

# CHARTERED SECRETARY

THE JOURNAL FOR GOVERNANCE PROFESSIONALS

**15<sup>th</sup>** August  
INDEPENDENCE DAY



**UNION  
BUDGET  
2024**



**THE INSTITUTE OF  
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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# CHARTERED SECRETARY

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Vol. : LIV ■ No.08 ■ Pg 1-196 ■ August - 2024

## 04 - EDITORIAL

## 08 - FROM THE PRESIDENT

## 11 - RECENT INITIATIVES TAKEN BY ICSI

## 20 - ICSI EVENTS

- 5<sup>th</sup> National Conference of Corporate CS held on July 19-20, 2024 at Kolkata
- GST Day 2024 Celebrated Across India by ICSI Regional Offices and Chapters
- Meeting of ICSI delegates with students ICSI NISM Integrated Programme

## 44 - INTERVIEW

- CS Dev Bajpai, Executive Director, Legal & Corporate Affairs and Company Secretary, Hindustan Uniliver Limited

## 53 - ARTICLES

- Multidisciplinary

## 127 - LEGAL WORLD

## 135 - FROM THE GOVERNMENT

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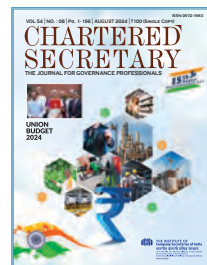
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## 153 - NEWS FROM THE INSTITUTE

## 159 - MISCELLANEOUS CORNER

- GST CORNER
- ETHICS IN PROFESSION
- CG CORNER
- ESG CORNER
- Gist of RD & ROC Adjudication Orders

## 191 - BEYOND GOVERNANCE

- Case Study
- Crossword

## Annual Subscription

'Chartered Secretary' is generally published in the first week of every month. ■ Non-receipt of any issue should be notified within that month. ■ Articles on subjects of interest to company secretaries are welcome. ■ Views expressed by contributors are their own and the Institute does not accept any responsibility. ■ The Institute is not in any way responsible for the result of any action taken on the basis of the advertisements published in the journal. ■ All rights reserved. ■ No part of the journal may be reproduced or copied in any form by any means without the written permission of the Institute. ■ The write ups of this issue are also available on the website of the Institute.



## EDITORIAL

In times of global economic turbulence and domestic fiscal challenges, the Union Budget 2024 stands as a beacon of fiscal prudence and strategic foresight, aiming to mend the economic foundations of India. With the public sector investments reaching their limits due to fiscal and debt constraints, the private sector is poised to take up the mantle of driving economic expansion, buoyed by healthy corporate balance sheets but requiring enhanced demand visibility. Thus, swift implementation is crucial for India's economy to effectively navigate global challenges and capitalize on emerging opportunities. This shows the Government's transformative step towards strengthening India's economic fabric, emphasizing employment, skilling, and MSMEs as a step towards achieving 'Viksit Bharat'.

The Institute of Company Secretaries of India through various measures is progressing towards achieving India's vision of 'Viksit Bharat' by year 2047. This month's Multidisciplinary issue of Chartered Secretary journal is dedicated to India's Independence by covering various intellectual write-ups, centered on governance, specifically highlighting areas where Company Secretaries can contribute.

While the month of June focused on exploring and deliberating on Practising Company Secretaries stepping beyond boundaries, the highly successful 25<sup>th</sup> National Conference of Practising Company Secretaries became a highlight with intense and reflective deliberations and efficacious key takeaways. This month, the Institute has organised its 5<sup>th</sup> National Conference of Corporate CS in Kolkata, creating a formidable platform for professionals across the Country, to deliberate on several significant aspects of professionals serving the Corporates.

The article section starts with a wide coverage of the Union Budget 2024 followed by an expert analysis on 'Does the right of Renunciation in a Rights Issue of Shares constitute a Public Offer? The Never-ending Confusion and Controversy'.

The next article is titled 'Enhancing Corporate Governance: A Guide to Effective Secretarial Practices for Company Secretaries.'

This article is all about analysis of 'From Paper to Pixels - Transforming Corporate Governance with Digital Solutions.' The next write-up discusses and elaborates on the applicable rules for Proxy Advisory Firms in India.

With the title 'Black Money, Money Laundering and Interplay of Multiple Economic Law and Enforcement Agencies,' the author tries to highlight menace of black money and money laundering and the interplay of various economic laws prevailing and enforcement agencies dealing with the same and the extent to which these are successful in obtaining convictions.

The article titled 'Artificial Intelligence (AI) in Corporate Governance: Transformative Trends and Legal Pathways in India,' the author tries to answer to the question what exactly is the Turing Test, and why is this achievement significant in the scientific community?

The article on 'Downstream Investments under FEMA-Regulatory and Practical Considerations' aims to provide a detailed overview of the regulatory framework for downstream investments in India with practical considerations followed by another article on the 'Role of Social Stock Exchange in Achieving Viksit Bharat-A Comprehensive Review.'

Touching one of the burning issue world wide, author through the research article titled 'ESG - Redefining the Routes: The Role of the Company Secretary as the Elixir in ESG' tries to find out the pivot role of Company Secretary in ESG excellence.

We are also happy to publish an Interview of CS Dev Bajpai, Executive Director, Legal & Corporate Affairs and Company Secretary, HUL.

Happy Reading!!

**CS Asish Mohan**  
(Editor - Chartered Secretary)





1. CS B. Narasimhan, President, The ICSI called upon Shri Kiren Rijiju, Hon'ble Minister of Parliamentary Affairs & Minority Affairs, GOI.
2. Shri Bhupendra Patel, Hon'ble Chief Minister of Gujarat graced the 51<sup>st</sup> Foundation Day Program of Ahmedabad Chapter of ICSI as Chief Guest. Also present on the dais: CS B. Narasimhan, President, The ICSI, CS Dhananjay Shukla, Vice-President, The ICSI, CS Rajesh C. Tarpura, Council Member, The ICSI & CS Mehul G. Rajput, Chairman, ICSI - WIRC.
- 3-5. CS B. Narasimhan, President, The ICSI addressed 3 Days Residential Conference on theme 'Intellect, Integrate & Inspire – Shaping the future of CS' and Press Conference organized by Salem Chapter of The ICSI from July 19 –21, 2024.





- 6-7. CS B. Narasimhan, President, The ICSI, CS Dhanajay Shukla, Vice-President, The ICSI, CS Asish Mohan, Secretary, The ICSI, graced the 48<sup>th</sup> Regional Conference of Company Secretaries organized by SIRC of ICSI on the theme "Apt to Adapt- Redefining the Role of Company Secretaries" held on July 26, 2024 at Bengaluru.
- 8-9. CS B. Narasimhan, President, The ICSI and CS Manish Gupta, Immediate Past President at the 1<sup>st</sup> Students' Conference, 2024 organised by ICSI-NIRC at New Delhi on July 31, 2024 and a group photo with President, The ICSI.
10. EIRC of ICSI organised 1<sup>st</sup> Regional Technology Summit on July 27, 2024.



## GLIMPSES FROM ICSI - CCGRTs



11-12. CS Sandip Kejriwal and CS Rupanjana De, Central Council Members of ICSI addressed the 3<sup>rd</sup> batch of 15 days Residential Corporate Leadership Programme from July 9 – 23, 2024 organised by ICSI-CCGRT Kolkata.

13. ICSI - CCGRT, Mumbai organised a seminar on the theme 'Overview of Digital Personal Data Protection Act, 2023 & Media Compliance Management' on July 6, 2024.

14. 23<sup>rd</sup> RCLDP (Inaugural session) organised by ICSI - CCGRT, Mumbai on July 22, 2024.





*“Ask not what your country can do for you – ask what you can do for your country,”*



### Dear Professional Colleagues,

**I**t swells my heart with great pride and honour as I extend my heartiest wishes to each one of you and the entire citizenry of this magnanimous nation as we all gear up to celebrate the 78<sup>th</sup> Independence Day of India.

