 2026, with effect from FY 2026-27.

2. Notwithstanding such repeal, any action taken or purported to have been taken, or initiated under the repealed Directions shall continue to be governed by the provisions thereof. All approvals or acknowledgments granted under these repealed Directions shall be deemed as governed by these Directions. Further, the repeal of these Directions shall not in any way prejudicially affect:

(1) any right, obligation or liability acquired, accrued, or incurred thereunder;

(2) any, penalty, forfeiture, or punishment incurred in respect of any contravention committed thereunder; and

(3) any investigation, legal proceeding, or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, or punishment as aforesaid; and any such investigation, legal proceedings, or remedy may be instituted, continued, or enforced and any such penalty, forfeiture or punishment may be imposed as if those directions, instructions, or guidelines had not been repealed.

SUNIL T. S. NAIR
Chief General Manager

29 Reserve Bank of India (Payment Banks – Prudential Norms on Declaration of Dividends) Repeal Directions, 2026

[Issued by the Reserve Bank of India vide RBI/DOR/2025-26/236 DOR.ACC.REC.No.425/21.02.067/2025-26 dated 10.03.2026]

The Reserve Bank of India being satisfied that it is necessary and expedient in the public interest to do so, hereby repeals the Reserve Bank of India (Payment Banks – Prudential Norms on Declaration of Dividends) Directions, 2025 (DOR.ACC.REC.136/21-02-067/2025-26) issued on November 28, 2025, with effect from Financial Year (FY) 2026-27. The Directions shall be replaced with Reserve Bank of India (Payment Banks – Prudential Norms on Declaration of Dividends) Directions, 2026 issued on March 10, 2026, with effect from FY 2026-27.

2. Notwithstanding such repeal, any action taken or purported to have been taken, or initiated under the repealed Directions shall continue to be governed by the provisions thereof. All approvals or acknowledgments granted under these repealed Directions shall be deemed as governed by these Directions. Further, the repeal of these Directions shall not in any way prejudicially affect:

   (1) any right, obligation or liability acquired, accrued, or incurred thereunder;

   (2) any, penalty, forfeiture, or punishment incurred in respect of any contravention committed thereunder; and

   (3) any investigation, legal proceeding, or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, or punishment as aforesaid; and any such investigation, legal proceedings or remedy may be instituted, continued, or enforced and any such penalty, forfeiture or punishment may be imposed as if those directions, instructions, or guidelines had not been repealed.

SUNIL T. S. NAIR
Chief General Manager

30 Reserve Bank of India (Setting Up of Wholly-Owned Subsidiaries by Foreign Banks) Amendment Guidelines, 2026

[Issued by the Reserve Bank of India vide RBI/DOR/2025-26/233 DOR.ACC.REC.No.432/21.02.067/2025-26 dated 10.03.2026]

Please refer to the Reserve Bank of India (Setting Up of Wholly-Owned Subsidiaries by Foreign Banks) Guidelines, 2025 (hereinafter referred to as 'the Guidelines').

2. On a review, consequent to the issuance of the Reserve Bank of India (Commercial Banks – Prudential Norms on Declaration of Dividends and Remittance of Profit) Directions, 2026, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Guidelines modify paragraph 13 titled 'Declaration of Dividends' as under:

   13. The WOS of a foreign bank, being a company incorporated in India, may declare dividend like domestic banks subject to criteria laid down in ~~Reserve Bank of India (Commercial Banks – Prudential Norms on Declaration of Dividends and Remittance of Profit) Directions, 2025~~ Reserve Bank of India (Commercial Banks – Prudential Norms on Declaration of Dividends and Remittance of Profit) Directions, 2026, which may be repatriated as per the provisions of FEMA 1999.

4. The above amendments shall come into effect from Financial Year (FY) 2026-27.

SUNIL T. S. NAIR
Chief General Manager

31 Reserve Bank of India (Standalone Primary Dealers) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/232 DOR.CAP.REC. No.422/21.01.002/2025-26 dated 10.02.2026]

The Reserve Bank had issued the Reserve Bank of India (Standalone Primary Dealers) Directions, 2025 (hereafter referred as the 'Master Direction'), on November 28, 2025, as amended from time to time. There is a need to further amend the same to provide clarification on the components reckoned in the computation of Tier1 capital, as well as to review the definition of Tier1 capital being reckoned for complying with extant exposure norms.

2. Accordingly, in exercise of the powers conferred under Sections 45JA, 45K, 45L, and 45M of the Reserve Bank of India Act, 1934 (2 of 1934), and of all powers enabling it in this behalf, the Reserve Bank, having considered it necessary in the public interest, and being satisfied that, for the purpose of enabling it to regulate the financial system to the advantage of the country so to do, hereby, issues the following Amendment Directions.

3. These Directions shall be called the Reserve Bank of India (Standalone Primary Dealers) Amendment Directions, 2026.

4. These Amendment Directions shall come into force with immediate effect.

5. These Amendment Directions modify the Master Direction as under:

SUNIL T. S. NAIR
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

32 Reserve Bank of India (Asset Reconstruction Companies) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/231 DOR.CAP.REC. No.421/21.01.002/2025-26 dated 10.03.2026]

The Reserve Bank had issued the Reserve Bank of India (Asset Reconstruction Companies) Directions, 2025 (hereafter referred as the 'Master Direction') on November 28, 2025, as amended from time to time. There is a need to further amend the same to provide clarification on the components being reckoned in the computation of Owned Fund.

2. Accordingly, in exercise of the powers conferred under Sections 3, 9, 10, 12, and 12A of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002), and of all the powers enabling it in this behalf, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, and in order to ensure prudent and efficient functioning of Asset Reconstruction

Companies, hereby, issues the following Amendment Directions.

3. These Directions shall be called Reserve Bank of India (Asset Reconstruction Companies) Amendment Directions, 2026.

4. These Amendment Directions shall come into force with immediate effect.

5. These Amendment Directions modify the Master Direction as under:

Paragraph 4(11)(i)(c) shall be replaced by:

"(c) free reserves (excluding revaluation reserve) including quarterly profits.

Inclusion of quarterly profits shall be subject to the following conditions:

(i) The financial statements shall be subjected to limited review / audit on a quarterly basis by the statutory auditors.

(ii) Such profits shall be reduced by average dividend paid in the last three years and the amount which can be reckoned for inclusion would be arrived at as under:

$EP_t = NPt - 0.25 *D*t$

Where:

EP_t *= Eligible profit up to quarter 't' of the current financial year, t varies from 1 to 4*

NP_t *= Net profit up to quarter 't'*

D = average dividend paid for / pertaining to the last three financial years

Losses in the current year shall be fully deducted from Owned Fund;"

SUNIL T. S. NAIR
Chief General Manager

33 Reserve Bank of India (Mortgage Guarantee Companies) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/230 DOR.CAP.REC. No.420/21.01.002/2025-26 dated 10.03.2026]

The Reserve Bank had issued the Reserve Bank of India (Mortgage Guarantee Companies) Directions, 2025 (hereafter referred as the 'Master Direction'), on November 28, 2025, as amended from time to time. There is a need to further amend the same to provide clarification on the components reckoned in the computation of Owned Fund, as well as to review the definition of Tier 1 capital being reckoned for complying with extant credit / investment concentration norms.

2. Accordingly, in exercise of the powers conferred under Section 45JA of Reserve Bank of India Act, 1934 (Act 2 of 1934), and of all powers enabling it in this behalf, the Reserve Bank having considered it necessary in the public interest and being satisfied that, for the purpose of enabling it to regulate the financial system to the advantage of the country so to do, hereby, issues the following Amendment Directions.

3. These Directions shall be called the Reserve Bank of India (Mortgage Guarantee Companies) Amendment Directions, 2026.

4. These Amendment Directions shall come into force with immediate effect.

5. These Amendment Directions modify the Master Direction as under:

SUNIL T. S. NAIR
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

34 Implementation of Section 51A of UAPA,1967: Updates to UNSC's 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Delisting of 01 entry

[Issued by the Reserve Bank of India vide RBI/2025-26/225 DOR.AML. REC.415/14.06.001/2025-26 dated 02.03.2026]

Please refer to Chapter IX on "Requirements/obligations under International Agreements - Communications from International Agencies" of the Reserve Bank of India - Know Your Customer, Directions, 2025 dated November 28, 2025 as amended on December 29, 2025 ("Directions"), as applicable, in terms of which, regulated entity shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967 and amendments thereto, it does not have any account in the name of individuals / entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC).

2. In this connection, Ministry of External Affairs (MEA), Government of India has informed about the UNSC press release SC/16306 dated February 27, 2026 wherein the Security Council Committee has decided to remove the entry below from the ISIL (Da'esh) and Al-Qaida Sanctions List.

2.1 The Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities removed the entry below from the ISIL (Da'esh) and Al-Qaida Sanctions List. Therefore, the assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2734 (2024) and adopted under Chapter VII of the Charter of the United Nations, no longer apply to the name set out below:

VEENA SRIVASTAVA
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

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NEWS FROM THE INSTITUTE

- Members Restored during the month of February 2026
- Certificate of Practice surrendered during the month of February 2026
- COP Allotted details
- New Admissions
- Uploading of Photograph (Passport Size only) and Signature
- Obituaries
- Change / Updation of Address

Institute News

LIST OF MEMBERS RESTORED IN THE MONTH OF FEBRUARY 2026

Sl. No.	Membership No.	Member's Name	Region
1	ACS - 10207	CS ATOSH R SURANA	SIRC
2	ACS - 10414	CS PRADEEP KUMAR NIGAM	NIRC
3	ACS - 13211	CS AMAL KUMAR VERMA	EIRC
4	ACS - 13847	CS SATISH KUMAR BANSAL	NIRC
5	ACS - 14214	CS ASHWANI KUMAR SHARMA	NIRC
6	ACS - 14652	CS PANKAJ HARLALKA	EIRC
7	ACS - 14902	CS DEEPAK KUMAR	NIRC
8	ACS - 15361	CS JAIPRAKASH RAWAT	NIRC
9	ACS - 15540	CS BIKRAM DUTTA MISHRA	WIRC
10	ACS - 16217	CS B. PALLAVI HEGDE	SIRC
11	ACS - 16700	CS URMI PANKAJ ACHARYA	WIRC
12	ACS - 17714	CS FREDY JEHANGIR AGA	WIRC
13	ACS - 17773	CS B. BHUVANESWARI	WIRC
14	ACS - 17945	CS SIDDHARTHA PANDA	WIRC
15	ACS - 18432	CS SANKAR SUBRAMANIYAN	SIRC
16	ACS - 19185	CS BIJAL JAGDISHCHANDRA PATEL	SIRC
17	ACS - 19477	CS VIKAS ARORA	NIRC
18	ACS - 21155	CS RAVI RANJAN	NIRC
19	ACS - 21533	CS UMESH KUMAR AGARWAL	WIRC
20	ACS - 21985	CS NIPUN GUNVANTRAI DOSHI	WIRC
21	ACS - 22022	CS VIDHYA PRATIK BOOB	WIRC
22	ACS - 22490	CS SHWETA NITIN AMIN	WIRC
23	ACS - 22661	CS SACHIN BATRA	NIRC
24	ACS - 23416	CS TARUN AILAWADHI	NIRC
25	ACS - 24133	CS PINTU KUMAR SAW	EIRC
26	ACS - 24551	CS NIVEDITHA REDDY A	SIRC
27	ACS - 25285	CS AVINASH KUMAR SINGH	WIRC
28	ACS - 25299	CS SUMIT KHOWALA	EIRC
29	ACS - 25430	CS RASHMI OMPRAKASH SAVITA	WIRC
30	ACS - 25630	CS ARCHANA AGGARWAL	WIRC
31	ACS - 261	CS HOSHIE HIRJI MALGHAM	WIRC
32	ACS - 26494	CS MAHAK SISODIA	WIRC
33	ACS - 27463	CS ANOOP KUMAR JAIN	NIRC
34	ACS - 27472	CS SANTHOSH GURPUR PRABHU	SIRC
35	ACS - 29069	CS NITIN BHIMAJI KATORE	WIRC
36	ACS - 29338	CS KHAN NISAR AHMED SATTAR	WIRC
37	ACS - 29376	CS SONIYA TOLANI	NIRC
38	ACS - 29451	CS KEVAL NARSHINHBHAI PONKIYA	WIRC
39	ACS - 29789	CS SWATI JAIN SINGH	EIRC
40	ACS - 31691	CS RINGEE ANGMU BHUTIA	SIRC
41	ACS - 32184	CS MAHENDRA MUSKARA	WIRC
42	ACS - 32746	CS NARAYAN LODHA	NIRC
43	ACS - 33041	CS PRIYANKA SHRIMALI	NIRC
44	ACS - 33594	CS SHWETA NAGESH BANDEKAR	WIRC
45	ACS - 34033	CS ISHA DUHAN	NIRC
46	ACS - 34808	CS PRIYA	WIRC
47	ACS - 34825	CS TEJAS DEEPAK VARVADKAR	WIRC
48	ACS - 34996	CS KANIKA CHHABRA	NIRC
49	ACS - 35044	CS NIDHI TIWARI	NIRC
50	ACS - 35666	CS AAYUSHI SINGH	SIRC
51	ACS - 35999	CS ASHISH VINOD ROONGTA	WIRC
52	ACS - 36423	CS ABHILASH T	SIRC
53	ACS - 36490	CS NIKITA DHANUKA	EIRC
54	ACS - 36730	CS KHUSBOO PAILAJRAI GURBUXANI	WIRC
55	ACS - 37172	CS KOMAL ASHISH SINGHANIA	WIRC
56	ACS - 37223	CS UTKARSH KUMAR	NIRC
57	ACS - 38218	CS NEHA AGARWAL	EIRC
58	ACS - 38548	CS SHUBHANGI KANSAL	NIRC
59	ACS - 38592	CS SWASHATA PINKI OJAH	SIRC
60	ACS - 38617	CS KAMLESH BANSAL	WIRC
61	ACS - 38755	CS PRATIMA CHANDRASEKHAR	WIRC
62	ACS - 39004	CS MONISHA RELAN	NIRC
63	ACS - 40237	CS RAJSHREE KAPOOR	NIRC
64	ACS - 42222	CS RAVEENA SHARMA	NIRC

65	ACS - 4289	CS ASHOK DINKAR DANGE	WIRC
66	ACS - 44313	CS POOJA YASHIK AJMERA	WIRC
67	ACS - 44348	CS SHIWANGI RATHI	EIRC
68	ACS - 44374	CS PRITTHISH SINHA	EIRC
69	ACS - 44472	CS S SENTHIL RAJA	SIRC
70	ACS - 44615	CS NEHA RAJAN MANKAME	WIRC
71	ACS - 44777	CS POOJA SONI	WIRC
72	ACS - 45248	CS ARPITA SURESH SHAH	WIRC
73	ACS - 45501	CS RAVINDER REDDY SURUKANTI	SIRC
74	ACS - 45725	CS RIYA MAHESH WAGHELA	WIRC
75	ACS - 46060	CS DIMPLE MIRCHANDANI	NIRC
76	ACS - 47220	CS ANJALI GOYAL	NIRC
77	ACS - 47331	CS KANIKA AGGARWAL	NIRC
78	ACS - 47792	CS NEELAM VATS	NIRC
79	ACS - 47838	CS KARAN GULATI	NIRC
80	ACS - 48633	CS HARSHITA CHANGLANI	EIRC
81	ACS - 48634	CS ADITI AGARWAL	NIRC
82	ACS - 48752	CS ROBIN PARASHAR	NIRC
83	ACS - 49121	CS PAITENKAR SURESH AMRITHA	SIRC
84	ACS - 50138	CS RAKESH SAIN	WIRC
85	ACS - 50305	CS DISHA DEEPAK SHENOY	NIRC
86	ACS - 51998	CS BHAGYASHREE	NIRC
87	ACS - 52280	CS DHAIRYA ANIL SHAH	WIRC
88	ACS - 52523	CS KAVITA JAGDISHBHAI RATHOD	WIRC
89	ACS - 53398	CS AYUSHI AGRAWAL	NIRC
90	ACS - 53449	CS LAKSHMEESHA MADDALA RAMMOHAN	SIRC
91	ACS - 54494	CS HARSHA GUPTA	EIRC
92	ACS - 55649	CS LATA KUMARI NANKANI	NIRC
93	ACS - 55900	CS PRIYA SUNIL GOEL	WIRC
94	ACS - 55931	CS REETESH PODDAR	SIRC
95	ACS - 56173	CS VINI SINGH	NIRC
96	ACS - 56452	CS ROOPAM SANCHETI	WIRC
97	ACS - 56984	CS SANJAY KUMAR	NIRC
98	ACS - 57191	CS PRIYANKA BUDHRANI	NIRC
99	ACS - 57531	CS NIMISHA DAYAL	WIRC
100	ACS - 57643	CS PRANAY KUMAR	EIRC
101	ACS - 57717	CS VIVEK SHEKHAR TIWARI	NIRC
102	ACS - 57986	CS NITASHA BAKSHI	NIRC
103	ACS - 58582	CS SHILPI SIKHA BORUAH	EIRC
104	ACS - 58695	CS REESHA HOSHANG RATANPAL	WIRC
105	ACS - 60193	CS NICKY BHADANI	EIRC
106	ACS - 60468	CS SNEHAJEET MANOHAR MESHRAM	WIRC
107	ACS - 60763	CS PRERIT BHATNAGAR	NIRC
108	ACS - 61585	CS VISHNU AGRAWAL	NIRC
109	ACS - 61923	CS SALONI MALIK	NIRC
110	ACS - 62211	CS DEEPAK KUMAR BRIJ	SIRC
111	ACS - 62249	CS AKSHAY JHARKHANDI	WIRC
112	ACS - 63248	CS ARTHI	SIRC
113	ACS - 63523	CS RAHUL GURMALANI	WIRC
114	ACS - 64418	CS MANGESH CHANDRASHEKHAR JOSHI	WIRC
115	ACS - 64465	CS REENA BORDIA	WIRC
116	ACS - 64508	CS JAIN PAYAL	SIRC
117	ACS - 64511	CS SHUBHAM MANOHAR GINDODIA	WIRC
118	ACS - 64879	CS KARUNA GANDHARVA	NIRC
119	ACS - 6532	CS M N PALEKAR	WIRC
120	ACS - 6611	CS S RANGARAJAN	SIRC
121	ACS - 66152	CS MUHAMMED YASAR P I	SIRC
122	ACS - 67203	CS SALONI KALURAM BOTHRA	WIRC
123	ACS - 68381	CS SHYAM NARAYAN MAHADIK	WIRC
124	ACS - 71785	CS AMAL SRIVASTAVA	NIRC
125	ACS - 73801	CS BABITA RAJBALI RAJPUT	WIRC
126	ACS - 75018	CS VISHWA KALPESHBHAI PRAJAPATI	WIRC
127	ACS - 75726	CS SHRUTI SINGHAL	WIRC
128	ACS - 8571	CS G LATA	SIRC
129	ACS - 9851	CS REENA GUPTA	NIRC
130	FCS - 10093	CS KALPANA SHARMA	NIRC
131	FCS - 12070	CS RAGHAV PANCHAL	WIRC
132	FCS - 2452	CS M SURESH	SIRC
133	FCS - 3779	CS YOGESH DURGAPAL	NIRC