While our generation and the ones after us, have been lucky to be born in an era to only read the stories of our struggle for freedom and memorizing it to fare well in the examinations; thousands and thousands of citizens of this great country had experienced the pain of it all as also the loss that came along with it first-hand.

There were those who laid their lives, there were those who could only envision a country freed from the shackles of bondage and the birth of a new nation but could not savor the moments that they had strived so hard to attain.

As we gear up to celebrate more than 7 decades of our presence as a free and independent country; let us not forget to bow before the legendary freedom fighters, the honorable peace makers and the great martyrs who have bestowed upon us this country that we so greatly and proudly cherish.

More important than the freedom is what you do of it and make of it. If our forefathers blessed us with the opportunities to live in a free country, they also placed upon our shoulders the responsibility to take it forward and place in our best of efforts to make up for the lost time in rendering it to be one of the most revered nations in the world. And when we think of taking this nation to the top, it is not only in economic terms but also in terms of social, cultural, and in every aspect of human way of living including governance.

As a professional body committed “to be a global leader in promoting good corporate governance”, our aim is to strengthen the governance framework in Indian companies to an extent that they serve as exemplary illustrations for the world to follow.

That, my dear friends, will be our individual as well as collective contribution to the empowerment, growth, development & transformation of this nation into a ‘Viksit Bharat’.

### JULY HIGHLIGHTS: AN EVENTFUL MONTH

If the leading sports persons of the country were gearing up to represent the nation at the ongoing Paris Olympics, the Institute was putting its best efforts to hone, polish and lend a brighter sheen and shine to the capabilities of its students through the long list of activities planned across the weeks & days of Student Month. As a nation, our heartiest congratulations to all those representing the nation and those sports-winners who have made the nation proud. As an institution my heartfelt appreciation to all Chapters, ROs and CCGRTs who so diligently organized each event and with them all the students who so exuberantly participated in them, making it all a grand success.

Another major event that was ticked off with plenty of significant deliberations in the heart of the city which values great pride in its literary & cultural heritage – Kolkata – the 5<sup>th</sup> **National Conference of Corporate CS** with the core theme of **Corporate CS: Transforming Governance for Viksit Bharat**. Each sub theme: be it ESG, thought leadership or Clarification on SEBI (LODR) or Governance Digitization; all laid emphasis on the role of Corporate CS – the CS in employment in creating conducive, consistent and yet comforting governance scenarios.

My gratitude towards Shri Vivek Gupta, Managing Director & Chief Group Editor, SANMARG, the Chief Guest for the Inaugural Session, the long list of Past Presidents who joined us reminding us of the legacy that we carry; all the seasoned experts who led the way and all the delegates from across the nation who joined us in reaffirming and commitment towards the nation. Thank you for making the 5<sup>th</sup> edition of this national event a grand success!

As I revisit the events of the past month, I cannot help but reminisce another grand congregation which I was delighted to be a part of – the **Annual Regional Conference** in Bengaluru. I wish and hope that the Chapters, Regions & CCGRTs will continue to place in their best of efforts in pursuing & conducting capacity building initiatives for the Members and the Students.

Living up to ICSI's mission "to develop high caliber professional facilitating good Corporate Governance" stands at the heart of each and every initiative that we undertake. As we enroll students into the CS course, it becomes our responsibility to lead their way & make them thorough professionals. But at the same time it is imperative that for a deeper penetration of the CS members, there is a greater awareness of the profession in the youth of a nation – one that does not reside in the metro cities but has opulent dreams of serving the nation and taking it to much greater heights than already achieved.

If as an Institute, through our Career Awareness Programmers in schools and colleges of Tier-II & Tier-III cities, we create an understanding of what future as a CS Professional entails, we also want them to have guidance, assistance and help nearby and readily available. It is with this intent that the ICSI launched the "CS Mitr" Scheme – wherein we invite School Teachers, College Lecturers and even our own members or anyone in close connection with students to register with us as our ambassadors and guide young minds into making the right career choice.

I hope that this move will find us fulfilling the fast growing governance needs of the industry all while serving the nation with are heart, mind & deeds.

## THE TIMES AHEAD: GEARING UP FOR ACTION ON ALL FRONTS

Just as there is eagerness to celebrate the Independence Day in full fanfare; as an institution, we have lined up events and activities for the continuous development of the profession, and our other stakeholders as well.

The month of September will be marked by two such events. The first being the **ICSI Middle East Conference** to be conducted during 4-5-6 September, 2024 in the heart of UAE at Abu Dhabi on the theme **Responsible Investment for Sustainable Future** which will be looked forward to at a global level, for it is through this platform that the ties will be further strengthened with the Middle East.

Our second event lined up just a week later is the beginning of a new chapter as we unfold the **ICSI Board Mentorship Programme (IBMP)**. A joint initiative of the ICSI & the section 8 company of ICSI – Institute of Governance Professional of India, the programme intends to target business leaders and Board members, Senior Management and KMPs and to hone them with some of the core skills and knowledge that shall add to their existing capabilities with the sole aim of strengthening Governance framework in business organizations they serve.

As we host the first IBMP in the city of Ooty during 12-14 September, 2024, we invite you to join us, not alone but with your Board Members to have a breath of fresh air, away from the regular mundanities to have an interactive and shared learning.

## MEETINGS AND GREETINGS : HONOURED BEYOND WORDS

If the ICSI takes great pride in working side-by-side with Regulatory Authorities, ensuring compliance; it is the laws made in the Houses of the Parliament that we are confirming adherence to. And what better opportunity than to be able to meet, discuss and share thoughts and ideologies with those who sit through the entire law making processes.

A few weeks ago, I along with the members of Team ICSI had the honour of meeting Shri Kiren Rijiju, Hon'ble Minister of Parliamentary Affairs & Minority Affairs. Having been to ICSI platforms – both in-person and virtually, his appreciation of the activities of the Institute was heartwarming, inspiring and motivating to the hilt.

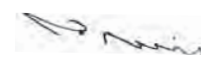
In another instance, we were bestowed upon with the amazing moments of meeting and having the gracious presence of Shri Bhupendra Patel, Hon'ble Chief Minister of Gujarat as we touched another landmark with the celebration of the 51<sup>st</sup> Foundation Day of the Ahmedabad Chapter of ICSI. His words of commendation, both for the Indian Industry and the role of CS Professionals was well received by the participants. Our heartiest gratitude to both the dignitaries for their time and guidance.

Each day, each month adds to the long list of awe-inspiring experiences, insights into the needs of the future and a lead for the actions to be taken in the present to fulfill them. But one thing that remains a constant, over all those moments is the need for togetherness – as a profession and as a part of this astounding nation – the Incredible India.

On that note, a very Happy Independence Day once again !!!

JAI HIND

Yours Sincerely



**CS B. Narasimhan**  
President, ICSI



# THIS MONTH THAT YEAR

1994

**2nd Technical Session**—Dr. Rakesh Mohan (Economic Advisor, Ministry of Industry) addressing and flanked by Amit K. Sen, A.C. Tapadar (Jt. Controller, RBI), A. Mukhopadhyay and Dr. S.P. Narang.



1994

**SIRC—BANGALORE CHAPTER:** Meeting with President—Sitting (L to R) K. Narayana Swamy, P.M. Bhansali, O.P. Dani, M. Chandrappa, Dr. K.R. Chandratre and Dr. S.P. Narang.



1997

**SIRC—23rd Regional Conference of SIRC [LEFT]** T. Sivadasa Menon (Hon'ble Minister of Finance, Kerala) lighting the inaugural lamp. **[RIGHT]** Inaugural Session—Seen (L to R) Dr. S.P. Narang, D.K. Prahlada Rao, T. Sivadasa Menon, P.V.S. Jagan Mohan Rao, Dr. D. Babu Paul (Member, Board of Revenue, Kerala), M. Chandrappa and B. Ravi.



1998

**WIRC: PUNE CHAPTER: Opening of the Office of ROC—[LEFT]** Sitting (L to R) T.S. Krishnamurthi (Secretary, DCA), Jainder Singh (Joint Secretary, DCA), Vikas Khare and Meena Karambe (ROC, Pune) **[RIGHT]** A view of ROC office.



1999

**WIRC—Seminar on IT-Interface with Professionals [LEFT]** Sitting (L to R) N.V. Deshpande (Legal Advisor, RBI), D.N. Raval (Ms.) (ED, SEBI), C.B. Bhawe (MD, NSDL) and D.B. Modak (MD, Spectrum Business Support Ltd.). **[RIGHT]** Sitting (L to R) S.Y. Thakur Desai, B. Anand (Area Sales Manager, Spectrum Business Support Ltd.) and S.N. Ananthasubramanian.



# INITIATIVES UNDERTAKEN DURING THE MONTH OF JULY, 2024

## MEETINGS WITH DIGNITARIES DURING THE MONTH OF JULY 2024

- Shri Kiren Rijiju, Hon'ble Minister of Parliamentary Affairs & Minority Affairs, GOI.

## MEETING WITH THE INSTITUTE OF MANAGEMENT ACCOUNTANTS (IMA) DELEGATION

IMA delegation comprising Mr. Michael DePrisco, The President and CEO; Mr. Sunil Deshmukh, Chair, IMA Global Board of Directors; and other senior management visited ICSI Headquarters on July 23, 2024 and met with CS B. Narasimhan, President, ICSI, CS Dhananjay Shukla, Vice President, ICSI, CS Manish Gupta, Immediate Past President, ICSI, CS Asish Mohan, Secretary and senior officials to discuss about collaboration in areas of mutual interest and offering programmes for respective members. IMA, headquartered in Montvale, N.J., USA, is one of the largest and most respected associations focused exclusively on advancing the management accounting profession with a global network of about 1,40,000 members in 150 countries and more than 350 professional and student chapters.

## 52<sup>ND</sup> NATIONAL CONVENTION OF COMPANY SECRETARIES - REGISTRATIONS OPEN

The Institute is organizing the 52<sup>nd</sup> National Convention of Company Secretaries during **November 8-9-10, 2024** at **Hotel Sahara Star, Mumbai** on the theme **"India@2047: Expanding Horizons for Professionals"** to deliberate upon expanding opportunities for professionals while achieving the vision of Viksit Bharat that encompasses various aspects of development, including economic growth, social progress, environmental sustainability, and good governance. The registrations for the Convention are open. We are delighted to call upon you to register for the 52<sup>nd</sup> National Convention of Company Secretaries by visiting the Registration link: <https://tinyurl.com/3re42saw>

## ICSI MIDDLE EAST CONFERENCE

The Institute of Company Secretaries of India (ICSI) is organizing the ICSI Middle East Conference on 4-5-

6 September 2024, in Abu Dhabi, UAE, on the theme, **"Responsible Investment for a Sustainable Future"**. The Conference is set to bring forth a channel of discussions revolving around innovative solutions like green financing and carbon credit mechanisms and will pair responsible investment with strong corporate governance. The conference will also focus on India-UAE bilateral relationship through collaborative discussions, aimed at unlocking mutually beneficial investment opportunities that would drive economic growth, create jobs, and foster a more sustainable future for both nations.

## 5<sup>TH</sup> NATIONAL CONFERENCE OF CORPORATE CS

The Institute organized its 5<sup>th</sup> National Conference of Corporate CS on 19-20 July, 2024 at The LaLiT, Kolkata, with the theme **"Corporate CS: Transforming Governance for Viksit Bharat"**. The Conference witnessed the presence of around 400 delegates present in person and 2000 delegates connected virtually from different parts of the country. Shri Vivek Gupta, Managing Director and Chief Group Editor, SANMARG presided over as the Chief Guest at the Inaugural Session.

## 24<sup>TH</sup> ICSI NATIONAL AWARDS FOR EXCELLENCE IN CORPORATE GOVERNANCE

The Institute taking its legacy forward has launched the 24<sup>th</sup> edition of the ICSI National Awards for Excellence in Corporate Governance. The applications for the following Awards opened on July 15, 2024:

- 24<sup>th</sup> ICSI National Awards for Excellence in Corporate Governance
- 24<sup>th</sup> ICSI Lifetime Achievement Award
- 9<sup>th</sup> ICSI CSR Excellence Awards
- 3<sup>rd</sup> ICSI Business Responsibility and Sustainability Awards

The last date for submission of applications is August 14, 2024. For further details visit [https://www.icsi.edu/home/icsi\\_cg\\_awards2024/](https://www.icsi.edu/home/icsi_cg_awards2024/)

## WEBINARS CONDUCTED

Topic	Date	Panelists	Moderator	YouTube Link
CS Overseas Opportunities in USA - International Webinar	June 10, 2024	CS Renuka Raman, Corporate Counsel, Big Lots, USA CS Praveen C. Medikundam, Attorney, International Legal & Business Services, USA CS Lakshmi Mittal, Of Counsel, The Cox Law Group, USA	CS Dwarakanath Chennur, Council Member, The ICSI	<a href="https://youtube.com/watch?v=mP5bb90-10Q">youtube.com/watch?v=mP5bb90-10Q</a>

Union Budget 2024-25 - Priorities & Proposals	July 28, 2024	Dr. Girish Ahuja, Eminent Tax Expert & Former Council Member, The ICSI and CS Bimal Jain, Eminent Indirect Tax Expert and Founder, A2Z Taxcorp LLP  CS B. Narasimhan, President, The ICSI	CS Suresh Pandey, Council Member, The ICSI	youtube.com/watch?v=b7yHed61T50
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### EEE4.0 – MASTER KNOWLEDGE SERIES

The ICSI with the intent of reviving, refreshing and sharpening the knowledge base of members, had launched a capacity building initiative EEE – Enable, Evaluate, Excel in the year 2017. The second and third editions were brought out in 2021 and 2023. Keeping the same intent & overwhelming response received, the ICSI has launched the next phase of this Webinar Series under the aegis of EEE 4.0- Master Knowledge Series on contemporary topics of professional interest. During the month following webinars were conducted under the Series:

Topic	Faculty	Moderator	Date	Link of session
Comprehensive Approach on RERA & Development Authorities	CS Gaurav Agrawal, RERA Consultant	Mr. Mrinal Madhur, ICSI	July 03, 2024	youtube.com/live/xF08HRi2lCk?si=sQEGZH9c61UrUtr4
External Commercial Borrowings, Trade Credits and Structured Obligations-A detailed Analysis	CS Bijoy P Pulipra, Commercial Arbitrator	CS (Dr.) Pooja Rahi, ICSI	July 10, 2024	youtube.com/live/650BHe8qK_M?si=76kMvR3QJy464nXR
Fraud Risk in crypto asset classes: Implications for Professionals	Mr Smarak Swain, Director FATF Cell, Dept. of Revenue, MoF, GoI	CS Venkata Ramana R Council Member, ICSI	July 17, 2024	youtube.com/live/3UuQ57GdS4k?si=sEl4gmnRvAnGPwzT
MCA-21 V3-Recently Launched 9 Company Forms	Sh. Manoj Pandey, Additional Secretary, MCA Sh. Sanjay Jain, Director, MCA Sh. R.C Mishra, Joint Director, MCA Sh. Vivek, Deputy Director, MCA Ms. Mansi Gokhale, Assistant Director, MCA	CS Pawan Chandak Council Member, ICSI	July 24, 2024	youtube.com/live/2b-rFLVatPA?si=dumArMalcS4T_7jI
Intellectual Property Rights and Trademarks: From Concept to Protection	CS Nayan Rawal, Advocate, Patent and Trademark Attorney	CS Surbhi Jain, ICSI	July 31, 2024	youtube.com/live/RErGYC3bYZQ?si=ftHT_1Bmml9Q6_hH