134	FCS - 4033	CS DIPANKAR BARUA	EIRC
135	FCS - 4076	CS CHANDRA WADHWA	NIRC
136	FCS - 4658	CS SAMEET GAMBHIR	NIRC
137	FCS - 4756	CS SUDERSHAN KUMAR SHARMA	NIRC
138	FCS - 5504	CS SUNIL SINGHAL	NIRC
139	FCS - 6445	CS SYED QAMAR AHMAD	NIRC
140	FCS - 7293	CS RAJESH KUMAR KHURANA	NIRC
141	FCS - 7385	CS PINAKI SIRCAR	EIRC
142	FCS - 7573	CS SANDEEP SAHAY	EIRC
143	FCS - 9131	CS MANSI AGARWAL	NIRC
144	FCS - 9688	CS BHUPESH KUMAR	NIRC
145	FCS - 9875	CS KIRANSINGH RAJPUROHIT	WIRC

CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF FEBRUARY 2026

Sl. No.	Member's Name	Membership No.	CoP No.	CP Date	Cancel Date	Region
1	CS SHALINI BHANDARI	A72148	26789	31/07/2023	02/02/2026	NIRC
2	CS DIPRANI THAKUR	A42631	20726	05/07/2018	03/02/2026	EIRC
3	CS AASHISH DAVE	A54957	25907	11/07/2022	04/02/2026	NIRC
4	CS MADHAVA RAMACHANDRA KAIMAL	A10641	3861	21/05/2001	05/02/2026	WIRC
5	CS RAJ KUMAR SEHGAL	F5213	4017	20/06/2001	05/02/2026	NIRC
6	CS DIVYA AKASH KOTHARI	A71318	26615	28/04/2023	06/02/2026	WIRC
7	CS SONALI VIPUL BHUTA	F7451	4169	20/07/2001	06/02/2026	WIRC
8	CS ANJALI GUPTA	F10549	14316	05/02/2015	09/02/2026	NIRC
9	CS HASMUKH SURYAKANT SHAH	F2029	24193	15/02/2021	10/02/2026	WIRC
10	CS NEETHA REDDY MOSALI	A57799	26330	12/12/2022	10/02/2026	SIRC
11	CS TANVI GUPTA	A42617	25254	05/01/2022	10/02/2026	WIRC
12	CS ABHILASHA POKHRA	A40519	15049	31/07/2015	11/02/2026	WIRC
13	CS ANUPAM JAISWAL	F7827	8804	05/12/2009	11/02/2026	NIRC
14	CS MOHIT WILKINSON	A47719	22930	20/02/2020	11/02/2026	NIRC
15	CS VIKASH MITTAL	F13138	23807	10/11/2020	11/02/2026	WIRC
16	CS MANISHA SINGH	A69122	26244	10/11/2022	12/02/2026	EIRC
17	CS SHREYANSHKUMAR MAHENDRABHAI PATEL	A68171	25390	07/02/2022	14/02/2026	WIRC
18	CS DEEPIKA AGRAWAL	A51760	18814	30/06/2017	16/02/2026	WIRC
19	CS KRITIKA DUBEY	A74635	28418	06/11/2025	17/02/2026	WIRC
20	CS ANJALI SARAOGI	A42182	22797	06/01/2020	20/02/2026	NIRC
21	CS KOMAL AGARWAL	A74962	27714	25/11/2024	20/02/2026	NIRC
22	CS PUNEET SAHTANI	A50271	21485	26/11/2018	20/02/2026	NIRC
23	CS ADITA TALREJA ASRANI	A41756	25129	30/11/2021	23/02/2026	WIRC
24	CS CHANDA BHAVANDAS RAWLANI	F8895	15792	31/12/2015	23/02/2026	WIRC
25	CS POOJA NITYANAND MISHRA	A47576	28054	20/05/2025	23/02/2026	NIRC
26	CS AVINASH KUMAR DUBEY	A32948	13261	30/05/2014	24/02/2026	SIRC
27	CS ISH SADANA	F10119	12196	22/07/2013	24/02/2026	NIRC
28	CS MAHESH MUKUNDRAI TANNA	A42692	27550	30/08/2024	24/02/2026	WIRC
29	CS SUNEETHA THAMMINEEDI	F10214	13124	21/04/2014	24/02/2026	SIRC
30	CS MEHNAZ ANSARI	A64277	27870	17/02/2025	25/02/2026	NIRC

31	CS JAYASHREE RAMAKRISHNAN	A75221	27859	10/02/2025	26/02/2026	NIRC
32	CS VIKAS	A43099	17746	26/12/2016	26/02/2026	NIRC
33	CS ASHNA HARISHKUMAR PAHWA	A56002	28174	15/07/2025	28/02/2026	WIRC
34	CS DARGA MABU BASHA	F11971	19091	10/08/2017	28/02/2026	SIRC
35	CS RICHA SOOD	A40970	28122	20/06/2025	28/02/2026	NIRC

COP Allotted Details	COP
Opening No. allotted on 01-02-2026	28582
Ending No. allotted on 28-02-2026	28638
COP admitted in the month of February, 2026 (TOTAL)	57
COP surrendered in the month of February, 2026 (TOTAL)	35

NEW ADMISSIONS

For latest admission of Associate and Fellow Members, Life Members of Company Secretaries Benevolent Fund (CSBF), Licentiates and issuance of Certificate of Practice, kindly refer to the link https://www.icsi.edu/member

UPLOADING OF PHOTOGRAPH (PASSPORT SIZE ONLY) AND SIGNATURE

Members are requested to ensure that their latest scanned PASSPORT size front-facing colour photograph (in formal wear) and signature in .jpg format (each on light-colored background of not more than 200 kb file size) are uploaded on the online portal of the Institute.

Online Steps for Uploading of photo and signature.

- Use ONLINE SERVICES tab on www.icsi.edu
- Select Member Portal from dropdown
- Login using your membership number e.g. A1234/F1234
- Enter your password
- Under My Profile --- Click on View and Update
- Upload/update the photo and signature as required
- Press Save button

OBITUARIES

Chartered Secretary deeply regrets to record the sad demise of the following members:

CS V K VENKTAKRISHANAN (01-03-1942 – 14-12-2025) an Associate member of the Institute from CHENNAI, TAMIL NADU

CS HANSRAJ RATHOR (14-05-1968– 04.12.2025) a Fellow member of the Institute from BENGALURU, KARNATAKA

CS B PRABAKAR (25-12-1966 – 13.02.2026) an Associate member of the Institute from CHENNAI, TAMIL NADU

May the Almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the departed souls rest in peace.

CHANGE / UPDATION OF ADDRESS

The members are requested to check and update (if required) your professional and residential addresses ONLINE only through Member Login. Please indicate your correspondence address too.

The steps to see your details in the records of the Institute:

1. Go to www.icsi.edu
2. Click on **MEMBER** in the menu
3. Click on **Member Search** on the member home page
4. Enter your membership number and check
5. The address displayed is your Professional address (Residential if Professional is missing)

The steps for online change of address are as under:

1. Go to www.icsi.edu
2. On the Online Services ----select **Member Portal** from dropdown menu
3. Login using your membership number e.g. A1234/F1234
4. Under **My Profile** --- Click on View and update option and check all the details and make the changes required and save
5. To change the mobile number and email id click the side option "**Click Here to update Mobile Number and E-mail Id**"
6. Check the residential address and link the Country-State-District-City and check your address in the fields Add. Line1/Add. Line2 & Add. Line3 (Click Here to change residential address)
   a) Select the Country#
   b) Select the State
   c) Select the City
   d) Submit the Pincode which should be 6 digits without space.
   e) Then click on "Save" button.
7. Select the appropriate radio button for Employment Status and check your address in the fields Add. Line1/ Add. Line2 & Add. Line3 click the link on the right (Click Here to change Professional address)
   a) Select the Country#
   b) Select the State
   c) Select the City
   d) Submit the Pincode which should be 6 digits without space.
   e) Then click on "Save" button.
8. Go back to the Dashboard and check if the new address is being displayed.

#in case of Foreign Country and State is not available in options then Select "**Overseas**" – A pop-up will open and you can add the "City, District, State" of that Country alongwith Zipcode

Members are required to verify and update their address and contact details as required under Regulation 3 of the CS Regulations, 1982 amended till date

For any further assistance, we are available to help you at http://support.icsi.edu

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)

Documents downloadable from the DigiLocker Platform

The National Digital Locker System, launched by Govt. of India, is a secure cloud-based platform for storage, sharing and verification of documents and certificates. In the wake of digitization and in an attempt to issue documents to all the members in a standard format and make them electronically available on real-time basis, the Institute of Company Secretaries of India had connected itself with the DigiLocker platform of the Government of India. The initiative was launched on 5th October, 2019 in the presence of the Hon'ble President of India.

In addition to their identity cards and Associate certificates, members can also now access and download their Fellow certificates and Certificates of Practice from the Digilocker anytime, anywhere.

How to Access:

- Go to https://digilocker.gov.in and click on Sign Up.
- You may download the Digilocker mobile app from mobile store (Android/iOS).

How to Login:

- Signing up for DigiLocker with your mobile number.
- Your mobile number is authenticated by an OTP (one-time password).
- Select a username & password. This will create your DigiLocker account.
- After your DigiLocker account is successfully created, you can voluntarily provide your Aadhaar number (issued by UIDAI) to avail additional services.

How to Access your Documents digitally:

Members can download their digital ID Card / ACS / FCS / COP certificate(s) by following the steps given below:

1. Log in to https://www.digilocker.gov.in website.
2. Go to Central Government and select Institute of Company Secretaries of India.
3. Select the option of ID Card / Membership Certificate / Practice Certificate.
4. For ID Card, enter your membership number e.g. ACS 12345 / FCS 12345.
5. For Membership Certificate, enter your membership and select ACS / FCS from dropdown menu.
6. For COP Certificate enter your COP number e.g. 12345 and select COP.
7. Click download / generate.
8. The ID Card / Membership Certificate / Practice Certificate can be downloaded every year after making payment of Annual Membership fees.

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Statutory body under an Act of Parliament
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ICSI House, 22, Institutional Area, Lodi Road, New Delhi –110003
Phone : 011-45341036/ 92 email : hr.dept@icsi.edu Website : www.icsi.edu

ADVT. NO. 02/2026
CAREER OPPORTUNITIES

The Institute of Company Secretaries of India (ICSI) is a statutory body set up under an Act of Parliament, the Company Secretaries Act, 1980, to regulate and develop the profession of Company Secretaries in India. The ICSI invites applications for the following posts at its Headquarters at New Delhi/ Noida and its other Offices:-

S. No.	Name of the Post	Location	No. of Posts	Pay Level as per 7thCPC Pay Matrix (Rs.)	Gross Salary per Annum (Rs. in Lakhs)	Max. Age (as on 01.03.2026)
1.	**Joint Director** (Infrastructure & Building Maintenance)	(New Delhi / Noida)	01	Level 12 (78800-209200)	19.14	50 years
2.	**Joint Director** (Corporate Communication)		01			
3.	**Deputy Director** (HRD)	(New Delhi / Noida)	01	Level 11 (67700–208700)	16.64	40 years
4.	**Deputy Director** (Academics)		01			
5.	**Deputy Director** (Liaisoning)		01			
6.	**Deputy Director** (Student Services)		01			
7.	**Deputy Director** (Legal)		01			
8.	**Assistant Director** (Studies)	(New Delhi / Noida)	02	Level 10 (56100–177500)	14.02	40 years
9.	**Assistant Director** (Academics)		01			
10.	**Assistant Engineer** (Infrastructure & Building Maintenance)	(New Delhi / Kolkata / Mumbai / Chennai)	04	Level 8 (47600–151100)	11.42	35 years
11.	**Executive** (Internal Audit)	(Kolkata / Mumbai)	02	Level 8 (47600-151100)	11.42	35 years
12.	**Executive** (Academics)	(New Delhi / Noida)	02	Level 8 (47600-151100)	11.42	35 years

For further details viz. qualification, experience, procedure for submission of application etc., please visit website **www.icsi.edu/careers** on and from **21.03.2026.** Interested candidates may **apply only through electronic mode (Online**). Last date for submission of application (Online) is **12.04.2026.** Reservation policy will be applicable as adopted by the "ICSI" in its Service Rules. The "ICSI" reserves the right to increase/decrease or even not to fill up any posts as per its requirement.

www.icsi.edu/careers

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MISCELLANEOUS CORNER

- GST Corner
- Ethics in Profession
- CG Corner
- Maritime Corner
- ESG Corner
- MSME Corner
- AI Corner
- Gist of ROC & RD Adjudication Orders

GST CORNER

ADVISORY REGARDING CONFIRMATION OF "TAX LIABILITY BREAKUP, AS APPLICABLE" IN GSTR-3B-REG (DATED MARCH 16, 2026)

From February 2026, GST taxpayers must confirm the "Tax Liability Breakup, As Applicable" in GSTR-3B before filing. This mandatory step, designed for interest calculation on previous-period liabilities, requires reviewing auto-populated figures from GSTR-1/1A/IFF and clicking "SAVE" on the payment page, as noted in the GSTN advisory dated March 16, 2026.

Key Details on GSTR-3B Liability Breakup:

- *Objective:* To accurately calculate interest under Section 50 for liabilities related to previous tax periods that are paid in the current period.
- *Auto-population*: The GST portal automatically populates the breakup based on invoice dates reported in GSTR-1, GSTR-1A, or IFF.
- *Mandatory Action:* Taxpayers must click the "Tax Liability Breakup, As Applicable" tab on the payment page and save the information, even if there are no prior period liabilities (due to current system settings).
- *Filing Impact:* Failure to save this breakdown will prevent the taxpayer from proceeding to file GSTR-3B.
- *Effect Date*: This requirement applies from the February 2026 tax period onwards.

  If the "Proceed to File" button is disabled, ensure this step is completed. Taxpayers can edit the data if the auto-population is incorrect.

Source: https://www.gst.gov.in/newsandupdates/read/653

ADVISORY ON THE PAYMENT OF PRE-DEPOSIT WHILE FILING OF APPEAL BEFORE FIRST APPELLATE AUTHORITY (DATED MARCH 14, 2026)

The GSTN Advisory, dated March 14, 2026, clarifies the procedure for taxpayers to ensure voluntary payments made via Form GST DRC-03 are recognized as pre-deposits when filing an appeal before the First Appellate Authority.

Key Issue Addressed

- *System Limitation*: Payments made during investigations through Form GST DRC-03 are not automatically linked to the Demand ID generated in the Electronic Liability Register when a formal demand order (e.g., DRC-07) is issued.
- *Resulting Problem*: Because these payments aren't linked, the GST portal does not recognize them when auto-calculating the mandatory pre-deposit (admitted amount + prescribed percentage of disputed tax), often prompting taxpayers to pay the pre-deposit again.

Solution: Form GST DRC-03A

- *Action Required*: Taxpayers must file Form GST DRC-03A on the GST portal to manually link their prior DRC-03 payment with the specific Demand ID.
- *System Update*: Once filed, the payment is mapped to the relevant demand in the Electronic Liability Register.
- *Effect on Appeal:* The system will then recognize the adjusted payment, allowing the appeal to be filed without requiring additional duplicate payments.

Source: https://tutorial.gst.gov.in/downloads/news/final_advisory_for_payment_of_pre_deposit_through_drc_03.pdf

An Ethical Communication with the previous incumbent Company Secretary in Practice

As per Section 22 of the Company Secretaries Act, 1980, *"professional and other misconduct"* shall be deemed to include any act or omission provided in any of the Schedules, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Director (Discipline) under sub-section (1) of Section 21 to inquire into the conduct of any member of the Institute under any other circumstances.