### REPRESENTATIONS SUBMITTED

Purpose	Date	Authority
Functioning of MCA 21-V3 Portal: Issues and Challenges facing stakeholders	July 19, 2024	MCA
Formation of Multi-Disciplinary Firms by the Members of 3 Professional Institutes i.e., ICSI, ICAI and ICoAI	July 23, 2024	MCA
Request to advise Regional Directors (RDs) to exercise power under Section 454(7) of the Companies Act, 2013 in view of ease of doing business for Corporates especially for MSMEs	July 26, 2024	MCA
Proposal for increase in remuneration of IEPFA Executives appointed in terms of MoU between ICSI and IEPFA	July 30, 2024	MCA
Comments on Consultation Paper on the Recommendations of the Expert Committee for facilitating ease of doing business and harmonization of the provisions of the ICDR and LODR Regulations	July 30, 2024	SEBI

## NCLT & NCLAT – PRACTICE AND PROCEDURE (UNDER COMPANIES ACT, 2013)

The Institute has released the publication “NCLT & NCLAT- Practice and Procedure (under Companies Act, 2013)” to provide a comprehensive insight into the functioning, significance, and evolving jurisprudence of the NCLT under the Companies Act, 2013 specifically garnering the role of Company Secretaries. Through meticulous analysis and practical insights, the aim is to demystify the complexities surrounding NCLT proceedings, empowering our professionals with the knowledge and understanding essential for navigating this specialized domain.

## FYNONE SOFTWARE APPLICATION

The Institute has signed an agreement on July 05, 2024 with Fynamics Techno Solutions Private Limited to facilitate members of the Institute in Practice by providing the FynOne software application. The application is Billing and Accounting application, with features to manage multiple profiles, add unlimited co-owners and sub users and get live tracking on their inventory, receivables, payables, accounting and tax compliance and more. The members may avail the Pro Subscription of the application free of cost till July, 2027. Members for details may visit <https://www.fynone.com/company-secretaries>

## 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 Circle formed/renewed in July 2024 for the FY 2024-25 were as under:

Region	Name of the Study Circle	Formation/ Renewal
WIRC	Reliance (Corporate) Study Circle of ICSI	Renewal

## WINDOW OPENED FOR PAYMENT OF ANNUAL MEMBERSHIP FEES AND COP RENEWAL FEES

As per the approval of the Council, a separate window of 15 days starting from 17<sup>th</sup> July, 2024 to 31<sup>st</sup> July, 2024 was opened for the members for payment of Annual Membership Fees and Certificate of Practice (CoP) Renewal Fees, without restoration and entrance fees, for the Financial Year 2024-25, upon submission of online KYM Form.

## ONLINE CLASSES OF PMQ, CERTIFICATE AND CRASH COURSES

During the month, Online Classes for the following PMQ, Certificate and Crash courses were organized:

- Certificate Course on Independent Director- Batch 7
- Certificate Course on GST- Batch 12

- Certificate Course on FEMA- Batch 7
- Certificate Course on Corporate Restructuring- Batch 5
- Crash Course on Non-Banking Financial Companies
- Crash Course on Bharatiya Nyaya Sanhita (BNS), Bharatiya Nagarik Suraksha Sanhita (BNSS) & Bharatiya Sakshya Adhiniyam (BSA)

## ONLINE ASSESSMENT OF CRASH COURSE

The online assessment of Certificate Course on POSH- Batch 7 and CCM- Batch 7 was held on July 11-12, 2024 and subsequent assessment was held on July 18-19, 2024.

## E-LEARNING FACILITY

The E-learning facility has been offered with anytime anywhere flexibility through online Learning Management System (LMS) to 198700 students and members. Certificate Courses, Crash Courses, PCS orientation program, E-EDP, Pre-Examination Test services offered and related queries resolution. PMQ courses continuation of Registration also configured on E-form. ECPE 2024 and CL Quiz 2024 configured for Registration and conduct of Assessment on LMS.

## PEER REVIEW CERTIFICATES ISSUED

During the month July 2024, Peer Review of 100 Practice Units was completed and accordingly Peer Review Certificate issued. The list of Peer Reviewed Units is updated on ICSI website from time to time and can be accessed at [www.icsi.edu/media/webmodules/List\\_Peer\\_Reviewed\\_Practice\\_Units.pdf](http://www.icsi.edu/media/webmodules/List_Peer_Reviewed_Practice_Units.pdf)

## PLACEMENT OPPORTUNITIES FOR COMPANY SECRETARIES

The ICSI stands committed to help all the associated companies and availing the services extended by the cell to conduct their recruitment drives for the position of Company Secretary/ CS Trainee in a time bound, hassle-free and mutually beneficial manner, and to help the members and students in getting the right placement offer. 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.

### (JULY 2024)

No. of Corporates/ MCA and other Government Bodies/ PSUs/ PCS Firms that Posted Jobs on the ICSI Placement Portal	145
No. of Openings available on the ICSI Placement Portal	563

For more details, kindly visit ICSI Placement Portal - [placement.icsi.edu](http://placement.icsi.edu)



**STATUS OF REGISTRATIONS AND POSTINGS AT THE PLACEMENT PORTAL**

(As on July 29, 2024)

Registered Users			Total no. of Vacancies
Members	Students	Corporates	Jobs / Trainings
19,394	27,450	6,563	13,616

**ICSI-SECTION 8 COMPANIES****INSTITUTE OF GOVERNANCE PROFESSIONALS**

- ICSI Board Mentorship Programme – Registrations Open**

The Institute of Company Secretaries of India through its Section 8 company Institute of Governance Professionals of India is pleased to announce the launch of the ICSI Board Mentorship Programme. A program solely intended at building capacities of Board members, senior management, KMPs and with them the future directors of the Indian companies. Given the enrapturing structure of the program and its intended objectives, it is only befitting that Company Secretaries along with their Board members join us in green city of Ooty during September 12-14, 2024. For further visit: [ICSI Board Mentorship Programme | ICSI](#)

**ICSI INSTITUTE OF INSOLVENCY PROFESSIONALS**

- Workshops**

Date	Subject	Speaker(s)	YouTube link
July 06, 2024	Practical Implications in Insolvency Resolution and Bankruptcy Process for Personal Guarantors	IP & CS Vinit Nagar IP & CS Harmeet Kaur	<a href="http://www.youtube.com/watch?v=s_QbwApFP0rU">www.youtube.com/watch?v=s_QbwApFP0rU</a>
July 20, 2024	Managing Corporate Debtor as Going Concern during CIRP and Liquidation	IP & CS Prakul Thadi CS Barsha Dikshit	<a href="http://www.youtube.com/watch?v=10vO7R344aM">www.youtube.com/watch?v=10vO7R344aM</a>
July 27, 2024	Alternate Career Opportunities for Insolvency Professionals in India and Abroad	IP & Advocate Rocky Ravinder Gupta IP Satish Kumar Gupta IP & CA Devang D. Sampat Mr. Alain Le Berre Mr. Sumit Arora Mr. Vikram Shankar IP Shekhar Shriraam Mr. Christopher Davis Linda Spedding CS & Advocate M.K. Ramakrishna CA Aruloli Advocate Ambili Menon	<a href="http://www.youtube.com/watch?v=VjrC5b3yhnQ&amp;t=1s">www.youtube.com/watch?v=VjrC5b3yhnQ&amp;t=1s</a> <a href="http://www.youtube.com/watch?v=FkwKjcn7Pho&amp;t=115s">www.youtube.com/watch?v=FkwKjcn7Pho&amp;t=115s</a>

- Webinars**

Date	Subject	Speaker(s)	YouTube link
July 05, 2024	Valuation under IBC and its relevant case laws	IP & CA Sejal Agrawal	<a href="http://www.youtube.com/watch?v=jR2q1aRnK6o">www.youtube.com/watch?v=jR2q1aRnK6o</a>
July 12, 2024	Anatomy of IBC Case Laws-18	IP & Advocate Apoorv Sarvaria	<a href="http://www.youtube.com/watch?v=ieMspfm9Yrg">www.youtube.com/watch?v=ieMspfm9Yrg</a>
July 19, 2024	Drafting and Negotiation of Resolution Plan	IP & CS Ashish Singh	<a href="http://www.youtube.com/watch?v=ObhgI7eCRLc">www.youtube.com/watch?v=ObhgI7eCRLc</a>
July 26, 2024	Differentiating Financial and Operational Creditors	CS Sucheta Gupta	<a href="http://www.youtube.com/watch?v=W1_kh9dVox0">www.youtube.com/watch?v=W1_kh9dVox0</a>

## • Round-table (Virtual) Discussion

Date	Subject	Speaker(s)	YouTube link
July 02, 2024	Amendments to IBBI (Insolvency Resolution Process for Corporate Process) Regulations, 2016	IP, CA & CS Vinod Kumar Kothari	<a href="https://www.youtube.com/watch?v=JVID2vsU5S0">www.youtube.com/watch?v=JVID2vsU5S0</a>

## • Joint Program

- IBBI jointly with ICSI Institute of Insolvency Professionals, Indian Institute of Insolvency Professionals of ICAI and IPA of Institute of Cost Accountants of India conducted workshop for Insolvency Professionals on July 09, 2024.
- IBBI jointly with ICSI Institute of Insolvency Professionals, Indian Institute of Insolvency Professionals of ICAI and IPA of Institute of Cost Accountants of India conducted workshop for Insolvency Professionals on July 23, 2024.

- *Seminar on “Overview of Digital Personal Data Protection Act, 2023 & Media Compliance Management”*

ICSI-CCGRT, Mumbai, organized a seminar on July 06, 2024 on the topic ‘Overview of Digital Personal Data Protection Act, 2023 & Media Compliance Management.’ The first session was conducted by Ms. Arushi Jain, Head of Media, Education & Gaming, Cyril Amarchand Mangaldas; and the second session was chaired by Ms. Pooja Kapadia, Principal Associate in Media, Education & Gaming, Cyril Amarchand Mangaldas.

## ICSI REGISTERED VALUERS ORGANISATION

Activity	Topics / Title	Date	Faculty
Online Continuing Professional Education (CPE) Programme	Cost Free Authentic Source for Market Comparable Method	July 23, 2024	Dr. Ajay Garg

## ICSI – INTERNATIONAL ADR CENTRE

- *Webinar on Mediation*

Topic	Date	Speaker	YouTube Link
An Insight into Mediation as a form of ADR	July 30, 2024	<b>Dr. Gitanjali Prabhu Shetty</b> Ph. D. (Law) Counsel, Arbitrator & Mediator	<a href="https://youtube.com/watch?v=dFokhur vLn8">youtube.com/watch?v=dFokhur vLn8</a>

## ICSI-CCGRTS

### ICSI-CCGRT MUMBAI

- *22<sup>nd</sup> RCLDP from June 20, 2024 to July 05, 2024*

The 22<sup>nd</sup> RCLDP was conducted at CCGRT, Mumbai from June 20- July 05, 2024. This program gathered 22 participants from different parts of the country, fostering a diverse and immersive learning atmosphere. CS Sumeet Maheshwari, General Manager – Secretarial in Mahindra & Mahindra Ltd. graced the valedictory ceremony as the Chief Guest.

- *23<sup>rd</sup> RCLDP from July 22, 2024 to August 06, 2024*

The 23<sup>rd</sup> RCLDP is being conducted at CCGRT, Mumbai from 22<sup>nd</sup> July 2024 which will be concluded on 6<sup>th</sup> August 2024. Esteemed Member of the Institute, CS Pankaj Chourasia, Company Secretary of Arcelor Mittal Nippon Steel India Limited graced the inauguration ceremony as Chief Guest.

### ICSI-CCGRT KOLKATA

- *3<sup>rd</sup> RCLDP conducted during July 09-23, 2024*

CCGRT Kolkata conducted its 3<sup>rd</sup> batch of Residential Corporate Leadership Programme during July 09-23, 2024 where 16 students across the country participated. The Inaugural Session was addressed by CS Rupanjana De and CS Sandip Kejriwal, Central Council Members, ICSI. During this 15-days residential training, students started their day with Jogging followed by Yoga Session in the morning and actively participated in various leadership development skills / sports activities in the evening. Apart from various academic sessions by learned and distinguished faculties, students visited NCLT and MCA offices and got an opportunity to interact with the officials/ regulators. CS Sandip Kejriwal, Council Member, ICSI and Convenor, CCGRT Kolkata addressed the participants in the valedictory session and presented the best participants’ awards.

## INITIATIVES FOR EMPLOYEES

### GENERAL HEALTHCARE CHECKUP CAMP AT ICSI HQ, LODI ROAD

On July 29, 2024, a comprehensive healthcare checkup camp was organized at ICSI Headquarters, Lodi Road in collaboration with Medanta Hospital, Gurugram. This initiative was part of the ongoing employee engagement program, aimed at promoting the well-being of staff. The camp featured a team of 13 medical professionals, including a cardiologist and an orthopaedic specialist, who provided consultations and health assessments. All employees participated in the camp, taking advantage of the opportunity to receive expert medical advice and routine health checkups. ICSI extends its gratitude to Medanta Hospital for their collaboration and the dedicated medical staff for their support in ensuring employees’ health and wellness.

## WEBINAR ON “ORGAN DONATION: BURSTING THE MYTHS”

On July 31, 2024, Dr. Reddy's Foundation hosted an insightful webinar titled “Organ Donation: Bursting the Myths,” specifically for ICSI employees and pensioners. The session aimed to address common misconceptions and provide valuable information about organ donation. Dr. Muneet Kaur Sahi led the presentation, offering expert insights and clarifying many myths surrounding organ donation. The webinar was well-attended, with participation from employees and veterans across the organization.

## INITIATIVES FOR STUDENTS

### EVENTS

- **STUDENT MONTH CELEBRATED ACROSS THE COUNTRY IN THE MONTH OF JULY 2024**

The Student Month was celebrated in the month of July, 2024. Student Month was filled with activities aimed at not just connecting with the future professionals or generate a feeling of oneness amongst them with the Institute but to share dedicated moments with them. From various competitions and launch of special initiatives like Online Centralised Classes, from online Soft Skills development Programmes, from ‘Samadhan Diwas’- Zero Grievance Day to Celebration of Career Awareness Week, from World Nature Conservation Day to Kargil Vijay Diwas, the month will witness all these events.

- **ALL INDIA COMPANY LAW QUIZ 2024**

The Company Law is a core subject under the Company Secretaryship Course. All India Company Law Quiz facilitates enhancing participation levels and the competitive spirit among the students. The objective of this competition is to upgrade the knowledge levels of students in Company Law and allied areas and to generate interest among the students for in-depth study of the subject including greater conceptual clarity.

The Registration for the competition started from Monday, June 24, 2024 at 10:00 AM through online mode.