Company Secretaries in Practice are required to communicate to the previous incumbent in writing prior to accepting the position as a Company Secretary in Practice previously held by another Company Secretary in Practice. Communication must be in writing.

A member of the Institute in practice shall be deemed to be guilty of professional misconduct under Clause (8) of First Schedule if he accepts a position as a Company Secretary in practice previously held by another Company Secretary in practice without first communicating with him in writing.

CASE STUDY:

1. A complaint of professional or other misconduct was received against one Company Secretary in Practice (hereinafter referred to as 'the Respondent') from another Company Secretary in Practice (hereinafter referred to as 'the Complainant'),

2. The Complainant has *inter alia* stated that the Respondent has accepted an assignment for audit, compliance filings and other services from one public limited company (hereinafter referred to as 'the company') for FY 2022-23. The Complainant has diligently served the company for an extended period. The Respondent has done this without informing the Complainant.

3. The Board of Discipline agreed with the prima facie opinion of Director (Discipline) that the Respondent is 'guilty' of Professional Misconduct under Clause (8) of Part I of the First Schedule to the Company Secretaries Act, 1980 and decided to proceed further in the matter in accordance with Act and the Rules to finally conclude as to whether the Respondent is guilty or not in the matter.

4. The Complainant in his Rejoinder to the prima facie opinion of the Director (Discipline) has reiterated his allegation made earlier in the Complaint.

5. Both the parties appeared before the Board of Discipline. The Complainant reiterated his allegation and submitted that the Respondent did not inform before accepting the assignment of audit, compliance filings and other services of the Company. The Respondent admitted that he did not inform the Complainant before accepting the assignment of audit, compliance filings and other services of the Company. The Respondent submitted that he was not aware of the particular guidelines while accepting the assignment from the Company.

6. Upon admission of the guilt by the Respondent and facts of the matter, the Board of Discipline held the Respondent 'Guilty' of Professional Misconduct under Clause (8) of Part I of the First Schedule to the Company Secretaries Act, 1980. In terms of the Rule 15(1) of the Rules, an opportunity of being heard is granted to the Respondent before passing any order under sub-section (3) of Section 21A of the Act.

7. After giving an opportunity of being heard to the Respondent, the Board of Discipline passed an Order of 'Reprimand' and Fine of Rupees Ten thousand under Section 21A(3) of the Company Secretaries Act, 1980.

CG CORNER

Viet Nam Corporate Governance Code, 2026

The Viet Nam Corporate Governance Code, 2026 is a collection of recommendations on best corporate governance practices for Vietnamese public and listed companies. The Code advocates for standards that go beyond the minimum requirements in legislation and regulations. Specifically for listed companies in Viet Nam, the Code aims to raise the standards of corporate governance practices to a level on par with its top regional ASEAN counterparts. It is intended to assist the State Securities Commission (SSC) in optimizing the corporate governance legal framework for public companies.

STRUCTURE OF THE CORPORATE GOVERNANCE CODE

The Code consists of the following nine Principles arranged to take into account the relevance and prioritization of corporate governance performance by Vietnamese companies.

Section 1	**Responsibilities of the Board of Directors**	*Principle 1*: Establishing clear roles, responsibilities and commitment of the Board
		Principle 2: Establishing a competent, professional, independent, and balanced Board
		Principle 3: Establishing Board committees
		Principle 4: Ensuring Board effectiveness
		Principle 5: Establishing and maintaining an ethical corporate culture
Section 2	**Control Environment**	*Principle 6:* Establishing a sound risk management and control environment
Section 3	**Disclosure and Transparency**	*Principle 7*: Strengthening company disclosure practices, including sustainability disclosure
Section 4	**Shareholder Rights**	Principle 8: Establishing a framework for effective exercising of shareholder rights
Section 5	**Sustainability and Roles of Stakeholder Engagement**	*Principle 9*: Sustainability and building effective stakeholder engagement

Each Principle is further elaborated through *sub-principles*, which are then supported by detailed provisions - *Practices and Standards.*

KEY AMENDMENTS TO THE CORPORATE GOVERNANCE CODE

The major updates by section are as follows:

Responsibilities of the Board of Directors

a) Enhancing the roles of the Board in governing sustainable development by integrating the Board's roles in monitoring sustainability, and monitoring emerging risks from climate change, environmental, and social issues.

b) Emphasizing the importance of materiality assessments in reviewing strategies to reflect ESG and climate change.

c) Recommending establishing a Sustainability/ESG committee or appointing a director to oversee sustainability/ESG.

d) Strengthening principles related to Board effectiveness and competencies.

e) Adding a provision:

- on the Board's role in monitoring conflicts of interest.
- for implementing sustainable development (at the management level).
- on the necessary resources for the Board to exercise its roles effectively, especially in terms of access to information.

f) Enhancing the remuneration policy of the Board and key executives to ensure independence of the Board and linkages to long-term value of the company and its shareholders. Enhancing the importance of a code of conduct and Board roles in promoting the code of conduct for the Board and the company.

g) Emphasizing the roles of the Board in transparency, disclosure, and reporting on how it exercises its roles and responsibilities.

Control Environment

a) Emphasizing the role of the Board in monitoring and reporting on the effectiveness of risk management and internal control systems to shareholders and other stakeholders.

b) Emphasizing the role of objective and independent assurance of the internal audit.

c) Highlighting new risks related to sustainable development and climate change.

d) Enhancing provisions related to the company's financial risk and cyber risk resilience.

e) Spotlighting the role of internal control systems in managing ESG-related risks.

f) Emphasizing the role of monitoring related-party transactions.

g) Enhancing the effectiveness of the Audit Committee.

Disclosure and Transparency

a) Recommending disclosure of compliance with the Code and adoption of the "Comply or Explain" approach.

b) Promoting adopting and disclosing the code of conduct and whistle-blowing policy.

c) Adding provisions on:

- disclosure of sustainability and resilience with internal and external assurance on reporting.
- enhancing disclosure on material information on related-party transactions, capital structure, group structure and indirect share ownership.
- disclosing foreseeable material risks more transparently.
- disclosing remuneration policies and details and requiring linking the remuneration of the Board to the long-term value of the company.

Shareholder Rights

Adding provisions on:

a) engagement with shareholders beyond the GMS.

b) engagement with shareholders on sustainability and ESG issues.

c) hybrid GMS to ensure effective participation and voting.

d) effective engagement at the GMS and on disclosure of meeting minutes.

e) voting for Board nomination and remuneration, with more detailed information provided.

f) voting on merger and acquisition transactions and external auditors.

Sustainability and Roles of Stakeholder Engagement

a) A new chapter based on G20/OECD's new corporate governance principles.

b) Renaming and upgrading existing principles to incorporate the value of "sustainability and resilience".

c) Integrating sustainability aspects into existing principles.

d) Adding Board requirements:

- for consideration of material sustainability risks and opportunities in monitoring governance, disclosure, strategy, performance and risk management.
- to establish an effective governance framework to ensure monitoring of the Board and management on sustainability.
- to establish dialogue channels and activities to engage with internal and external stakeholders for feedback on sustainability.
- Enhancing promotion of the rights, roles and interests of company stakeholders for co-operation and value creation.

All efforts have been taken to ensure there is no conflict between this Code and other laws and regulations. **However, if a conflict should arise, then laws and regulations will prevail.**

Immediately after the issuance of the Code, public companies are encouraged to use the Code as a guiding document to apply internationally recognized best corporate governance practices and periodically disclose the status of implementation of the Code in the Corporate Governance Report section of their Annual Report and publish it on the company's website.

Source: *https://ssc.gov.vn/webcenter/portal/ubck/pages_r /l/chitit?dDocName=APPSSCGOVVN1620163881&dID=172905*

MARITIME CORNER

MARITIME NEWS

INDIA'S FIRST RIVERINE LIGHTHOUSES TO COME UP ON BRAHMAPUTRA (NW-2)

India took a pioneering step in inland waterway navigation as **Ministry of Ports, Shipping and Waterways (MoPSW),** laid foundation stones for four river lighthouses along the banks of the Brahmaputra River, marking the first time when lighthouse infrastructure will be established on an inland waterway in the country.

The four sites — Bogibeel in Dibrugarh district, Pandu in Kamrup (Metro) district, Silghat in Nagaon district, all along the south bank of the river, and Biswanath Ghat in Biswanath district, the only one in the north bank — are located at strategic points along Brahmaputra (National Waterway-2), one of India's most important inland cargo and passenger corridors. The combined project outlay for all four lighthouses stands at approximately ₹84 crore. Each lighthouse will rise to 20 metres with a geographical range of 14 nautical miles and a luminous range of 8–10 nautical miles, powered entirely by solar energy. Alongside navigation infrastructure, every site will feature a museum, amphitheatre, cafeteria, children's play area, souvenir shop and landscaped public spaces, positioning each lighthouse as a tourism landmark as well as a functional maritime asset.

The commissioning of river lighthouses on NW-2 is a direct response to a 53 percent surge in cargo movement on the Brahmaputra waterway in the financial year 2024-25, as recorded by IWAI. Cargo traffic on NW-2 has been growing consistently and the Brahmaputra corridor is now integral to supply chains serving Assam's tea, coal and fertiliser industries, in addition to carrying passenger and tourism traffic. The new lighthouses will enable 24×7 safe navigation, accommodate weather observation sensors and provide the navigational infrastructure necessary for the sustained growth of both freight and passenger movement on the river.

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2235574&reg=3&lang=1

RENOVATION OF HISTORIC BASCULE BRIDGE AT KOLKATA PORT APPROVED

The **Ministry of Ports, Shipping and Waterways** has approved the renovation of the historic Bascule Bridge at **Syama Prasad Mookerjee Port, Kolkata**, at a cost of ₹117.54 crore to enhance safety and operational efficiency.

The project involves modernisation of the nearly six-decade-old double-leaf bascule bridge located at the Kolkata Dock System (KDS). Originally built by Wagner-Biro Bridge Systems AG, the bridge will undergo comprehensive structural strengthening along with electro-mechanical upgrades to improve reliability and operational safety.

The renovation project, estimated at ₹117.54 crore, will receive financial assistance of around ₹41 crore under the Sagarmala Programme, the Government of India's flagship initiative aimed at port-led development.

Once completed, the upgraded bridge is expected to facilitate safer, faster and more efficient movement of cargo and vehicles within the port premises, thereby strengthening logistics operations at one of India's oldest and busiest ports.

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2237477&reg=3&lang=1

GOVT. ENGAGES NATIONAL SHIPPING BOARD (NSB) TO ADDRESS SECTORAL CHALLENGES AMID GLOBAL MARITIME UNCERTAINTY

The government held a high-level interaction with the National Shipping Board (NSB) to address emerging challenges in India's shipping sector and review measures to strengthen maritime capacity amid evolving global geopolitical and trade dynamics.

The meeting reviewed progress under major national initiatives such as Maritime Amrit Kaal Vision 2047 and Maritime India Vision 2030, which seek to expand port infrastructure, boost shipping capacity and position India as a leading global maritime hub.

Emphasising the importance of dialogue with industry stakeholders, Government highlighted the role of the National Shipping Board as a critical advisory platform for addressing sectoral issues and shaping policy direction. The government's engagement with the board comes at a time when global maritime trade faces heightened geopolitical uncertainties and shifting supply chains, prompting India to reinforce its shipping capabilities and operational preparedness.

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2238455&reg=3&lang=1

V.O. CHIDAMBARANAR PORT BECOMES FIRST INDIAN MAJOR PORT TO IMPLEMENT DIGITAL TWIN

The V.O. Chidambaranar Port Authority has achieved a major technological milestone by becoming the first port in India to launch the Digital Twin initiative for port management. The Port has marked a significant step toward smart, efficient, and technology-driven maritime management.

The Digital Twin platform will create a real-time virtual replica of the port's infrastructure, operational assets, and maritime ecosystem, enabling enhanced operational visibility, predictive analytics, and data-driven decision-making across the port. By integrating advanced technologies such as IoT sensors, GPS tracking, LiDAR

mapping, drone imaging, and CCTV networks, the platform will continuously mirror real-time conditions, enabling efficient coordination among all operational departments.

The Platform enables real-time operational monitoring, providing live visualisation of berth occupancy, vessel movements, crane utilisation, and yard capacity across the port. It supports predictive maintenance of cargo handling equipment through AI-based asset monitoring, helping to minimise equipment downtime and improve operational reliability. The system facilitates berth and traffic optimisation by enabling intelligent scheduling of vessels and cargo operations, thereby reducing congestion and waiting time. In addition, the platform will also provide energy and emissions tracking to support data-driven sustainability management and include scenario simulation capabilities that allow operators to conduct "what-if" modelling to prepare for peak demand situations and operational disruptions.

The platform is designed to support the Port's transformation into a smart and efficient maritime gateway by reducing vessel turnaround time by up to 25%, improving equipment availability and reliability, enhancing operational safety through predictive alerts, and optimising energy utilisation to lower carbon emissions. The project is being implemented in a phased and planned manner. The full-fledged Digital Twin initiative is expected to strengthen resilience against potential operational disruptions while enabling more efficient, sustainable, and data-driven port operations.

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2239056&reg=3&lang=1

INAUGURATION OF ELEVATED PORT CORRIDOR IN GUWAHATI AND LAUNCH OF MULTIPLE WATERWAYS PROJECTS WITH ₹526 CRORE INVESTMENT IN ASSAM

The elevated road corridor connecting Pandu Port Complex to NH-27, built with an investment of ₹180 crore, addresses the critical last-mile connectivity gap between one of NW-2's principal river terminals and the national highway network. Engineered to bypass Guwahati's urban congestion, the corridor ensures seamless two-access to Pandu Port, improving operational flexibility and port connectivity reducing logistic cost considerably.

The Cruise Terminal at Biswanath Ghat, for which the foundation stone was laid, is part of a coordinated effort to build modern cruise infrastructure along the Brahmaputra (NW-2). The terminal will enhance passenger amenities, support river cruise operations and generate fresh economic opportunities for local communities in tourism, hospitality and handicrafts.

The Regional Centre of Excellence (RCoE) at Bogibeel in Dibrugarh, is being developed with an investment of ₹188 crore. The first maritime skill development hub of its kind in Northeast India, the RCoE will train over 5,000 students annually in vessel operations, inland navigation and maritime logistics. It will also house research and development infrastructure for crew and trainee programmes, building the skilled manpower base that India's expanding inland waterways sector requires.

The Cruise Terminal at Neamati, will strengthen cruise tourism and organised passenger movement along

NW-2, improving infrastructure for tourists and communities along the Brahmaputra corridor. The two cruise terminal projects at Biswanath Ghat and Neamati carry a combined investment of ₹158 crore.

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2239997&reg=3&lang=1

GOVT APPROVES ₹472 CRORE ROAD OVER BRIDGE TO POWER TUNA-TEKRA PORT CONNECTIVITY

In a significant move to strengthen port connectivity and enhance cargo evacuation infrastructure, the **Ministry of Ports, Shipping and Waterways (MoPSW**), has approved the construction of a Road Over Bridge (ROB) along with associated roads and allied facilities at Tuna-Tekra. The project is estimated at ₹472 crore.

The project includes comprehensive civil works such as viaduct structures, a bridge over a creek, and provisions for maintenance over a period of 10 years to ensure long-term operational efficiency and durability.

The ROB is strategically designed to serve as the primary connectivity artery for the upcoming Mega Container Terminal, with a capacity of 2.19 million TEUs, and the Multipurpose Cargo Berth, with a capacity of 18.33 MMTPA, at Tuna-Tekra.

Upon completion, the ROB is projected to significantly reduce logistics turnaround time, enhance supply chain efficiency and support the rapid scale-up of port operations in the region.

The execution of the project will be closely synchronised with the commissioning of the Tuna-Tekra Container Terminal, which is currently at 45% physical progress, ensuring timely readiness of supporting infrastructure.

This critical infrastructure is expected to play a pivotal role in ensuring seamless cargo evacuation, addressing potential rail-road bottlenecks, and facilitating the smooth movement of heavy-duty port traffic.

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2242195&reg=3&lang=1

UNDERSTANDING WATERWAYS

STRAIT

A strait is a passage that is navigable and has been formed naturally. It is like a tiny pass between two oceans or water bodies. These water channels are often bordered by land masses on both sides and act as natural connectors in global geography. Straits are generally the result of geological processes such as tectonic shifts, erosion, or rising sea levels.

BONNE-FAZIO STRAIT

The Bonne-Fazio Strait is another unique strait by its formation. It joins the Mediterranean Sea and the Atlantic Ocean. The countries which fall in its line are Sardinia and Corsica. This strait is shorter than most others on the list. However, it is one of the major straits of the world due to its maritime importance. Many ships sail through this state, and international border are also present in this location.

DAVIS STRAIT

The Davis Strait falls between two countries such as Greenland and Canada. It joins the Atlantic Ocean and the Baffin Bay. This strait is yet another shallow strait with a depth less than the Labrador Sea in the south.

The Davis Strait is mostly known as an Arctic Strait, and the survey reports show that there might be some oil deposits in this area. There are a lot of concession areas in the Davis Strait.

FOVEAUX STRAIT

The Foveaux Strait joins the Stewart Islands and the South Island of New Zealand. The local name of this Strait is 'Te Ara a Kewa', which means it is a path for the whales to pass. The pioneer who charted this strait for the first time was Owen Folger Smith. There is the historical importance of this strait as it was used as a whaling station during the colonial period. This, however, dates back to the nineteenth century. As per the worldwide fame, the Foveaux Strait is known for the presence of the Bluff oyster in this area.