The Schedule of Rounds of the Competition will be held via Online/ Physical Mode as per the following:

Preliminary Round	Friday, August 30, 2024 (10 AM - 5 PM)	Online Mode
Quarter Final Round	Friday, September 27, 2024 (10 AM - 5 PM)	(MCQ pattern)
Semi-Final Round	Tuesday, October 22, 2024 (10 AM - 5 PM)	
Final Round	Saturday, November 16, 2024	Physical/ Virtual as decided by Institute

## FACILITATION AND RELAXATION

- **CENTRALIZED FREE ONLINE CLASSES FOR EXECUTIVE AND PROFESSIONAL PROGRAMME**

ICSI is conducting free online Centralized classes for the students of Executive Program (New Syllabus) and Professional Programme (New Syllabus) from July 01, 2024 onwards. These Classes are being conducted free of cost for the students. The classes are being conducted for the students eligible to appear in December 2024 examination and the duration of the classes will be 4-5 months. Students registered for these classes will be eligible to get exemption from pre-exam test subject to clearing of tests of respective group/s. Further, students registered for these classes will also be given free access to online doubt clearing classes conducted by the Institute.

- **ALLOWING EXECUTIVE & PROFESSIONAL PROGRAMME STUDENTS ONE MORE ATTEMPT UNDER OLD SYLLABUS: DECEMBER 2024 & JUNE 2025 SESSION OF EXAMINATION RESPECTIVELY**

The Institute has decided that the students of Executive & Professional Programme (2017 old syllabus) shall be allowed one more attempt during the December, 2024 & June 2025 session of examinations respectively. The detailed information is hosted at: [www.icsi.edu/media/webmodules/Announcement\\_One\\_More\\_Attempt\\_13062024.pdf](http://www.icsi.edu/media/webmodules/Announcement_One_More_Attempt_13062024.pdf)

CS Course	Last Session of Examination under Old Syllabus (2017)	Additional Attempt under Old Syllabus (2017)	All Examination (Executive under New Syllabus 2022)
Executive Programme	June 2024	December 2024	June 2025
Professional Programme	December 2024	June 2025	December 2025

All students of Executive & Professional Programme (Old Syllabus 2017) shall be compulsorily switched over to 2022 (New syllabus) from June, 2025 & December 2025 respectively.

- **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.).

- **ENCOURAGING STUDENTS TO COMPLETE CS COURSE AFTER PASSING EXECUTIVE PROGRAMME**

Many students started their CS Course with enthusiasm and ambition, but due to some personal



reasons, the students discontinued their studies after passing the Executive. However, completing CS Course can be one of the best decisions they will ever make for their future. Considering this we are regularly communicating with the students via bulk mail/bulk sms who have passed Executive but not registered for Professional to complete their CS Course. As a result, more than 2565 students registered in Professional Programme up to July 2024.

- **ICSI WAIVER/ CONCESSION 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 following categories in full Fee payable at the time of Registration in CS Executive programme. While all other fees, including those for trainings be applicable in full as per their respective category:

- *Wards and widows of martyrs (who have died during service; either during battle casualty or due to any other reason) of Indian Army, Indian Air Force, Indian Navy and all para-military forces.*
- *In Service/ Retired personnel of Indian Army, Indian Air Force, Indian Navy and all para military forces (including defence personnel who have taken retirement under short service commission).*
- *Wards of all personnel of Indian Army, Indian Air Force, Indian Navy and all para military forces (including wards of defence personnel who have taken retirement under short service commission).*
- *Candidates who are inducted as "Agniveer" under AGNEEPATH Scheme of the Government of India after completing four years under the Scheme (upon submission of documentary evidence for the same).*

- **ICSI SAMADHAN DIWAS**

ICSI successfully conducted the 45<sup>th</sup> Samadhan Diwas, on Wednesday, July 10, 2024. Samadhan Diwas is a unique initiative of the ICSI wherein "on-the-spot" resolution is provided on issues/grievances of trainees and trainers.

The purpose of the Samadhan Diwas is to facilitate the stakeholders to resolve their queries on the spot. In the Samadhan Diwas students get opportunity to present their cases and directly interact with the ICSI officials.

- **ACTIVATION OF SWITCHOVER OPTION ALONG WITH PRE-EXAMINATION FEE FOR**

## **PROFESSIONAL PROGRAMME OLD SYLLABUS (2017) STUDENTS**

The Institute has notified that candidate who have registered under the CS Professional old syllabus (2017) can switch over to CS Professional new syllabus (2022) comprising 7 papers. Accordingly, the portal for switchover from old syllabus (2017) to New Syllabus (2022) along with Pre-Examination Fee has been activated for Professional Programme Students w.e.f., November 20, 2023.

- **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, 24 Transcripts were issued.

Likewise, on request of the employer/PSU/government authorities and other Education verifier agencies, 03 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 at the time of Executive registration. Executive Programme students can now register directly for the Executive Programme classes conducted by the Regional/Chapter Offices at the time of Executive Programme registration. This will help the students to join classes at their nearest Regional/chapter Office.

- **PAPER WISE EXEMPTION ON THE BASIS OF HIGHER QUALIFICATIONS**

The Institute has decided that the students enrolling into the Company Secretary Course under New Syllabus, 2022 shall be eligible for paper-wise exemption (s) based on the higher qualifications acquired by them. Accordingly, necessary announcement including process of claiming paper-wise exemption has been shared for information to all concerned: [www.icsi.edu/media/webmodules/ATTENTION\\_STUDENTS\\_RECIPROCAL\\_EXEMPTION\\_NEW\\_SYLLABUS\\_2022\\_Updated.pdf](http://www.icsi.edu/media/webmodules/ATTENTION_STUDENTS_RECIPROCAL_EXEMPTION_NEW_SYLLABUS_2022_Updated.pdf)

- **PROFESSIONAL PROGRAMME PASS CERTIFICATE OF ICSI IN DIGILOCKER**

The Institute decided to issue Professional Programme Pass Certificate online via DIGILOCKER. The same initiative was Launched at 50<sup>th</sup> National Convention of ICSI at Kolkata with the support of the National e-Governance Division (NeGD), Ministry of Electronics and Information Technology (MeitY), Govt of India. The students who passed on or after June 2021 Session of Examination can download Professional Pass Certificate from DIGI Locker.

Announcement hosted and Communication via Bulk Mail has been sent to students for extracting their Professional Pass Certificate for June 2023 & December 2023 Session of Examinations.

#### • **REAL TIME GUIDANCE FOR STUDENTS**

The Institute has prepared Frequently Asked Questions (FAQs) on the queries received from Stakeholders / Students to give more clarity on the issues and real time guidance. The FAQs are hosted on website at:

- ♦ *FAQ for Executive Switchover :*  
[www.icsi.edu/media/webmodules/Executive\\_FAQ\\_SW\\_23022023.pdf](http://www.icsi.edu/media/webmodules/Executive_FAQ_SW_23022023.pdf); [www.icsi.edu/media/webmodules/Declaration\\_to\\_cater\\_switchover\\_Request\\_of\\_executive\\_-\\_professional\\_old\\_ysllabus\\_students.pdf](http://www.icsi.edu/media/webmodules/Declaration_to_cater_switchover_Request_of_executive_-_professional_old_ysllabus_students.pdf)
- ♦ *FAQ for Professional Switchover to New Syllabus:*  
[www.icsi.edu/media/webmodules/Executive\\_FAQ\\_SW\\_23022023.pdf](http://www.icsi.edu/media/webmodules/Executive_FAQ_SW_23022023.pdf)

### TRAINING SUPPORT

#### • **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 Opportunities on the ICSI Placement Portal	125
No. of Training Opportunities available on the ICSI Placement Portal	251

For more details, kindly visit ICSI Placement Portal - [placement.icsi.edu/PlacementApp/](http://placement.icsi.edu/PlacementApp/)

### COMPANY SECRETARY EXECUTIVE ENTRANCE TEST (CSEET)

During the month, following initiatives were taken for the CSEET students:

- **Centralized free online Classes of CSEET – July Session**  
ICSI conducted online Centralized classes for students of CSEET from 18<sup>th</sup> June, 2024 onwards. Faculties with vast experience took these classes.
- **Registration for CSEET Classes at the time of CSEET Registration**  
CSEET students can now register directly for the CSEET classes conducted by the Regional/Chapter Offices at the time of CSEET registration. This will help the students to join classes hassle free at their nearest location. Link to register [smash.icsi.edu/Scripts/CSEET/Instructions\\_CSEET.aspx](http://smash.icsi.edu/Scripts/CSEET/Instructions_CSEET.aspx)
- **Exemption to Graduates and Post Graduates from appearing in CSEET and enabling them to take direct admission in CS Executive Programme**

The Institute has decided to grant exemption to the following categories of students from appearing in CSEET enabling them to take direct admission in CS Executive Programme.

Graduates or Post Graduates in any discipline of any recognized University or any other Institution in India or abroad recognized as equivalent thereto by the Council.

To get exemption from CSEET on the basis of above qualification, such students shall be required to pay applicable exemption fees along with the requisite registration fees for the Executive Programme. For more details, please click [www.icsi.edu/media/webmodules/granting\\_exemption\\_230621.pdf](http://www.icsi.edu/media/webmodules/granting_exemption_230621.pdf)

#### • **CSEET Reading Material to be provided mandatorily to all students**

The Institute has decided that the **CSEET Guide – I** and **CSEET Guide – II** will be sent to all the students registering for CSEET by post, for which ₹500 will be taken at the time of registration from the students registering for CSEET in addition to ₹1000 (CSEET Registration fee).

#### • **CSEET Reference Reading Material (I and II) for all students at the time of CSEET registration on optional basis**

CSEET Reference Reading Material (I and II) will be provided optionally to all the students at the time of CSEET registration. Students are required to remit ₹1000 in addition to ₹1500. The same is available at: [www.icsi.edu/reference-reading-material/](http://www.icsi.edu/reference-reading-material/)

### KNOWLEDGE UPGRADATION

#### • **Student Company Secretary and CSEET Communique**

The Student Company Secretary e-journal for Executive/ Professional Programme students of ICSI and CSEET Communique covering latest updates on CSEET subjects have been released for the month of **July, 2024**. The journals are available on the Academic corner of the Institute's website at the link: [www.icsi.edu/e-journals/](http://www.icsi.edu/e-journals/)

#### • **Research Tab under Academic Portal for students**

A new research tab has been added under the Academic Portal to sensitize the students on emerging issues through research based academic outputs. The Research Tab can be accessed at [www.icsi.edu/student-n/academic-portal/research-corner/](http://www.icsi.edu/student-n/academic-portal/research-corner/).

#### • **Recorded Video Lectures**

ICSI has been recording video lectures of eminent faculties for the students of ICSI which help them to prepare for the examination. Students of the Institute can access recorded videos available on the E-learning platform by logging in to [elearning.icsi.in](http://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**

A Daily update for members and students, covering latest amendment on various laws for benefits of members & students available at [www.icsi.edu/infocapsule/](http://www.icsi.edu/infocapsule/)

## CAREER AWARENESS

- **Career Awareness Programmes in Army Public Schools across the country**

CSI through the support of Ministry of Defence conducted extensive Career Awareness Programmes in 42 Army public Schools in the country to sensitize the students, parents and teachers about the CS Profession.

- **Letter issued by Higher Education Department, West Bengal for conducting Career guidance sessions across their schools**

A Letter was issued by Higher Education Department, West Bengal for conducting Career guidance sessions

across their schools. The career guidance programme involves providing comprehensive information about the admission criteria, application procedures, and the wide array of professional opportunities awaiting those who successfully complete the CS Course. The same will help the students, their families, teachers, and peer groups make informed decisions regarding their career paths. Based on the circular, ICSI has planned to conduct Career Guidance sessions across their schools.

- **Career awareness Programmes, Career Fairs being conducted across the country by ICSI-HQ and Regional Chapter offices**

ICSI-HQ and Regional/Chapter offices are conducting Career awareness programmes and Career Fairs across the country on regular basis to create awareness regarding CS Profession amongst the prospective students.

ICSI-HQ organised and conducted following Career Fairs and Career Awareness Programmes in the month of July 2024 in addition to the other programmes being conducted by RC/Chapter offices across the country.

Region	Name of Institution	Date	Place
NIRC	Sri Guru Nanak Public School	July 01, 2024	New Delhi
NIRC	Army Public School	July 12, 2024	Jammu
NIRC	Roots Country School	July 13, 2024	Shimla
NIRC	Army Public School	July 13, 2024	Bengaluru
EIRC	Army Public School	July 15, 2024	Jorhat
NIRC	Gems Public School	July 15, 2024	Patiala
NIRC	Army Public School	July 16, 2024	Akhnoor
NIRC	Mother Teacher School	July 16, 2024	Barnala (Punjab)
	Mother Teacher School	July 16, 2024	Barnala (Punjab)
NIRC	Paradise Academy Sen. Sec. school	July 16, 2024	Barnala (Punjab)
EIRC	Chanakya National law University	July 16, 2024	Patna
NIRC	YS School	July 17, 2024	Barnala (Punjab)
NIRC	YS School	July 17, 2024	Barnala (Punjab)
NIRC	Baba Gandha Singh Public school	July 18, 2024	Barnala (Punjab)
	Baba Gandha Singh Public school	July 18, 2024	Barnala (Punjab)
NIRC	Paragon Senior Secondary School	July 20, 2024	Mohali
SIRC	Olive Tree Matriculation Higher Secondary School	July 26, 2024	Villupuram (TN)
NIRC	Army Public School	July 27, 2024	Jaladhar

## DIGITAL ICSI

Following initiatives were undertaken recently towards digitizing ICSI processes:

- Development and Implementation of online facility for “CS Mitr” - Incentive Scheme to boost Student registrations in Executive Programme.
- Creation of dedicated Child Portal for ICSI International ADR Centre.
- Acquired Accessibility Audit Compliance Certificate for ICSI Website <https://www.icsi.edu>.
- Acquired Security Audit Compliance Certificate for Central Receipt Accounting Software (CRAS) Application and Placement Portal.
- Chartered Secretary journal published on <https://www.magzter.com>, the world’s largest digital magazines website and its mobile app.
- Implementation of WhatsApp messaging service for sending information through WhatsApp to stakeholders.



# 5<sup>th</sup> National Conference of Corporate CS held on July 19- 20, 2024 at Kolkata

**Theme** - Corporate CS: Transforming Governance For Viksit Bharat

**Chief Guest** - **Shri Vivek Gupta**, Managing Director and Chief Group Editor, SANMARG

## INAUGURAL SESSION



## TECHNICAL SESSION - I

Framework and Trends for ESG Reporting





**TECHNICAL SESSION - II****Thought Leadership: Changing Board Dynamics****OPEN HOUSE****TECHNICAL SESSION - III****SEBI LODR: Latest Amendments, Issues & Clarifications**

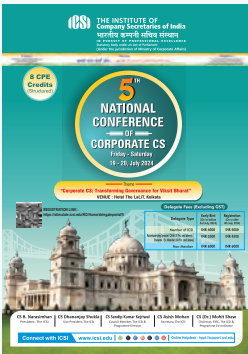


TECHNICAL SESSION - IV

Digitizing Governance: Building Efficacy



Releases at the 5<sup>th</sup> National Conference of Corporate CS





# Proceedings of the 5<sup>th</sup> National Conference of Corporate CS held on July 19- 20, 2024 at Kolkata

## Theme - Corporate CS: Transforming Governance For Viksit Bharat

The Institute organized its 5<sup>th</sup> National Conference of Corporate CS on 19-20 July, 2024 at Hotel The LaLiT, Kolkata, with the theme "Corporate CS: Transforming Governance for Viksit Bharat. The Conference witnessed the presence of around 400 delegates present in person and 2000 delegates connected virtually from different parts of the country.