MALACCA STRAIT

The Malacca Strait is a connecting pass between the Andaman Sea and the South China Sea. It has a lot of maritime importance due to its location. It is one of the primary places from where many ships sailing to Indonesia and Malaysia pass. The Malacca Strait can always top the list as it is the largest strait in the world. The total length of the Malacca Strait is 800 km.

NORTH CHANNEL

North Channel is one of the major straits of the world, and it is a busy one as it is located between Ireland and England. It is the connecting area between the Atlantic Ocean and the Irish Sea.

STRAIT OF HORMUZ

The Strait of Hormuz is one of the most beautiful straits of the world when it comes to its landform. The Hormuz Strait falls between two countries, Oman and Iran. The length of this strait is only 21 nautical miles. A unique fact to know about this strait is TSS. The Traffic Separation Scheme is followed by all the ships passing through this area. This is ensured as no collision between the ships occurs. Lately, the Iranian Government has allowed transit passage under the UNCLOS. This shortens the distance for the people of Oman to reach the mainland of Asia.

TAURUS STRAIT

The Taurus Strait is located between Papua New Guinea and Australia. It is another main strait in the southern hemisphere. As many ships pass through this strait, it also has a lot of geographic importance.

https://www.vedantu.com/general-knowledge/major-straits-of-the-world

INDIA LAUNCHES CENTRALIZED CARBON MARKET TRADING PLATFORM TO SCALE CLIMATE FINANCE

Taking a decisive step in India's climate and financial architecture the Government inaugurated **Prakriti 2026** – the International Conference on Carbon Markets at New Delhi and launched the **Indian Carbon Market Portal** - *a centralized platform designed to operationalize the country's carbon trading ecosystem.* The event was a part of the Bharat Electricity Summit 2026 which convened policymakers, industry leaders, and global experts to align on carbon markets as a core mechanism for climate action and economic growth.

The portal is designed to function as the backbone of India's Carbon Credit Trading Scheme, providing infrastructure for project registration, verification, and credit issuance. It reflects a broader policy shift toward embedding carbon pricing mechanisms within India's growth strategy. India's carbon market is already moving into implementation. The Government has notified nine methodologies and registered more than 40 entities submitting projects across sectors including biogas, hydrogen, and forestry. On the compliance side, greenhouse gas emission intensity targets have been issued for nearly 490 obligated entities across seven energy-intensive industries, creating a structured pathway for measurable emissions reductions.

A strong emphasis has been placed on unlocking finance for clean technologies and enabling corporate climate strategies, both of which remain critical to delivering India's Nationally Determined Contributions. By linking domestic policy with global mechanisms, the country is positioning its carbon market as both a compliance tool and a financing engine.

Through initiatives like **Prakriti 2026**, India is positioning itself as a central player in the evolution of global carbon markets. By anchoring its system in transparency, credibility, and innovation, the country is accelerating its domestic transition while contributing to the broader architecture of international climate finance.

https://esgnews.com/india-launches-carbon-market-portal-to-scale-national-climate-finance/

SOFTER GRID PENALTIES FOR RENEWABLE POWER PRODUCERS UNDER CONSIDERATION TO PROTECT CLEAN ENERGY INVESTMENT

The Central Electricity Regulatory Commission had planned to introduce tougher compliance rules beginning in April 2026 to reduce the gap between promised and delivered renewable power. India is considering easing proposed penalties on wind and solar developers who fail to meet stricter grid-supply commitments. Following industry concerns about potential revenue losses and reduced investment these policy adjustments come as the country works toward nearly doubling its non-fossil fuel power capacity to 500 gigawatts by 2030, making regulatory stability a crucial factor for investor confidence.

https://esgnews.com/india-considers-softer-grid-penalties-for-renewable-power-producers-to-protect-clean-energy-investment/

INDIA, AFRICA STRENGTHEN ENERGY PARTNERSHIP AT BHARAT ELECTRICITY SUMMIT

The India–Africa energy partnership took shape at the Bharat Electricity Summit 2026 on March 21, chaired by the Hon'ble Union Power Minister Shri Manohar Lal. The partnership will prioritize renewable energy collaboration and grid modernization across African markets. The India-Africa power cooperation framework also highlights storage and flexibility solutions to integrate variable renewable energy. The partnership places investment at the centre of Africa's energy transition.

https://www.esgtimes.in/energy/india-africa-strengthen-energy-partnership-at-bharat-electricity-summit/

COP30 REPORT SETS $1.3 TRILLION CLIMATE FINANCE PUSH AND NEW GLOBAL IMPLEMENTATION ROADMAPS

The COP30 Presidency has released its **Executive Report**, setting out a broad implementation agenda designed to move global climate action beyond negotiation cycles and into sustained execution across economies and sectors.

The report positions COP30 not as a standalone summit, but as part of a continuous global process aimed at translating commitments into tangible outcomes.

Convening nearly every country COP30 resulted in the adoption of 56 decisions by consensus, reaffirming collective commitment to advancing climate action. The Presidency is now framing these outcomes as operational priorities, emphasizing delivery, coordination, and accountability. Development of targeted roadmaps intended to guide implementation across key sectors is the central approach.

https://esgnews.com/cop30-report-sets-1-3-trillion-climate-finance-push-and-new-global-implementation-roadmaps/

GERMANY MOVES TO DOUBLE DATA CENTRES, QUADRUPLE AI CAPACITY BY 2030

Germany has announced plans to double its domestic data centre capacity and increase AI processing power quadrupled by 2030, positioning infrastructure as a strategic economic priority. To accelerate private investment, the government is introducing policy reforms such as streamlined and faster permitting processes, tax incentives for municipalities, and dedicated land allocation. This initiative is part of Europe's broader push to establish sovereign AI infrastructure, a move shaped by geopolitical tensions and differing regulatory approaches across regions.

https://esgnews.com/germany-moves-to-double-data-centres-quadruple-ai-capacity-by-2030/

MSME CORNER

Towards Next Orbit - STARTUP 2.0

INTRODUCTION

Startup India initiative was launched on 16th January, 2016. During its ten-year long journey, the governments (central and state both) have rolled out several programmes with the objective of supporting entrepreneurs dreaming something different from normal business initiative. At its very core, Startup India Action Plan supports **'Job Creators'**.

The **Startup India Action Plan** primarily comprises three components:

Component 1: Simplification and Handholding

Some of the initiatives under this component are: (i) Self-Certification Based Compliance Regime; (ii) Creation of Startup India Hub for knowledge sharing and funding access; (iii) Launch of Mobile App and dedicated portal; (iv) Fast tracking of Patent Registration at reduced cost; (v) Permission for early stage supply to public sector; (vi) Faster exit policy for Startups; and so on.

Component 2: Funding Support and Incentives

Some of the initiatives under this component are: (i) Funding support through Fund of Funds of INR 10,000 Crore; (ii) Credit Guarantee Fund for Startups; (iii) Tax exemptions on Capital Gains; (iv) Income tax exemption for 3 continuous years; (v) Tax exemption on investment over Fair Market Value; (vi) Faster exit policy for start ups; and so on.

Component 3: Industry-academia partnership and Incubation

Some of the initiatives under this component are: (i) Organizing Startup Festivals for Showcasing Innovations and providing platform for collaborations; (ii) Launch of Atal Inovation Mission; (iii) Launch of SETU (Self-Employment and Talent Utilization) Programme; (iv) Utilisation of private sector expertise for Incubator setup; (v) Development of Innovation Centres at National level Institutes; (vi) Setting up of Research Parks in IITs; (vii) Promoting Startups in Biotechnology Sector; (viii) Launch of Innovation-focused programmes for students; (ix) Annual incubator grand challenge; and so on.

In the journey of startup India, the year 2026 will be remembered as **'Year of Shifting Gears'**. On 4th February, 2026 DPIIT issued a notification G.S.R. 108(E) changing the startup space portraying resolve of the Government to take this startup journey to the next level. Now onwards, startups will be of two types. Let us understand the key changes introduced through this notification in a systematic manner.

CHANGES IN START UP SPACE

1. **Deep Tech Startups (New Category): Before 04.02.2026** – There was single categroy for Startups.

   After 04.02.2026 – Now onwards, startup space has two categories: Normal startups and Deep Tech Startups.

START UP CATEGORIES	
Before 04.02.2026	**After 04.02.2026**
Category - One	Categories - Two
Normal Startups	Normal and Deep Tech Startups

Comment : *This is a welcome change. Incubation period for deep tech startups is more in comparison to normal startups. Higher upper limit will motivate to put dedicated efforts to develop deeper technologies.*

2. **Meaning of 'Deep Tech Startup'**

   A *'Deep Tech Startup'* means a 'Startup' that has the following attributes:

   - It is working on producing a solution based on new knowledge/advancements within a scientific or engineering discipline or multiple disciplines, which is yet to be developed or is in the process of being developed;
   - It has a high percentage of expenditure on research and development (R&D) activities as a percentage of revenue/funding;
   - It owns or is in the process of creating significant novel intellectual property (IP) and taking steps to commercialize the same; and
   - It is facing extended development timelines, long gestation periods, high capital and infrastructure requirements, and carrying large technical or scientific uncertainty.

Comment : *Defining 'Deep Tech Startups' is also a manner of defining the intent of the government towards supporting and strengthening the R&D sector, the AI Sector and the digital transformation in the Indian mainland.*

3. **Turnover Limits:**

   Before 04.02.2026 - Earlier the startups were having maxmium turnover limit of INR 100 Crores. This means that on crossing turnover of INR 100 Crores, the startup status used to cease.

After 04.02.2026 – Now two limits have been introduced with upward revision. These are INR 200 Crores for normal startups and INR 300 Crores for Deep Tech Startups.

Turnover Limits	
Before 04.02.2026	**After 04.02.2026**
Maximum Limit INR 100 Crore	Normal Startups INR 200 Crore
	Deep Tech Startups INR 300 Crore

Comment: *This is welcome change and as per author's undestanding, limits may likely be revised upwardly as and when needed in the years ahead.*

4. **Inclusion of Co-operative Socities:**

Before 04.02.2026 – Only three types of entities were eligible for 'Startup Status'. These were – (i) Partnership Firms (ii) Limited Liability Partnerships and (iii) Private Limited Companies.

After 04.02.2026 – Now five types of entities have become eligible for 'Startup Status'. These are – (i) Partnership Firms (ii) Limited Liability Partnerships and (iii) Private Limited Companies (iv) Co-operative Societies (v) Multi-State Co-operative Societies.

Types of Organisations	
Before 04.02.2026	**After 04.02.2026**
Partnership Firms	Partnership Firms
Limited Liability Partnerships	Limited Liability Partnerships
Private Limited Companies	Private Limited Companies
	Co-operative Societies
	Multi State Co-operative Societies

Comment : *This is an exciting change. Recently, India has seen launch of Bharat Taxi under the aegis of Multi State Co-operative Societies. More such initiatives are likley to happen in the space of primary and tertiary sectors and also in rural and semi-urban areas. Few initiatives may be expected form 'Aspirational Districts' as well.*

5. **Change in Age of Startup Entity:**

Before 04.02.2026 – Earlier Startup status was accorded for a maximum life of 10 years.

After 04.02.2026 – Now for 'Deep Tech Startups', the maximum age has been relaxed to 20 years.

Maximum Age of Startups	
Before 04.02.2026	**After 04.02.2026**
10 Years	For Normal Startups – 10 Years
	For Deep Tech Startups – 20 Years

Comment : *This is an interesting change. Development of critical technologies is a time-consuming process and needs to incentivised to develop scientific temper and attract investment in critical technologies.*

THE PROFESSIONAL OPPORTUNITY

Startup Space is now becoming complicated. Keeping a close eye on day-to-day developments will result into bigger and better professional opportunities. Company Secretaries can impart their services to startups and startup aspirants in their respective cities:

- **Creating Awareness:**

  Sensitization of 'Startup Aspirants' through awareness sessions with Entrepreneurship Cells created by colleges (under-graduate, post-graduate, management, engineering colleges) and universities (including deemed universities).

- **Associating as an Expert with Incubation Centres:**

  By this time, India has more than 1350 incubators spread across various cities of India. Company Secretaries may identify nearby incubators and get associated with them as experts. This association will help in nurturing 'young startups' and will also result into professional assignments.

- **Becoming Startup Mentor:**

  Company Secretaries in Practice having will to serve the society may register as Mentor on 'Startup India Portal' and can provide yeoman services to the nation by way of helping 'young aspiring entrepreneurs' in initial phase of their journey. However, one shall take note that 'mentorship' is an honorary service to the nation.

CONCLUSION

Startup Statistics are very impressive. There are more than 2 Lakh DPIIT Recognised Startups; 244 seed funded Incubators; more than INR 27000 Crores funding through SIDBI managed Fund of Funds 1.0. Startups have got orders worth more than INR 51000 Crores through GEM Portal. By this time, 32 States / Union Territories have Startup Policy. This is interesting to note that 48% of startups have at least one woman director. The times ahead are indeed promising for those who wish to make the most of this opportunity.

Contributed by Dr. (CS) Ajay Garg, *Social Entrepreneur*

AI CORNER

RECENT DEVELOPMENTS IN AI

INDIA AI IMPACT SUMMIT 2026: LANDMARK GLOBAL DECLARATION AND MAJOR AI INVESTMENT COMMITMENTS

The India AI Impact Summit 2026, held during 16–21 February 2026, marked a significant milestone in the global artificial intelligence landscape. The Summit witnessed extensive participation, with approximately 6 lakh attendees in person and over 9 lakh cumulative views through live virtual streaming. Delegations from more than 100 countries and 20 international organisations participated in the proceedings.

Global Declarations and Strategic AI Partnerships

During the Summit, India achieved a Guinness World Record for the "Most pledges received for an AI responsibility campaign in 24 hours," with over 2.5 lakh validated pledges reaffirming public commitment towards responsible AI adoption.

A key announcement at the Summit was the expansion of India's sovereign compute capacity. In addition to the 38,000+ GPUs already provisioned under the IndiaAI Mission, an additional 20,000 GPUs will be added in the coming weeks, further strengthening national AI infrastructure.

Major Investment Announcements

The Summit catalysed significant investment commitments across the AI value chain.

- Over USD 200 billion in AI-related investments are expected across infrastructure, foundation models, hardware and applications.
- Reliance Industries pledged USD 110 billion over seven years towards AI-focused infrastructure.
- Tata Group announced a partnership with OpenAI to scale AI-ready data centres.
- Adani Enterprises announced plans to invest USD 100 billion by 2035.
- General Catalyst announced a USD 5 billion investment commitment over five years, while Lightspeed Venture Partners announced USD 10 billion in investments.
- Google announced investments including new India–US subsea cable routes and a USD 15 billion AI hub in Visakhapatnam. Google will train 20 million civil servants, support 11 million students, and expand AI research collaborations.

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2234343&reg=3&lang=1

INDIA'S DATA CENTRE CAPACITY INCREASED FROM 375 MW IN 2020 TO AROUND 1500 MW BY 2025

The data centre industry in India is growing steadily. The total data centre capacity in the country has increased from about 375 MW in 2020 to around 1500 MW by 2025. To support AI development, about 38,231 GPUs have been onboarded through 14 empanelled service providers/data centres under the AI compute capacity framework. These are being provided to startups, researchers, academia and other eligible users at a subsidised average rate of ₹65 per hour. This is about one-third of the global average cost.

These data centres are located across the country such as Mumbai, Navi Mumbai, Hyderabad, Bengaluru, Noida and Jamnagar.

The expected electricity demand from the growth of AI and other large-scale data centres is factored into the planning process of government. As per information available with the Ministry of Power, electricity demand from data centres is estimated to reach 13.56 GW by 2031–32.

India's national transmission infrastructure is continuously being expanded to meet growing electricity demand. It is adequately prepared to ensure reliable power supply across regions.

Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Act, was recently passed by Parliament to strengthen the nuclear energy ecosystem.

This act will ensure the development of reliable power solutions for emerging sectors such as AI and data centres by supporting future deployment of small modular and micro nuclear reactors.

The water requirement of data centres depends on the type of cooling technologies deployed. To minimise water usage, the industry is adopting advanced cooling technologies such as direct-to-chip liquid cooling, adiabatic cooling and immersion cooling.

Industry is also deploying high density racks to efficiently support high-performance computing & AI workloads for further reduction of power and water consumption.

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2239616&reg=3&lang=1

INDIA'S SPACE ECOSYSTEM GETS CYBER SHIELD AS SIA-INDIA, CERT-IN RELEASE JOINT GUIDELINES

Space cyber security, including Satellite Communication systems, is of paramount importance to India's space architecture. These systems serve as vital enablers of connectivity across remote and strategic regions, support

national security operations, strengthen disaster response mechanisms, facilitate navigation and broadcasting services, and underpin a wide spectrum of economic activities essential to the nation's growth and resilience.

The Indian Computer Emergency Response Team (CERT-In), under the Ministry of Electronics and Information Technology (MeitY), Government of India in collaboration with SIA-India has developed a comprehensive framework and guidelines for Space Cyber Security for securing space communication assets and contributing towards the resilience of India's space ecosystem.

These guidelines are advisory in nature and are intended to advance cyber security preparedness across the space sector. The framework has been thoughtfully designed to support the diverse stakeholders of the space ecosystem, including government agencies, satellite service providers, ground station operators, equipment vendors, and private space enterprises. By articulating essential cyber security principles, recommended controls, and clearly defined responsibilities, the guidelines seek to foster a culture of resilience, accountability, and proactive risk management throughout the sector.

The Guideline are available at: https://www.cert-in.org.in/s2cMainServlet?pageid=GUIDLNVIEW02&refcode=-CISG-2026-01

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2233122&reg=3&lang=1

AI FACTS AND TERMINOLOGY

ROBOTICS

Machines that are capable of automatically carrying out a series of actions and moving in the physical world. Modern robots contain algorithms that typically, but do not always, have some form of artificial intelligence. Applications include industrial robots used in manufacturing, medical robots for performing surgery, and self-navigating drones.

SEMI-SUPERVISED LEARNING

A way of training machine learning systems for a specific application. An AI system uses a mix of supervised and unsupervised learning and labelled and unlabelled data. This type of learning is useful when it is difficult to extract relevant features from data and when there are high volumes of complex data, such as identifying abnormalities in medical images, like potential tumours or other markers of diseases. See also supervised learning, unsupervised learning, reinforcement learning and training datasets.

SUPERINTELLIGENCE

A theoretical form of AI that has intelligence greater than humans and exceeds their cognitive performance in most domains. See also artificial general intelligence.

SUPERVISED LEARNING

A way of training machine learning systems for a specific application. In a training phase, an AI system is fed labelled data. The system trains from the input data, and the resulting model is then tested to see if it can correctly apply labels to new unlabelled data (such as if it can correctly label unlabelled pictures of cats and dogs accordingly). This type of learning is useful when it is clear what is being searched for, such as identifying spam mail. See also semi-supervised learning, unsupervised learning, reinforcement learning and training datasets.

TRAINING DATASETS

The set of data used to train an AI system. Training datasets can be labelled (for example, pictures of cats and dogs labelled 'cat' or 'dog' accordingly) or unlabelled.

https://post.parliament.uk/artificial-intelligence-ai-glossary/

GIST OF ROC & RD ADJUDICATION ORDERS

Gist of ROC Adjudication orders

1. **Adjudication Order for violation of Section 89 of the Companies Act, 2013 in the matter of MEDIDENT INDIA PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 03rd March, 2026 in the matter of Medident India Private Limited for failing to file form MGT-6 within the timelines and thus violating Section 89(6) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹5,00,000 upon the company and ₹2,00,000 on one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=0E7sanMVcjBhpzPkfUDZ%252Fw%253D%253D&type=open

2. **Adjudication Order for violation of Rule 12(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 in the matter of SRI NARAYANI BENEFIT FUND NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 03rd March, 2026 in the matter of Sri Narayani Benefit Fund Nidhi Limited for failing to include the occupation of allottees in the list attached to Form PAS-3 (Return of Allotment) for the FY 2017-18 and thus violating Rule 12(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=59f5gKaIUiSBLa%252BMBVm%252BmA%253D%253D&type=open

3. **Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of SRI NARAYANI BENEFIT FUND NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 03rd March, 2026 in the matter of Sri Narayani Benefit Fund Nidhi Limited for failing to file its Annual Return within the timelines and thus violating Section 92(4) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹34,500 each upon the company and four of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=qsi0AAqLSeuqGahECjav%252Bw%253D%253D&type=open

4. **Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of SRI NARAYANI BENEFIT FUND NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 03rd March, 2026 in the matter of Sri Narayani Benefit Fund Nidhi Limited for failing to attach complete allottee details (PAN/Email) in Form PAS-3 and thus violating Rule 14(6) under the Companies (Prospectus and Allotment of Securities) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=ZFtGRHMfTz9CPbOEvtXOBQ%253D%253D&type=open

5. **Adjudication Order for violation of Section 123 of the Companies Act, 2013 in the matter of TRUE VALUE HOMES (INDIA) PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 03rd March, 2026 in the matter of True Value Homes (India) Private Limited for failing to deposit the declared preference dividend into a separate scheduled bank account within the mandatory five-day period, and thus violating Section 123(4) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹38,000 each upon the company and three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=0GllrVcLttaEypIBeedxcw%253D%253D&type=open

6. **Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of SWEET KARAM COFFEE INDIA PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 05th March, 2026 in the matter of Sweet Karam Coffee India Private Limited for circulating the Private Placement Offer Letter (Form PAS-4) to the investor before filing the authorizing resolution with the Registrar for the FY 2017-18 and thus violating Rule 14(8) under the Companies (Prospectus and Allotment of Securities) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and on one of the directors.

https://www.mca.gov.in/bin/dms/getdocument? mds=SRyCxq9Fsm3hFOLPkYqILg%253D%253D&type=open

7. **Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of SWEET KARAM COFFEE INDIA PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 05th March, 2026 in the matter of Sweet Karam Coffee India Private Limited for circulating the Private Placement Offer Letter (Form PAS-4) to investors on the same day the resolution was passed (04.03.2025) and thus violating Rule 14(8) under the Companies (Prospectus and Allotment of Securities) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and on two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=bzOlllTTc7A1uQscMJ7SPg%253D%253D&type=open

8. Adjudication Order for violation of Section 39 of the Companies Act, 2013 in the matter of SWEET KARAM COFFEE INDIA PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 05th March, 2026 in the matter of Sweet Karam Coffee India Private Limited for failing to file the return of allotment within the timelines and thus violating Section 39(4) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹35,000 each upon the company and one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=XgtAV%252Fgiv8AKI6GOMzC1lw%253D%253D&type=open

9. Adjudication Order for violation of Section 42 of the Companies Act, 2013 in the matter of SWEET KARAM COFFEE INDIA PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 05th March, 2026 in the matter of Sweet Karam Coffee India Private Limited for failing to file e-Form PAS-3 for the FY 2024-25 and thus violating Section 42(8) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹46,000 each upon the company and two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=f9vbMsjTZb4Wj7KhGQ1Vog%253D%253D&type=open

10. Adjudication Order for violation of Section 42 of the Companies Act, 2013 in the matter of SWEET KARAM COFFEE INDIA PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 05th March, 2026 in the matter of Sweet Karam Coffee India Private Limited for failing to file e-Form PAS-3 within the prescribed time frame in FY 2023-24 and thus violating Section 42(8) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹19,000 each upon the company and one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=hLEFXlDpDPjzLT%252BADRySSA%253D%253D&type=open.

11. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of MIDVALLEY ENTERTAINMENT LIMITED

ROC Chennai issued an adjudication order dated 11th March, 2026 in the matter of Midvalley Entertainment Limited for failing to file the company's Annual Return (e- Form MGT-7) for the FY 2014-15 within timelines and thus violating Section 92(4) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹97,700 upon the company and ₹50,000 each on three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=NGasku61EZybNaxc%252F8ti%252Fw%253D%253D&type=open

12. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of MAHAVIR ADVANCED REMEDIES LIMITED

ROC Chennai issued an adjudication order dated 11th March, 2026 in the matter of Mahavir Advanced Remedies Limited for failing to file its Annual Return with the Registrar within the mandated 60-day time frame and thus violating Section 92(4) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=wSbq%252FNNEom2u643HRWsIQg%253D%253D&type=open

13. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of MAHAVIR ADVANCED REMEDIES LIMITED

ROC Chennai issued an adjudication order dated 11th March, 2026 in the matter of Mahavir Advanced Remedies Limited for failing to file its financial statements within 30 days of its Annual General Meeting and thus violating Section 137(1) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=1EbiSolOEaOY7QKuV5T0EQ%253D%253D&type=open

14. Adjudication Order for violation of Section 173 of the Companies Act, 2013 in the matter of VER SE INNOVATION PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 9th March, 2026 in the matter of VER SE Innovation Private Limited for failing to convene its 8th Board meeting for the FY 2024-25 within the prescribed interval of 120 days and thus violating Section 173(1) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,03,000 upon the company and ₹50,000 each upon two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=uliV%252F%252Bchb569DwbgP6LLOg%253D%253D&type=open

15. Adjudication Order for violation of Section 155 of the Companies Act, 2013 in the matter of Director JACOB MUNDATTUCHUNDAYIL THOMAS

ROC Bangalore issued an adjudication order dated 9th March, 2026 in the matter of Jacob Mundattuchundayil Thomas (Director) for violating Section 155 of the Companies Act, 2013 for holding more than one Director Identification Number (DIN). The Adjudicating Authority imposed a penalty of ₹1,00,000 upon the director.

https://www.mca.gov.in/bin/dms/getdocument?mds=oQ4EBDgKIawgBKeZBQ%252FaiQ%253D%253D&type=open

16. Adjudication Order for violation of Section 149 of the Companies Act, 2013 in the matter of INDO-MIM LIMITED

ROC Bangalore issued an adjudication order dated 9th March, 2026 in the matter of INDO-MIM Limited for failing to appoint a resident director for 2,297 days and thus violating Section 149 (3) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹1,00,000 each on three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=eQ5fi5SypYzWk4cK0D4keA%253D%253D&type=open

17. Adjudication Order for violation of Section 201 of the Companies Act, 2013 in the matter of YOKOGAWA INDIA LIMITED

ROC Bangalore issued an adjudication order dated 20th March, 2026 in the matter of Yokogawa India Limited for failing to obtain Central Government approval within 90 days of appointing a non-resident Whole-Time Director and thus violating Section 201(1) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,99,000 each upon the company and ₹50,000 three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=74U9IeqOgPybKJvpNaitwg%253D%253D&type=open

18. Adjudication Order for violation of Section 155 of the Companies Act, 2013 in the matter of Director, BANNIKUPEE RAMACHANDRARAGHAVENDRA

ROC Bangalore issued an adjudication order dated 20th March, 2026 in the matter of Bannikupee Ramachandra Raghaavendra (Director) for violating Section 155 of the Companies Act, 2013 for holding more than one Director Identification Number (DIN). The Adjudicating Authority imposed a penalty of ₹1,35,000 upon the director.

https://www.mca.gov.in/bin/dms/getdocument?mds=FPNzRrv%252BisIWFu9%252FkqJDOw%253D%253D&type=open

19. Adjudication Order for violation of Section 155 of the Companies Act, 2013 in the matter of Director, ARUN JAGANNATH HOLLA

ROC Bangalore issued an adjudication order dated 20th March, 2026 in the matter of Arun Jagannath Holla (Director) for violating Section 155 of the Companies Act, 2013 for holding more than one Director Identification Number (DIN). The Adjudicating Authority imposed a penalty of ₹3,15,750 upon the director.

https://www.mca.gov.in/bin/dms/getdocument?mds=ItjGNdxRmI6%252FsP56f1WMRA%253D%253D&type=open

20. Adjudication Order for violation of Section 155 of the Companies Act, 2013 in the matter of Director, SHASHIDHAR MUNIYAPPA

ROC Bangalore issued an adjudication order dated 20th March, 2026 in the matter of Shashidhar Muniyappa (Director) for violating Section 155 of the Companies Act, 2013 for holding more than one Director Identification Number (DIN). The Adjudicating Authority imposed a penalty of ₹1,95,125 upon the director.

https://www.mca.gov.in/bin/dms/getdocument?mds=mTAj4gZNFCjeM0fSk9dD3w%253D%253D&type=open

21. Adjudication Order for violation of Section 155 of the Companies Act, 2013 in the matter of Director, MOHANA RAJANNA

ROC Bangalore issued an adjudication order dated 20th March 2026 in the matter of Mohana Rajanna (Director) for violating Section 155 of the Companies Act, 2013 for holding more than one Director Identification Number (DIN). The Adjudicating Authority imposed a penalty of ₹1,15,750 upon the director.

https://www.mca.gov.in/bin/dms/getdocument?mds=0L6cUVTpdf2ZrSS7iPj9kA%253D%253D&type=open

22. Adjudication Order for violation of Section 155 of the Companies Act, 2013 in the matter of Director, SRIKANTH PADMANABHAN

ROC Bangalore issued an adjudication order dated 20th March, 2026 in the matter of Srikanth Padmanabhan (Director) for violating Section 155 of the Companies Act, 2013 for holding more than one Director Identification Number (DIN). The Adjudicating Authority imposed a penalty of ₹12,875 upon the director.

https://www.mca.gov.in/bin/dms/getdocument?mds=Y4gN1Riti0SYIdWIVTm%252Btg%253D%253D&type=open

23. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of MINANCE INVESTMENT ADVISORS PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 20th March, 2026 in the matter of Minance Investment Advisors Private Limited for failing to file Annual Return for the FY 2020-21 within timelines and thus violating Section 92 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,61,300 upon the company and ₹50,000 on one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=QvKe%252BFqAa1BLWPxjZ44kwQ%253D%253D&type=open

24. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of MINANCE INVESTMENT ADVISORS PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 23rd March, 2026 in the matter of Minance Investment Advisors Private Limited for failing to file the Annual Return for the FY 2018-19 within timelines and thus violating Section 92 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹2,00,000 each upon the company and ₹50,000 one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=rMenAk0iEZXMixG3%252BYTycQ%253D%253D&type=open

25. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of MINANCE INVESTMENT ADVISORS PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 24th March, 2026 in the matter of Minance Investment Advisors Private Limited for failing to file its financial statements (Form AOC-4) for the FY 2019-20 within timelines and thus violating Section 137 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,98,000 each upon the company and ₹50,000 on one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=tdR81hL1X2pBxhwxnBm%252FBg%253D%253D&type=open

26. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of MINANCE INVESTMENT ADVISORS PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 25th March, 2026 in the matter of Minance Investment Advisors Private Limited for failing to file its financial statements (Form AOC-4) for the FY 2023-24 within timelines and thus violating Section 137 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹61,100 each upon the company and ₹50,000 on one of the directors.

https://www.mca.gov.in/bin/dms/getdocument? mds=AFRX7iQ7eyxInUKu9IAt7A%253D%253D&type=open

27. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of NORTE TECHNOLOGIES INDIA PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 25th March, 2026 in the matter of Norte Technologies India Private Limited for violating Section 137 of the Companies Act, 2013 for failing to file its Annual Return (E-Form MGT-7) for the FY 2019-20. The Adjudicating Authority imposed a penalty of ₹97,450 upon the company and ₹25,000 each on two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=BFpuI%252B012ss5bu8kIDjecg%253D%253D&type=open

28. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of NORTE TECHNOLOGIES INDIA PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 25th March, 2026 in the matter of Norte Technologies India Private Limited for failing to file its financial statements for the period 2020-21 and thus violating Section 137 (1) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹82,300 upon the company and ₹25,000 each on two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=6mCLZcbPy0p2BkVHMuVQkA%253D%253D&type=open

29. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of MINANCE INVESTMENT ADVISORS PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 25th March 2026 in the matter of Minance Investment Advisors Private Limited for failing to file its financial statements for the FY 2019-20 and thus violating Section 137 (1) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹98,950 upon the company and ₹25,000 on one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=mWT52gVOHSS2Q8UCXFlm%252BA%253D%253D&type=open

30. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of NORTE TECHNOLOGIES INDIA PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 25th March, 2026 in the matter of Norte Technologies India Private Limited for failing to file its financial statements for FY 2021-22 and thus violating Section 137 (1) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹67,100 upon the company and ₹25,000 each on two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=qx%252Bj0wfAmbLiXX5O7TEL%252BA%253D%253D&type=open

31. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of MINANCE RESOURCES PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 25th March, 2026 in the matter of Minance Resources Private Limited for violating for failing to file its financial statements for the FY 2022-23 and thus violating Section 137 (1) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹48,000 upon the company and ₹25,000 on one of the director.

https://www.mca.gov.in/bin/dms/getdocument?mds=gy6HhR6qN9pdQ%252BQeD%252Fmuxw%253D%253D&type=open

32. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of NORTE TECHNOLOGIES INDIA PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 25th March, 2026 in the matter of Norte Technologies India Private Limited for failing to file the Annual Return (MGT-7) for FY 2022-23 and thus violating Section 137 (1) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹47,300 upon the company and ₹25,000 each on two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=EB7xIvU94OR6ZJI2PlNF1g%253D%253D&type=open

33. Adjudication Order for violation of Section 138 of the Companies Act, 2013 in the matter of INDUS STEEL AND ALLOYS LIMITED

ROC Bangalore issued an adjudication order dated 25th March, 2026 in the matter of Indus Steel and Alloys Limited for failing to appoint an Internal Auditor, despite of requirement and thus violating Section 138(1) of the Companies Act, 2013 The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=ZkP1G2AjdxXjrGoKhcUtYw%253D%253D&type=open

34. Adjudication Order for violation of Section 184 of the Companies Act, 2013 in the matter of SANA LIFESTYLES LIMITED

ROC Bangalore issued an adjudication order dated 25th March, 2026 in the matter of Sana Lifestyles Limited for failing to submit updated disclosures (Form MBP-1) at the beginning of each financial year and thus violating Section 184 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹5,00,000 each upon the company and three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=Kg4NSclCS5PCil7uCgNp0A%253D%253D&type=open

35. Adjudication Order for violation of Section 184 of the Companies Act, 2013 in the matter of SANA LIFESTYLES LIMITED

ROC Bangalore issued an adjudication order dated 26th March, 2026 in the matter of Sana Lifestyles Limited for failing to obtain annual board approvals for substantial transactions, insufficient AOC-2 reporting, and non-compliance with transfer pricing requirements and thus violating Section 184 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹5,00,000 each upon the company and three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=HKgwYwNxEfGqC9OVHz9vdA%253D%253D type=open

36. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of MINANCE RESOURCES PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 26th March, 2026 in the matter of Minance Resources Private Limited for failing to file Annual Return (MGT-7) for FY 2022-23 and thus violating Section 92 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹47,350 upon the company and ₹25000 each on three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=3JAsOeih6WMKMUMWB2G1AQ%253D%253D&type=open

37. Adjudication Order for violation of Section 155 of the Companies Act, 2013 in the matter of AMBIKA WHEELS PRIVATE LIMITED

ROC Chandigarh issued an adjudication order dated 23rd March, 2026 in the matter of Ambika Wheels Private Limited for violating Section 155 of the Companies Act, 2013 for holding two Director Identification Numbers (DINs). The Adjudicating Authority imposed a penalty of ₹50,000 upon the Director Sadhika Gupta.

https://www.mca.gov.in/bin/dms/getdocument? mds=Gqyn1mTRSsblXl46MbJkwA%253D%253D&type=open

38. Adjudication Order for violation of Section 155 of the Companies Act, 2013 in the matter of Director, DEEPALI AGGARWAL

ROC Chandigarh issued an adjudication order dated 23rd March, 2026 in the matter of Deepali Aggarwal (Director) for violating Section 155 of the Companies Act, 2013 for holding two Director Identification Numbers (DINs). The Adjudicating Authority imposed a penalty of ₹50,000 upon the director.

https://www.mca.gov.in/bin/dms/getdocument?mds=T1YgKcOBFQpgkYpUKE44Pw%253D%253D&type=open

39. Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of SUBH LAABH POLYMERS PRIVATE LIMITED

ROC Chhattisgarh issued an adjudication order dated 26th March, 2026 in the matter of Subh Laabh Polymers Private Limited for failing to consecutively number the pages of the minutes book and thus violating Section 118 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹25,000 upon the company and ₹5000 each upon the six of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=cZK3TnKuykMVTKninqtASA%253D%253D&type=open

40. Adjudication Order for violation of Section 173 of the Companies Act, 2013 in the matter of YALSCO REAL ESTATE & AGRO FARMING LIMITED

ROC Chhattisgarh issued an adjudication order dated 24th March, 2026 in the matter of Yalsco Real Estate & Agro Farming Limited for failure to hold mandatory Board meetings during FY 2022-23 and thus violating Section 173(1) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each upon the three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=%252F8lfMzB%252Fest8WhX4OplH9Q%253D%253D&type=open

41. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of YALSCO REAL ESTATE & AGRO FARMING LIMITED

ROC Chhattisgarh issued an adjudication order dated 24th March, 2026 in the matter of Yalsco Real Estate & Agro Farming Limited for failing to maintain Registered Office of the company and thus violating Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,00,000 each upon the company and three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=3hUpV8hx6MPvuMwb9Yfilw%253D%253D&type=open

42. Adjudication Order for violation of Section 205 of the Companies Act, 2013 in the matter of RASHI STEEL AND POWER LIMITED

ROC Chhattisgarh issued an adjudication order dated 24th March, 2026 in the matter of Rashi Steel And Power Limited for failing to maintain proper Minutes of General Meetings (AGMs) for the period 2014 to 2019 and thus violating Section 205(6) of the Companies Act, 2013.The Adjudicating Authority imposed a penalty of ₹25,000 upon the company and ₹5000 each upon the eight of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=TTxzDtDkojWCkA%252Fem4Qv7w%253D%253D&type=open

43. Adjudication Order for violation of Section 156 of the Companies Act, 2013 in the matter of FUSION FINANCE LIMITED

ROC Delhi issued an adjudication order dated 16th March, 2026 in the matter of Fusion Finance Limited for failing to maintain the required two-thirds of directors liable to retire by rotation upon converting to a Public Limited entity and thus violating Section 156(6) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹1,00,000 upon the one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=upCtARYd6Zjb1mjWiQ0U5w%253D%253D&type=open

44. Adjudication Order for violation of Section 156 of the Companies Act, 2013 in the matter of MULTI PURPOSE BIOS INDIA LIMITED

ROC Kolkata issued an adjudication order dated 19th March, 2026 in the matter of Multi-Purpose Bios India Limited for failing to file its Financial Statements for the FY 2022-23 and thus violating Section 156(6) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹88,500 upon the company and ₹50,000 each upon the two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=ZyMwAg7vXYvI0vJ1ir0k8w%253D%253D&type=open

45. Adjudication Order for violation of Section 156 of the Companies Act, 2013 in the matter of PREET PROJECTS PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 19th March, 2026 in the matter of Preet Projects Private Limited for failing to file e- Form MGT-7A (Annual Return for Small Companies) for FY 2024-25 and thus violating Section 156(6) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

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

46. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of TRACTEL TIRFOR INDIA PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 19th March, 2026 in the matter of Tractel Tirfor India Private Limited for failing to maintain its Registered Office and thus violating Section 12(8) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,00,000 each upon the company and three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=0JHXKoQ1ZUKs7bSqqQexow%253D%253D&type=open

47. Adjudication Order for violation of Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 in the matter of POLAR ELEKTRIC LIMITED

ROC Kolkata issued an adjudication order dated 19th March, 2026 in the matter of Polar Elektric Limited for filing an e-form (MGT-7A) with incorrect data for the financial Year 2024-25 and thus violating Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

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

48. Adjudication Order for violation of Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 in the matter of RAIMA EQUITIES PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 19th March, 2026 in the matter of Raima Equities Private Limited for filing an e-form (MGT-7A) with incorrect data for the financial Year 2024-25 and thus violating Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=nLO0QyCb3470%252BWtwffEk7A%253D%253D&type=open

49. Adjudication Order for violation of Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 in the matter of STEAM EQUIPMENTS LIMITED

ROC Pune issued an adjudication order dated 11th March, 2026 in the matter of STEAM Equipments Limited for filing an e-form AOC-4 with incorrect data and thus violating Rule 8(3) of the Companies

(Registration Offices and Fees) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=OUj%252FLldmNPFx72osGsyulQ%253D%253D&type=open

50. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of TRIUMFINA SALES AND SERVICES PRIVATE LIMITED

ROC Patna issued an adjudication order dated 09th March, 2026 in the matter of Triumfina Sales and Services Private Limited for failing to file the Annual Return for the financial year 2021-22 and thus violating Section 92 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹64,750 each upon the company and ₹25,000 each upon the two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=tWDLd41gygDf7SvPwWp7eA%253D%253D&type=open

51. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of TRIUMFINA SALES AND SERVICES PRIVATE LIMITED

ROC Patna issued an adjudication order dated 09th March, 2026 in the matter of Triumfina Sales and Services Private Limited for failing to file the Annual Return for the financial year 2022-23 and thus violating Section 92 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹46,500 each upon the company and ₹25,000 each upon the two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=W7%252BsXzpbhbPn4witX6CZ3w%253D%253D&type=open

52. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of TRIUMFINA SALES AND SERVICES PRIVATE LIMITED

ROC Patna issued an adjudication order dated 09th March, 2026 in the matter of Triumfina Sales and Services Private Limited for failing to file the Annual Return for the financial year 2023-24 and thus violating Section 92 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹28,200 each upon the company and ₹25,000 each upon the two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=09hW2U5vqw8665owe%252Bl8RQ%253D%253D&type=open

53. Adjudication Order for violation of Section 159 of the Companies Act, 2013 in the matter of RANISATI AGRO PRODUCTS PRIVATE LIMITED

ROC Patna issued an adjudication order dated 09th March, 2026 in the matter of Ranisati Agro Products Private Limited for holding two DINs by the Director-Shri Bhola Nath Sikaria and thus violating Section 159 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹50,000 each upon the two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=sWnRx3kr8VZuKjNd5xhlqg%253D%253D&type=open

54. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of TRIUMFINA SALES AND SERVICES PRIVATE LIMITED

ROC Patna issued an adjudication order dated 09th March, 2026 in the matter of Triumfina Sales and Services Private Limited for failing to file the Annual Return for the financial year 2020-21 and thus violating Section 92 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹81,300 each upon the company and ₹25,000 each upon the two of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=Zx-4ELE2zgXbc11813b5ArQ%253D%253D&type=open

55. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of SANKALP PARIWAR INFRASTRUCTURE SERVICES LIMITED

ROC Patna issued an adjudication order dated 13th March, 2026 in the matter of Sankalp Pariwar Infrastructure Services Limited for failing to file the MGT-14 for the financial year 2017-18 and thus violating Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹2,00,000 each upon the company and ₹50,000 each upon the three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=y2T-Duy%252BckMVhMZL8dbvb5g%253D%253D&type=open

56. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of SANKALP PARIWAR INFRASTRUCTURE SERVICES LIMITED

ROC Patna issued an adjudication order dated 13th March, 2026 in the matter of Sankalp Pariwar Infrastructure Services Limited for failing to file the MGT-14 for the financial year 2015-16 and thus violating Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹2,00,000 each upon the company and ₹50,000 each upon the three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=MmM6NcqnL8Y6sCPoVWvVeg%253D%253D&type=open

57. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of SANKALP PARIWAR INFRASTRUCTURE SERVICES LIMITED

ROC Patna issued an adjudication order dated 13th March, 2026 in the matter of Sankalp Pariwar Infrastructure Services Limited for failing to file the MGT-14 for the financial year 2014-15 and thus violating Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹2,00,000 each upon the company and ₹50,000 each upon the three of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=my4u2ypPRRX9oqRfN1ZWVA%253D%253D&type=open

58. Adjudication Order for violation of Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014

of the Companies Act, 2013 in the matter of ARIHANT INNOCHEM PRIVATE LIMITED

ROC Mumbai issued an adjudication order dated 12th March, 2026 in the matter of Arihant Innochem Private Limited for filing an e-form AOC-4 with incorrect data and thus violating Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 on one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds =0qA-jRzn7Pn4jCAAulQmDRw%253D%253D&type=open

59. Adjudication Order for violation of Rule 8(1) and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 in the matter of FAIRFEST MEDIA LTD.

ROC Mumbai issued an adjudication order dated 12th March, 2026 in the matter of Fairfest Media Ltd. for filing an e-form AOC-4 with incorrect data for FY 2023-24 and thus violating Rule 8(1) and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 on one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds =nXi2jbzkHih%252BcTpiIwNJcQ%253D%253D&-type=open

60. Adjudication Order for violation of Rule 8(1) and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 in the matter of NVP VENTURE CAPITAL INDIA PRIVATE LIMITED

ROC Mumbai issued an adjudication order dated 12th March, 2026 in the matter of NVP Venture Capital India Private Limited for filing an e-form AOC-4 with incorrect data for FY 2023-24 and thus violating Rule 8(1) and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 on one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=f%252BYQHbNzH5mGSaPxXag%252BgA%253D%253D&type=open

61. Adjudication Order for violation of Section 203 of the Companies Act, 2013 in the matter of ALPS HOSPITAL LIMITED

ROC Mumbai issued an adjudication order dated 17th March, 2026 in the matter of ALPS Private Limited, for failing to appoint a whole-time Company Secretary within the statutory timeframe and thus violating Section 203 (1) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹5,00,000 upon the company and ₹1,20,000 each upon two of the Directors of the company.

https://www.mca.gov.in/bin/dms/getdocument?mds=h-5hwcyHyGQ%252B4USl23yVn1Q%253D%253D&-type=open

62. Adjudication Order for violation of Rule 8(1) and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 in the matter of CHHEDA JEWELLERS LIMITED

ROC Mumbai issued an adjudication order dated 17th March, 2026 in the matter of Chheda Jewellers Limited for filing an e-form MGT-7 with incorrect data for FY 2022-23 and thus violating Rule 8(1) and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 on one of the directors.

https://www.mca.gov.in/bin/dms/getdocument?mds=X-wM9EPTpmUbyn%252FVx63G7XA%253D%253D&-type=open

63. Adjudication Order for violation of Section 173 of the Companies Act, 2013 in the matter of POKARAN SOLAIRE ENERGY PRIVATE LIMITED

ROC Mumbai issued an adjudication order dated 17th March, 2026 in the matter of Pokaran Solaire Energy Private Limited for failing to hold 4th Board meeting of the company during the calendar year 2024 and thus violating Section 173 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and Company Secretary.

https://www.mca.gov.in/bin/dms/getdocument?mds=2PG-BareST0rT5QTla1al7A%253D%253D&type=open

64. Adjudication Order for violation of Rule 8(1) and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 in the matter of COMPLETE SPORTS AND MANAGEMENT INDIA LIMITED

ROC Mumbai issued an adjudication order dated 17th March, 2026 in the matter of Complete Sports and Management India Limited for filing an e-form AOC-4 with incorrect data for FY 2024-25 and thus violating Rule 8(1) and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 on one of the directors.

https://www.mca.gov.in/bin/dms/getdocument? mds=w-1EGyBCVerz%252F2UNrwOd3%252Fw%253D%253D&-type=open

GIST of RD Adjudication Orders

1. Adjudication order for violation of Section 178(8) of the Companies Act, 2013 in the matter of SIS CASH SERVICES LIMITED

In the matter of SIS Cash Services Limited the *RD (Kolkata)* vide order dated 16th March, 2026 after considering the facts of the case *rejected* the appeal against the RoC Patna order upon the Company and directors in default for violation of Section 178(8) of the Companies Act, 2013.

https://www.mca.gov.in/bin/dms/getdocument?mds=9h38HsCAFgPgCS1PA0JNpA%253D%253D&type=open

2. Adjudication order for violation of Section 203(5) of the Companies Act, 2013 in the matter of SIS CASH SERVICES LIMITED

In the matter of SIS Cash Services Limited the *RD (Kolkata)* vide order dated 16th March, 2026 after considering the facts of the case *rejected* the appeal against the RoC Patna order upon the Company and directors in default for violation of Section 203(5) of the Companies Act, 2013.

https://www.mca.gov.in/bin/dms/getdocument? mds=U-SIv14inriXVzoc7uPfYZQ%253D%253D type=open

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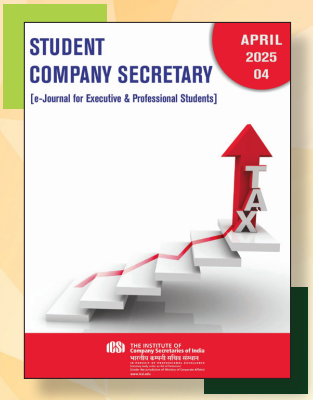

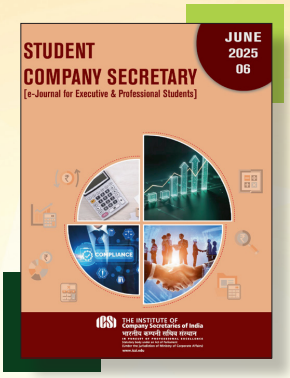

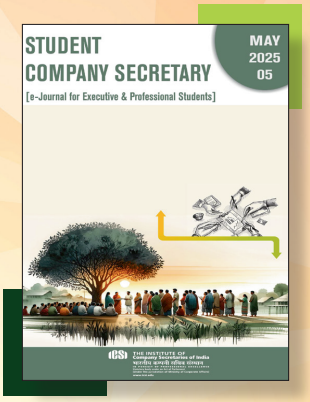

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8 BEYOND GOVERNANCE

Case Study

The Case Study section is inserted to make Chartered Secretary Journal (CSJ) more interactive for the members and students. The Case Study is followed by question(s) which are to be solved by member(s)/ student/s. The answer(s) are to be sent to cs.journal@icsi.edu latest by the 25th of each month.

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Crossword

'Crossword' contains terminologies/concepts from Companies Act, IBC, NCLT and such related areas of profession. Members/ students are to send the answers to the Crossword to cs.journal@icsi.edu latest by 25th of each month.

- The answer(s) will be published in the next issue of CSJ.
- The winners will be selected randomly.
- The name of three winners will be published in the next issue of CSJ.

National/International Reports: Analysis

A Section on 'National/International Reports: Analysis' from 2025 covering reports on the recent policy initiatives and insights at National and International level is introduced. The purpose is to communicate information amongst professionals on various reports released by National/ International organisations, having an impact on the profession.

Book Review

A Section on 'Book Review' is inserted from 2025 issue onwards of Chartered Secretary Journal for creating awareness on books of latest titles related to profession. This section will cover a brief summary on the contents and central theme of the book.

Background:

Violations of the provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (for short the "PFUTP Regulations"), and the Securities Contracts (Regulation) Act, 1956.

→

The Adjudicating Officer imposed monetary penalties on the respondent company as well as on the respondent individuals who were the Managing Director and Director respectively. The Appellate Tribunal set aside the impugned order.

→

Petition to Supreme Court relating to alleged misutilisation of funds raised through preferential allotment and validity of shareholder ratification under securities laws.

→

?

Diversion of Funds in Preferential Allotment – Can It Be Ratified?

Facts

1. The Petitioner Company, **Zenith Infra Ventures Limited** ("Company"), is a listed entity which raised funds through **preferential allotment of equity shares** after passing a special resolution in an Extraordinary General Meeting (EGM). The company is engaged in infrastructure advisory services.

2. The explanatory statement to the EGM disclosed that the funds would be utilised for-Capital expenditure and expansion, Acquisition of business opportunities, Long-term working capital requirements, Setting up overseas offices and General corporate purposes. The shareholders approved the proposal through a **special resolution**.

3. Pursuant to the said resolution, ZIVL raised approximately ₹20 crore through preferential allotment in 2018.

4. However, it was later observed that immediately upon receipt of funds, a substantial portion was invested in shares of other companies (both listed and unlisted) and the remaining funds were given

as unsecured loans and advances to various entities. Many of these entities were financially linked and allegedly connected to a common promoter group. No formal loan agreements existed in several cases.

5. Further, the company did **not utilise funds for the stated objectives and** there was **no evidence of capital expenditure, expansion, or business activity.** The company had minimal operational activity during the relevant period.

6. **The Adjudicating officer** initiated proceedings the Company and its Directors alleging misutilisation of funds, misleading disclosures and violation of unfair trade practice regulations.

7. A Show Cause Notice was issued alleging that the funds were diverted almost immediately after receipt and the Company never intended to utilise funds for stated objects.

8. The Whole Time Member of SEBI exercised powers under Section 19 read with sections 11(1), 11(4)(b), and 11B of the SEBI Act to pass **ad interim restraint orders**. These orders prohibited the company's promoters, directors (including the individual respondents in the case), preferential allottees, and certain group companies of the first respondent from buying, selling, or otherwise dealing in securities, either directly or indirectly, until further directions were issued.

9. The Adjudicating Authority, after considering submissions, held that the Company had **failed to utilise funds as per disclosed objects,** the disclosures made in the EGM notice were **misleading and** the conduct amounted to **fraudulent and unfair trade practices.**

10. Penalties were imposed on the Company, Managing Director and Director responsible for financial oversight.

Defence arguments on behalf of company

Temporary diversion of funds: The company argued that due to **adverse market conditions**, funds could not be used as planned, Investments and loans were **incidental to business objectives and** the Memorandum of Association permitted such activities. It was further submitted that the funds were not misused but temporarily deployed and certain investments had yielded returns.

Amendment of Objects Clause: In 2020, the company amended its Memorandum of Association to include financing and investment activities.

Shareholder Ratification: In 2021, the company passed a **special resolution** stating that shareholders approve and ratify the **variation in utilisation of funds**. All past acts relating to fund deployment stand validated.

Arguments by the Regulator Authorities

1. The appellant-SEBI contends that from 17.10.2018 itself, instead of using the proceeds for approved objects, funds were diverted to purchase shares of other companies and grant loans/advances. SEBI contends that this is an indication that from the very inception, there was no intention on the part of the respondent-company to use the proceeds of the preferential issue for the purpose for which it was made.

2. On appeal, the Appellate Tribunal held that since shareholders had ratified the utilisation, the acts of the company stood validated and therefore, no violation subsisted.

Core Legal Issues

1. Whether the utilisation of funds raised through preferential allotment for purposes other than those disclosed in the EGM notice constitutes **misutilisation and violation of securities laws**?

2. Whether **post-facto shareholder ratification and** amendment of the Memorandum of Association can validate diversion of funds, misleading disclosures and Regulatory violations?

Now decide the above legal issues in light of the facts and submissions made.

Disclaimer

The case study has been framed based on publicly available legal principles with necessary modifications and fictionalisation of names to enable professionals to apply their analytical skills. Any resemblance to actual cases is purely coincidental.

Winner of Case Study – March 2026

CS Bhargavi N. R. ACS - 64594

BEST ANSWER - CASE STUDY - MARCH, 2026

Brief of the Case

A medical practitioner investor subscribed to shares of a company promoted by his father-in-law and was later classified as a promoter despite having no role in management. The company failed to submit financial results under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Acting under SEBI SOP circulars, stock exchanges directed the freezing of the petitioner's demat account, including securities in other companies. Aggrieved by this action, the petitioner approached the Securities Appellate Tribunal and subsequently filed a writ petition before the High Court.

Issue 1: Whether SEBI can authorize freezing of promoters' personal demat accounts through circulars issued under the LODR Regulations?

- **Statutory Framework:**

  SEBI derives regulatory powers from the **Securities and Exchange Board of India Act, 1992**, particularly:

  - **Section 11** – Duty to protect investors and regulate securities market
  - **Section 11A** – Power to specify disclosure requirements
  - **Section 30** – Power to make regulations

Pursuant to these powers, SEBI framed the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, which impose compliance obligations on listed companies.

Stock exchanges relied on SEBI **SOP Circulars dated 30 November 2015 and 26 October 2016**, issued under LODR Regulations 97 and 98, to freeze promoter/promoter group shareholding for non-compliance.

- **Legal Position:**

  However, **a circular cannot create substantive coercive powers unless supported by the parent statute or regulations**.

  The Bombay High Court in Neil Pradeep Mehta v. Union of India held:

  - Circulars cannot authorize **freezing of personal demat accounts containing securities unrelated to the defaulting company**.
  - Such drastic measures must trace their authority to **statutory provisions**, not merely executive instructions.
  - The action was described as **arbitrary and beyond regulatory power**.

- **Application to Present Case:** In the present case
  - The freeze extended to **securities of other companies** held by the petitioner.
  - The action was based solely on **SOP circulars**, not a statutory order under Section 11(4) or 11B of the SEBI Act.

Therefore, **SEBI cannot authorize freezing of promoters' personal demat accounts solely through circulars**, particularly when the freeze extends to unrelated securities. Such action **exceeds the scope of the LODR Regulations and lacks statutory backing**.

- **Other Supporting Case Laws:**
  - **Alpana R. Kirloskar & Others vs SEBI & Another (SAT/High Court)**

    Similar to Mehta, this case involved challenges to the freezing of promoters' demat accounts. While SAT initially didn't quash the circulars, the Bombay High Court has consistently highlighted the lack of statutory basis for freezing personal holdings.
  - **Harhit Kadhi & Anr. vs SEBI (SAT, 2020)**

    SAT held that once the non-compliance (e.g. The stock exchange cannot continue the freeze, even if other breaches are alleged.

Issue 2: Whether freezing of demat accounts without individual notice and hearing violates Articles 14, 21 and 300A of the Constitution?

- **Constitutional Principles:**

  Relevant constitutional protections include:

  - **Article 14 of the Constitution of India** – equality before law
  - **Article 21 of the Constitution of India** – due process and fairness
  - **Article 300A of the Constitution of India** – protection of property rights

  Freezing a demat account effectively **restricts ownership and alienation of securities**, thereby impacting property rights.

- **Fundamental Principles of Natural Justice:**

  The doctrine **Audi alteram partem ("hear the other side")** requires:

  1. Notice of allegations
  2. Opportunity of hearing
  3. Reasoned decision

- **Application to Present Case** : In the present case
  - No **show-cause notice** was issued to the petitioner.
  - The freeze was **automatic** under SOP circulars.
  - The petitioner discovered the freeze **only through his account statement**.

The Bombay High Court in **Neil Pradeep Mehta v. Union of India** held that: Freezing of demat accounts without notice or hearing is arbitrary and violative of constitutional protections.

Therefore, **Freezing the petitioner's demat account without notice or hearing violates Articles 14 and 300A and principles of natural justice.** Such action is **procedurally ultra vires and unconstitutional**.

- **Other Supporting Case Laws:**
- **In Maneka Gandhi v. Union of India (1978),**

Passport was impounded without a hearing by the passport authority (an administrative body), the Supreme Court ruled that natural justice must be read into administrative actions, even when the statute is silent. The right to be heard is fundamental.

- **In A.K. Kraipak v. Union of India (1969);**

  A board member involved in the selection was also a candidate. The court quashed the decision due to bias, asserting that administrative decisions must adhere to natural justice if they affect individual rights.

- **Vidya Devi v. State of Himachal Pradesh (2020):**

  Held that the state cannot deprive citizens of their property without following due process of law. Forcibly dispossessing a person without legal procedure is a violation of both human rights and Article 300A.

- **Bimal Kumar Shah & Ors. v. State of West Bengal (2024):**

  The SC laid down that the "authority of law" requires following procedural safeguards: notice, right to be heard, reasoned decision, and fair compensation.

Issue 3: Whether classification as "Promoter" without management control justifies coercive regulatory action?

- Legal Framework:

  Under **Section 2(69) of the Companies Act, 2013**, a promoter includes:

  - a person named as a promoter in the prospectus or annual return;
  - a person having control over the affairs of the company; or
  - a person in accordance with whose directions or instructions the board of directors' acts.

Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity.

While the statutory definition is broad, **mere designation as a promoter does not automatically establish control, participation, or liability for regulatory violations**. Regulatory responsibility must be based on **actual involvement, influence, or decision-making power** in the affairs of the company.

- **Judicial Interpretation:**

  The Courts have consistently applied the principle of **"substance over form"**, examining the **real degree of control and participation** rather than relying solely on a formal label.

  The Bombay High Court in **Neil Pradeep Mehta v. Union of India** observed:

  - A person classified as a promoter merely due to relationship or historical shareholding cannot automatically be subjected to regulatory sanctions.
  - Coercive measures against promoters must be supported by evidence of control, participation, or responsibility for the alleged non-compliance.
  - Blanket regulatory action against all persons categorized as promoters without examining their actual role is arbitrary.
  - **Application to Present Case:** In the present matter, the petitioner:
    - holds less than 0.01% of the paid-up share capital of the company;
    - has never served as a director or officer of the company;
    - had no involvement in the management, decision-making, or compliance functions of the company; and
    - was categorized as a promoter solely due to his familial relationship (son-in-law) with the chief promoter.

The record reveals no material indicating that the petitioner exercised control over the company or influenced its operations. Consequently, attributing regulatory liability to him solely on the basis of promoter classification disregards the factual realities of the case.

Therefore, accordingly, mere classification as a promoter, without proof of control, participation, or responsibility in the affairs of the company, cannot justify coercive regulatory action such as the freezing of demat accounts.

Regulatory enforcement must be individualized and evidence-based, and any blanket action against persons merely labelled as promoters would be **arbitrary and legally unsustainable.**

- **Other Supporting Case Laws:**

  - **Weavers Mills Ltd. v. Balkis Ammal (1969):**

    The court observed that a promoter is one who undertakes to form a company and takes steps to accomplish that purpose. The judgment emphasized active participation in formation or promotion. Therefore, a person who merely subscribes to shares but does not participate in promotion or control cannot automatically be treated as a promoter.

  - **Narayandas v. Industrial Bank of Western India (1977)**

    The court held that liability as a promoter arises only where a person has played a role in the promotion or control of the company. Mere investment or share subscription does not by itself make the person a promoter.

Final Decision:

Upon consideration of the facts and law, the Court holds:

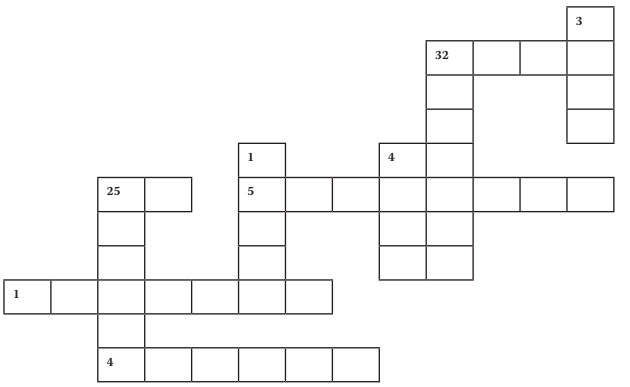
1. **SEBI cannot freeze personal demat accounts of promoters through circulars alone**, particularly where such action affects securities unrelated to the defaulting company.
2. **Freezing of demat accounts without notice or hearing violates constitutional protections** under Articles 14 and 300A and the principles of natural justice.
3. Mere classification as a promoter, without management control or involvement, does not justify coercive regulatory action.

Order:

Accordingly, the Court:

1. Quashes the freezing of the petitioner's demat accounts.
2. Directs SEBI, the stock exchanges, and the depository to **lift all restrictions on the petitioner's demat accounts forthwith**.
3. Declares that SOP circulars cannot be used to freeze personal demat accounts without statutory authority and due process.
4. Grant liberty to SEBI to initiate action **only in accordance with law**, after issuing notice and conducting proper adjudication.

CROSSWORD PUZZLE – COMPANY LAW - APRIL 2026



ACROSS

1. Under the Companies Act, 2013 a _____ Company is not required to have at least two directors as independent directors.

2. Under the Insolvency and Bankruptcy Board of India (Prepackaged Insolvency Resolution Process) Regulations, 2021, the resolution professional shall make a public announcement within two days of the commencement of the process in Form ___.

3. Under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, The company shall complete the verification of offers received and make payment of consideration to those holders of securities whose offer has been accepted and return the remaining shares or other specified securities to the securities' holders within _____working days of the closure of the offer.

4. Under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, An issuer shall be eligible to make an initial public offer only if it has a net worth of at least _____rupees in each of the preceding three full years (of twelve months each), calculated on a restated and consolidated basis.

5. Under Companies Act, 2013, The registers shall be maintained at the registered office of the company unless a special resolution is passed in a general meeting authorising the keeping of the register at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than _____of the total members entered in the register of members reside.

DOWNWARDS

1. Under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board of directors of the top 1000 listed entities shall have at least one independent _____director.

2. Under Companies Act, 2013, The company shall produce such financial information maintained outside the country to the director within _____ days of the date of receipt of the written request furnished by a director.

3. Under the the Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, Where a meeting of committee could not be held for want of quorum, unless the committee has previously decided otherwise, the meeting shall automatically stand adjourned to the same time and place on the_____ day and on that day, no quorum shall be required.

4. Under the Companies Act, 2013, The Registrar shall cause a notice under sub-section (5) of Section 248 of striking off the name of the company from the register of companies and its dissolution to be published in the Official Gazette in Form_____ and the same shall also be placed on the official website of the Ministry of Corporate Affairs.

5. Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, Form _____is required to be filed for covering period from Admission under Section 94/95 till filing of report under Section 99, on or before 10th day of the subsequent month, after submission of report by the RP to Adjudicating Authority under Section 99.

Winners - Crossword March 2026

1ST **CS Vanshika Lunia, ACS - 73889**

2ND **CS Priyanka Sharma, ACS - 65673**

3RD **CS Garima Bhasin, ACS - 34048**

Crossword Puzzle – March 2026 Answers

ACROSS

1. INDEPENDENT
2. TWO LAKHS
3. FORM F
4. SEVEN
5. CHG.6

DOWNWARDS

1. TWENTY-ONE
2. FIVE
3. AOC-2
4. EIGHT
5. THREE

NATIONAL/INTERNATIONAL REPORTS: ANALYSIS

Overview of Industrial Policy for Development: Approaches in the 21st century

Organisation: World Bank Group Policy Research Report

Month and Year: 2026 Report

Source: https://openknowledge.worldbank.org/server/api/core/bitstreams/b98ce474-f652-4b58-8c74-a65210da7d4c/content

(Please refer the link for complete report)

INTRODUCTION

Industrial policy are the range of policy tools that governments use to shape what an economy produces rather than leave it to the discretion of markets alone. Despite recent headlines, advanced economies are not the heaviest users of industrial policy. As this report documents, developing economies use it more intensively. In a recent survey of World Bank country economists, 80 percent reported that their client governments were seeking advice on industrial policy—overwhelmingly with the goal of spurring faster economic growth and job creation.

This report aims to provide a pragmatic answer. It offers the first comprehensive guide to industrial policies for development in the 21st century. It is distinctive in four respects. First, it covers a broad set of industrial policy tools—15 in all, well beyond the scope of existing literature, which focuses mainly on tariffs and subsidies. Second, it offers practical guidance on policy design and implementation, including how to target industries and design effective institutions. Third, it incorporates new evidence from more than 60 countries. Finally, it identifies targeted approaches that can be taken when governments seek to use industrial policy to pursue specific goals: earning foreign exchange, creating jobs, reducing pollution, and strengthening economic resilience.

This report offers a comprehensive definition of industrial policy in terms of 15 policy tools. Academic studies of industrial policy focus mainly on import tariffs and subsidies. Beyond that, some governments have emphasized industry-targeted "productive development policies" such as industrial parks or skills- development programs, or "new" industrial policies designed to tackle broader national objectives such as national security or reduced air pollution.

The 15 industrial policy tools that are examined throughout the report encompass all these categories. The tools are grouped into three broad categories: public inputs tailored to the needs of a specific industry or activity that are underprovided by markets, market incentives aimed at changing prices to make investment in a particular industry or activity more attractive than it otherwise would be, and macroeconomic interventions that incentivize industrial policy goals at the economywide level.

The report highlights four public inputs (industrial parks, skills development programs, market access assistance, and quality infrastructure); nine market incentives (import tariffs, public procurement rules, local content requirements, commodity export bans, "quid pro quo" arrangements that require technology transfer, and subsidies for production, innovation, exports, and consumer demand); and two macroeconomic interventions (competitive exchange rate devaluation and tax credits for research and development).

Table 0.1 Typology of feasible industrial policy tools for selected combinations of country characteristics

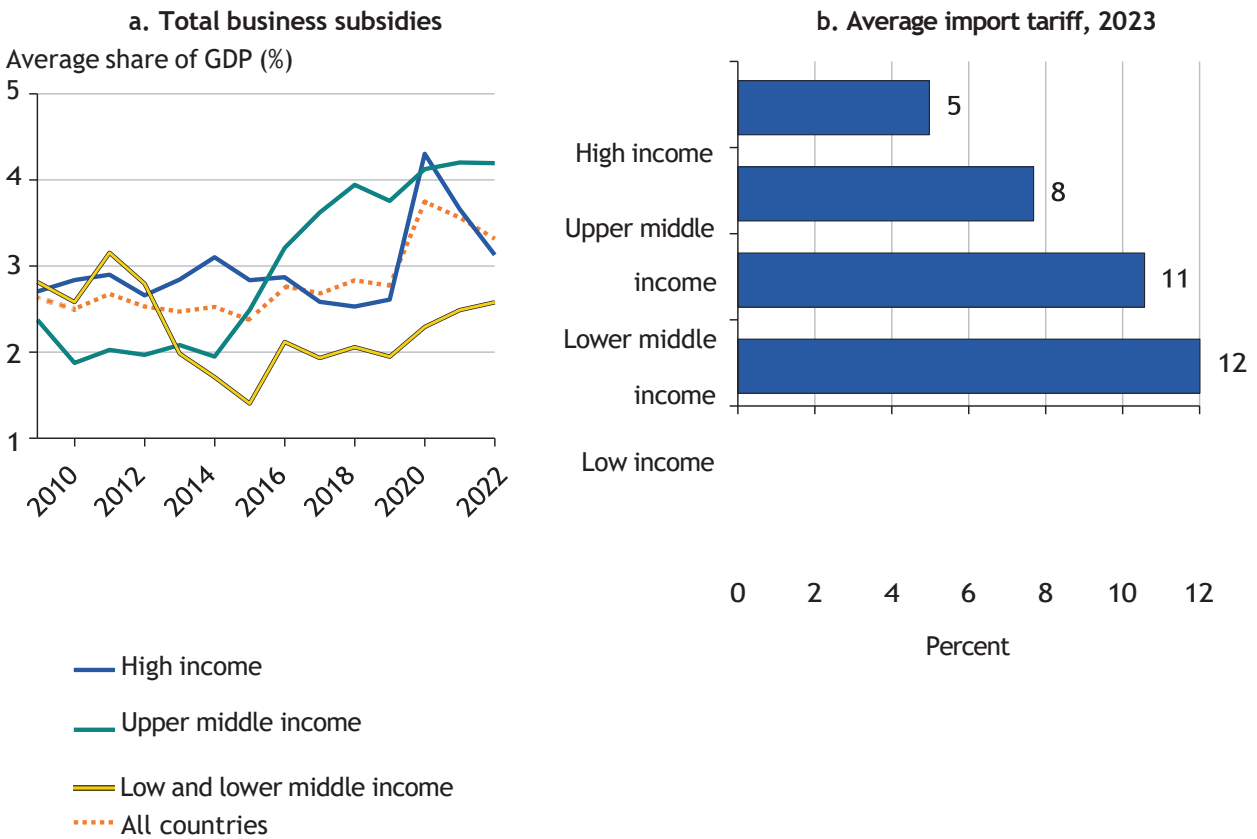
Country characteristics			Feasible policies
Government bandwidth	**Local market size**	**Fiscal space**	
Small	Small	Small	• **Industrial parks** • *Commodity export ban* • *Competitive exchange rate devaluation*
Large	Small	Small	" • **Skills development** • **Market access assistance** • **Quality infrastructure**
Large	Large	Small	" " • *Technology transfer quid pro quo* • *Import tariff* • *Local content requirement*

Large	Large	Large	"	"	"	• **Production subsidy** • **Specific innovation subsidy** • *Export subsidy* • *Public procurement* • *Consumer demand subsidy* • *Research and development tax credit*
			Comparative advantages and market potential also shape feasibility at the industry level.			

Source: Original table for this publication.

Note: Refer to chapter 1 of the report for a comprehensive typology. Refer to chapter 4 on comparative advantages and market potential. **First-choice policies** in bold address market failures head-on by subsidizing the activities that are underprovided. *Second-choice policies* in italics shape industry outcomes by intervening indirectly in adjacent markets, such as through a commodity export ban, foreign currency market, trade values, consumer markets, or the tax code. The ditto symbol (") indicates that all policy tools listed in the cell above it are feasible for countries with characteristics listed in the row.

Figure 0.1 The value of industrial policies today and differences across income groups



Sources: For subsidies: BOOST Open Budget Portal, World Bank, https://www.worldbank.org/en/programs/boost-portal; Global Tax Expenditures Database, https://gted.taxexpenditures.org/; Government Finance Statistics, International Monetary Fund, https://data.imf.org/en/datasets/IMF.STA:QGFS. For tariffs: Base pour l'Analyse du Commerce International (BACI) (database), Centre d'Etudes Prospectives et d'Informations Internationales (CEPII), https://www.cepii.fr/DATA_DOWNLOAD/baci/doc/baci_webpage.html; World Integrated Trade Solution (WITS) TRAINS (Trade Analysis and Information System) tariff data, World Bank, https://wits.worldbank.org/.

Note: Business subsidies are direct funding plus tax expenditures. The term "direct funding" refers to direct transfers to businesses, such as cash grants, while "tax expenditures" refers to forgone tax revenue from businesses. Tax expenditures are an upper-bound estimate, as they assume activities receiving tax holidays would have occurred in the absence of the tax holiday. If the activity receiving a tax holiday, such as foreign investment, would not have taken place otherwise, forgone tax revenue would be zero. Import tariffs are import-weighted averages of most-favored nation (MFN) tariffs; a similar pattern emerges when using applied tariffs. GDP = gross domestic product.

SCOPE OF THE REPORT

The report is organized around five broad questions that can shape the design and implementation of industrial policies for development. In the complete report, each chapter represents a concrete answer to those questions. The five questions are as follows:

- ***What is industrial policy?*** Chapter 1 lays the conceptual groundwork, framing industrial policy for development as addressing market failures and proposing a taxonomy that links country characteristics to the choice of industrial policy tools, as well as their prioritization—while also recognizing the associated risks.
- ***Who does industrial policy?*** Chapter 2 presents new stylized facts on cross-country patterns in the use of industrial policy tools, showing it is not only, or even mainly, the remit of advanced economies.
- ***How to do industrial policy?*** Chapter 3 distills 12 lessons from a survey of recent evidence on each of the 15 industrial policy tools, emphasizing that context and details matter greatly for outcomes. The chapter offers principles of practice to implement each policy tool and tailor it to the local context.
- ***Which activities to target?*** Chapter 4 proposes a practical framework that can guide governments in the complex decision of which activities to target strategically when pursuing industrial policy for development. The framework considers both the potential development benefits of activities, in terms of positive spillovers and external impacts, and their feasibility, based on market potential and evolving comparative advantages. The discussion encourages governments to think in terms of industrial strategies and proposes experimenting with a portfolio of targeted activities, recognizing that some initiatives will fail.
- ***How to get the institutions right?*** Chapter 5 focuses on the institutions that are crucial for effective industrial policy, which have arguably improved in recent decades. It considers delivery units, which guide diagnostics and policy design for the head of government, and seven implementing agencies with the potential to deliver, including national development banks and export promotion agencies, among others. Three core criteria for effective design and implementation of industrial policy are proposed: embeddedness, appropriate use of incentives, and accountability.

Table 7.1 Criteria to identify strategic business activities for development

Criteria		Indicator
I. Benefits from business activity	Positive spillovers	• Business activity is new, and has not been done in the economy before • Diversification of the economy through new products, processes, and inputs, creating knowledge spillovers • Learning-by-doing with advanced production methods (for example, through worker training, research and development) • Contribution to industrial upgrading (for example, experience producing for a leading international buyer signals ability to produce high quality)
	External impacts	• Foreign exchange earnings • Job creation • Pollution reduction • Economic resilience and security
II. Opportunity	Market potential	• Current value of world imports and/or domestic demand • Growth of world imports and/or domestic demand • Limited competition in international market measured by number of exporters
III. Feasibility	Risk based on evolving comparative advantage	• Low-risk activities have revealed comparative advantage • Medium-risk activities use adjacent technology in "product space" • High-risk activities lack both revealed comparative advantage and adjacent technology

Source: Original table for this publication.

GUIDANCE TO CHOOSE THE MIX OF POLICY TOOLS FOR FRAMING INDUSTRIAL POLICY

Once a government decides to expand a particular business activity, the central question becomes how best to promote it. Which industrial policy tools offer the greatest potential to stimulate growth, and how does this depend on country context and constraints? Beyond an industry's comparative advantage and market potential, the feasibility and effectiveness of different tools depend on three country characteristics: **government bandwidth** (institutional capability, trained personnel, and interagency coordination), **local market size** (domestic demand and preferential export markets), and **fiscal space** (the ability to mobilize revenue).

Table 7.2 Minimum country requirements to use industrial policy tools

				Minimum country requirements		
Market failure	**No.**	**Industrial policy tool**	**Rank**	**Government bandwidth**	**Local market size**	**Fiscal space**
Public inputs tailored to needs of activity						
Coordination failure	1	Industrial parks	**1st choice**			
Underinvestment in training	2	Skills development	**1st choice**	Large		
Asymmetric information	3	Market access assistance	**1st choice**	Large		
	4	Quality infrastructure	**1st choice**	Large		
Market incentives						
Positive spillovers, including learning-by-doing with advanced products and processes	5	Production subsidies	**1st choice**	Large		Large
	6	Specific innovation subsidies	**1st choice**	Large		Large
	7	Commodity export bans	2nd choice			
	8	Public procurement	2nd choice	Large	Large	Large
	9	Import tariffs or quotas	2nd choice		Large	
	10	Export subsidies	2nd choice			Large
	11	Technology transfer quid pro quo	2nd choice	Large	Large	
	12	Local content requirements	2nd choice	Large	Large	
	13	Consumer demand subsidies	2nd choice	Large	Large	Large
	Macroeconomic interventions					
	14	Competitive exchange rate devaluation	2nd choice			
	15	Research and development tax credit	2nd choice			Large

Source: Original table for this publication.

In table 7.2, cells marked "large" indicate where an industrial policy tool requires a large level of fiscal space, market size, or government bandwidth for success. Blank cells indicate feasibility even in countries with limited resources. The purpose of these binaries is to illustrate the assumptions required for industrial policy to be effective. It is up to governments to assess whether the government bandwidth, local market size, and fiscal space are "large" enough in their context. With more talent in government, larger middle classes, and domestic tax mobilization, these preconditions may well be satisfied.

Note: First-choice policies address market failures directly by subsidizing the activities that are underprovided. Second-choice policies shape industry outcomes by intervening indirectly in adjacent markets. Blank cells indicate that no minimum requirements of a given country characteristic are needed for a policy to be feasible.

MAJOR FINDINGS

Four key messages emerge from evidence and practice:

- Public inputs tailored to industry needs are fiscally inexpensive tools with proven success, though some require greater government bandwidth.
- Market interventions—subsidies, tariffs, commodity export bans, local content requirements, public procurement—are costly both fiscally and to the wider economy.
- Industrial policy tools should include termination clauses tied to evidence of learning-by-doing and productivity improvements.
- Expect some failure in industrial policy efforts and communicate this expectation.

CONCLUSION

Table 7.3 Criteria for industrial policy institutions

Criteria	Indicator
Embeddedness	• High-quality industry diagnostic studies, produced in-house or by consultants • Surveys of beneficiaries and other market participants • Private sector membership in executive committee and general assembly • Managerial expertise in government
Appropriate use of incentives as carrots and sticks	• Avoid automatic termination clauses when subsidies are exemptions from taxes, duties, or rules that may eventually be extended to all businesses • Otherwise, use automatic termination dates of 10 years • Allow extension only when there is clear evidence of productivity gains, measured by declining input cost per unit of output compared to nontargeted industries • Successful exports or import substitution can proxy for productivity gains
Accountability	• Reporting of outcomes, targets, and workplans • Clear, publicly available criteria for policy decisions and program participation • Civil society membership in executive committee and/or general assembly • Independent oversight bodies like supreme audit institutions, judicial oversight

Source: Original table for this publication.

a. Industrial policy for foreign exchange

- Governments can still pursue a trade-led growth model by using public inputs (for example, industrial parks, skills development, market access assistance, quality infrastructure) to help local exporters succeed and expanding preferential trade agreements with a diverse set of partners—particularly South-South agreements and deeper trade agreements allowing for investment and movement of workers.
- Without large domestic markets—such as those of Brazil or India— encompassed by a preferential trade agreement, import substitution will be difficult limiting the gain from import tariffs, commodity export bans, local content requirements, consumer subsidies, and public procurement.
- Export subsidies used to generate foreign exchange earnings as well as competitive exchange rate devaluation are used less often, given the risk of retaliation from trading partners.

b. Industrial policy for jobs

- Governments face a trade-off between supporting labour-absorbing industries that quickly create many lower-wage jobs and supporting high-wage, skill-intensive industries that raise productivity, increase average wages, and deliver broader economic benefits.
- Governments must decide when to subsidize labour rather than capital, recognizing that in capital-intensive industries, capital subsidies can be a more cost-effective way to create jobs than labour subsidies.
- Governments may need to assist workers displaced by trade or technology, even though broader social safety nets that support all workers may provide greater overall benefits.

c. Green industrial policy

- Emissions regulations, including emissions trading schemes, may require adaptation to avoid damaging the competitiveness of domestic industries, such as by providing free emissions allowances for energy-intensive industries.
- Subsidies for adopting or inventing low-pollution technologies can reduce operating costs for eligible businesses, but they may displace conventional power generation without distinguishing between cleaner and dirtier fossil fuels, and they do not necessarily promote energy conservation.
- Governments may pair subsidies for downstream adoption with protective second-choice tools—such as local content requirements or import tariffs—to ensure that the benefits of green technology uptake accrue to domestic businesses, but this will slow the pace of adoption if domestic businesses cannot produce these technologies competitively.

d. Industrial policy for resilience and security

- Governments can protect against domestic shocks by dispersing production across multiple locations, but this raises costs when new plants operate in higher-cost locations or when underutilized capacity is expensive to maintain.
- Governments can diversify import supply away from unreliable suppliers by building domestic production capacity, but this may be prohibitively costly. A better approach is to encourage businesses to switch to alternative, ideally lower-cost, foreign suppliers.
- Governments can help businesses adapt to shifts in export demand— such as when trade partners raise tariffs—by providing market access assistance and improving quality infrastructure to support entry into new markets.

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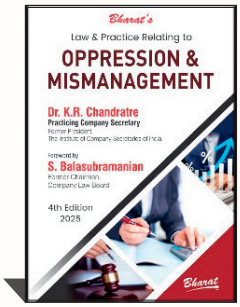

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INTRODUCTION

The corporate structure operates on the fundamental premise that the majority shareholders' decisions take precedence. However, circumstances may arise when the rights and interests of the minority shareholders are compromised. Successful companies strive to create a balance between the rights of minority shareholders and the authority of majority shareholders to minimize the risk of mismanagement in the company's administration.

This book analyses and interprets key provisions under Section 241 to Section 246 that lay down the statutory framework with regard to Oppression and Mismanagement. The earlier three editions of the book responded to the enduring need for a definitive resource that elucidated the principles related to both Indian and English case law.

DETAILED REVIEW

For the ease of understanding of the readers, the book is aptly divided into 9 chapters. The principle of judicial non-interference is well known in the realm of Company Law as the rule in *Foss v. Harbottle,* which lays down the principle of 'Majority Rule'. The principle of 'Majority Rule' in **Chapter 1** examines the rights and powers of majority shareholders as laid down in the Companies Act, 2013. **Chapter 2** articulates the meaning of a member and interprets the membership provision and conditions for acquiring corporate membership. Further, the chapter elaborates on the Statutory remedy under Section 241 of the Companies Act, 2013, and eligibility to make a Petition. Oppression and Mismanagement is when the matters of the company are decided unfairly or in an unjust manner to any member. NCLT can facilitate the minority shareholders with their grievances on prejudicial or oppressive acts of the majority shareholders or mismanagement. The need to protect the rights of the minority shareholders and the different forms of shareholders' remedies is described in **Chapter 3**. **Chapter 4** explicates statutory remedies against oppression and mismanagement while analysing the various sections and related provisions of the Companies Act, 2013 and the amendments made thereof. The conditions and procedural requirements for filing petitions in cases of Oppression and Mismanagement are discussed in **Chapter 5.** The key tests to determine Oppression and Mismanagement on the various situations that determine oppressive misconduct, the clean hands doctrine, are discussed in **Chapter 6.** The company can manipulate share issues as a device of oppressive conduct in the context of the directors' power to issue shares, which is elaborated in **Chapter 7. Chapter 8** is a detailed analysis of the statutory framework under the Companies Act, 2013, and the erstwhile Companies Act, 1956 on power of the Company Law Board to prevent Oppression or Mismanagement. The concluding chapter enumerates 'Just and Equitable' principle for winding up of a Company.

CONCLUSION

The book provides a comprehensive commentary on the relevant laws related to the subject and includes a table of cases presenting both Indian and English legal precedents reported from the initial enactment of this statutory provision in the English Companies Act, 1948 through June 2025, organized alphabetically. The appendices include the NCLT and NCLAT Rules 2016, a summary of selected judgments from the Supreme Court and High Court, as well as chosen orders from the Company Law Board. This latest 4th edition of the book offers an in-depth exploration of the topic and is beneficial for a diverse range of scholars and professionals in law and related fields.

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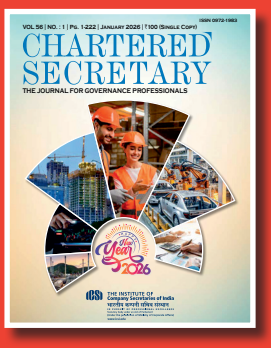

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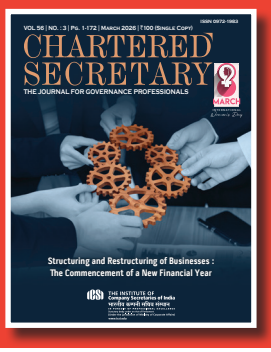

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