### INAUGURAL SESSION

CS(Dr) Mohit Shaw, Chairman, ICSI-EIRC, delivered welcome address at the inaugural session. Quoting a profound verse from the Bhagavad Gita, he emphasized the importance of upholding righteousness and justice. He spoke about "Viksit Bharat," by stressing that achieving this goal requires collective effort from every citizen, not just the government.

CS Sandip Kejriwal, Programme Director and Council Member, The ICSI, introduced the theme of the Conference, and accentuated that India is poised to reach 10 times its current GDP size by the time it celebrates its centenary year of independence, aligning with Prime Minister Shri. Narendra Modi's vision of making India a developed nation by 2047. He deliberated upon ICSI's initiatives to create new opportunities for Company Secretaries (CS), and highlighted that CS plays a crucial role as architects of corporate governance, bridging the gap between the board room and stakeholders.

He then briefed about the various technical sessions scheduled during two-days national conference.

CS B. Narasimhan, President, The ICSI, started his presidential address by welcoming the dignitaries and delegates present both physically and virtually. He thanked the Chief Guest for gracing the occasion.

He emphasized the decisive role of Company Secretaries in supporting India's growth towards achieving the vision of Viksit Bharat. He said that the growth of each CS is crucial to the growth of the institute, and that the role of CS is evolving to meet the changing expectations of stakeholders, including sustainability and governance issues. He spoke about ICSI commitment towards fostering the culture of good governance and building capacities of CS professionals both nationally and globally. He highlighted the importance of proactive and positive compliance with the legislative environment and social dynamics. Furthermore, he stressed upon the selection of the theme of the National Conference which is of immense contemporary relevance, and how the conference would facilitate a purposeful exchange of knowledge and information. Presidential address was

followed by releases at the august hands of the Chief Guest along with the other dignitaries present at the dais:

- i) E-Souvenir of the 5<sup>th</sup> National Conference of Corporate CS
- ii) Flyer for the 52<sup>nd</sup> National Convention of Company Secretaries.

Chief Guest Shri Vivek Gupta, Managing Director and Chief Group Editor, SANMARG, while delivering his address emphasized upon the high demand for Company Secretaries and the need for good governance while following legal compliances. He urged ICSI to provide suggestions for improving compliance and easing the law-making process. He further highlighted the expanding role and responsibilities of Company Secretaries and concluded his speech by appreciating the Institute for its various initiatives.

CS Asish Mohan, Secretary, The ICSI, proposed the Vote of Thanks and expressed his sincere gratitude to each and every one for their enthusiastic, energetic and inspiring words. He spoke about the emergence of the ICSI and setting up of office in Kolkata. Quoting Warren Buffet, that "Someone is sitting in shades today because someone planted a tree long time ago", he emphasized the importance of sustainability. He briefed about the theme of the conference which outlines the blueprint for India's journey towards becoming a developed nation by 2047 and acknowledged the responsibility of Company Secretaries in shaping responsible, resilient, and ethical corporate governance framework in India.

### FIRST TECHNICAL SESSION- FRAMEWORK AND TRENDS FOR ESG REPORTING

**Session Co-ordinators:** CS Venkata Ramana R & CS Suresh Pandey, Council Members, The ICSI.

**Panellists:** CS Ranjeet Pandey, Former President, The ICSI, Dr. Harish Ahuja, Head Sustainability – National Stock Exchange of India Ltd. and CS S. Radhakrishnan, Executive Director & President, Infinity Infotech Parks Limited.

CS Suresh Pandey in his introductory remarks briefed about the session theme and deliberated on roots of ESG in Indian Culture. He welcomed all the learned panellists and invited them for sharing their views and experiences with the delegates.

Dr. Harish Ahuja, in his address, spoke about the structural part of Sustainability through time series. He

added that sustainability is a part of interconnected trinity that comprises of three components viz. Net Energy transition, ESG Reporting and Social Stock Exchange. Stating Social Stock Exchange as an integral part of ESG reporting, he highlighted the critical milestones achieved in the journey of ESG. Dr. Ahuja stated that adoption of good ESG practices increases the participation of various stakeholders including investors. After expressing his views on how BRSR reporting would help the climate change initiative of the Government of India at global level, he concluded by highlighting SEBI's Green Credit Programme emanating from the Prime Minister's LiFE Programme.

The address of CS Ranjeet Pandey was revolving around the perspective of Sustainability and the principles that take the ESG forward. Defining the sustainability, he added receptiveness of ESG and its compulsion for the entire ecosystem. He shared the philanthropic roots of ESG, its journey and evolution. Deliberating the concept of 3Ps i.e. People, Prosperity and Planet, he said that the Planet comes the foremost amongst the three. He acknowledged the role of Company Secretaries as the nodal professionals that interacts with all kind of stakeholders and can be the catalyst to propagate the concept of ESG within an organization. He also suggested the parameters to be taken care of by Company Secretaries before going for stakeholders' consultation or strategic assessment of ESG goals and targets. He expressed his views on ESG as a compliance or governance perspective and the alignment of business objectives with the Sustainable goals. He concluded by highlighting the alignment of United Nation's SDG Goals with the National Agenda and contribution required from each and every individual to achieve these goals.

CS S. Radhakrishnan in his address aligned Swami Vivekananda's thought and the Vedas with ESG Reporting. He suggested that Leadership Commitment, Educational Awareness and Stakeholder's Engagement are the key initiatives to change the perception of ESG from Compliance burden to culture of a responsible business conduct. He emphasized that ESG should be integrated with the business processes and the reporting should be based on accepted ESG standards by leveraging technology. He concluded by focusing on climate change and throwing light upon integration of ESG reporting with the Financial Reporting.

The panellists had in-depth discussions on the session's theme, addressed various issues and queries from the delegates which made the deliberations more interactive.

Thereafter, CS Venkata Ramana R summed up the discussions and proposed the Vote of Thanks.

## SECOND TECHNICAL SESSION- THOUGHT LEADERSHIP: CHANGING BOARD DYNAMICS

**Session Co-ordinators:** CS Rajesh C Tarpara & CS NPS Chawla, Council Members, The ICSI

**Panellists:** CS Parvatheesam Kanchinadam, Company Secretary & Chief Legal Officer, Tata Steel Limited,

Dr. Ashok Kumar Mishra, Council Member (Government Nominee), The ICSI and Ex-Technical Member, NCLAT.

CS Rajesh C Tarpara in his opening remarks briefed about the session theme, welcomed all the learned panellists and invited the co- moderator CS NPS Chawla for the introduction of the panellists.

CS Parvatheesam Kanchinadam shared his thought on the role of Company Secretaries in making turns to reality of the idea of Board dynamics. He emphasized that despite being a challenge, changing board dynamics is both responsibility and opportunity for Company Secretaries as they are the reflection or focal point of Board Governance. Commemorate his journey, CS Kanchinadam highlighted the evolution of the role of Company Secretaries from administrative position to strategic position for the Board as well as for the Management, Investors, Regulators and other Stakeholders. He reiterated that India is the only country which codified the duties of Directors under the Companies Act, 2013 towards various stakeholders. Highlighting the role of Company Secretaries in Board effectiveness, he compared Company Secretary with a mirror and advised certain material elements a Company Secretary should possess in order to ensure the board effectiveness. He concluded by deliberating upon the governance professional role being performed by a Company Secretary within an organisation.

Dr. Ashok Kumar Mishra in his address spoke about his journey into the Profession of Company Secretary and shared his practical experience on the role of a Company Secretary within an Organization. He emphasized on the importance of transparency and disclosures made by a Company Secretary for an Organization. He concluded by articulating that Company Secretaries can increase the life of an organization.

The panellists had in-depth discussions on the session's theme, addressed various issues and queries from the delegates which made the deliberations more interactive.

CS NPS Chawla summed up the discussion and proposed the Vote of Thanks.

## OPEN HOUSE SESSION

The 5<sup>th</sup> National Conference of Corporate CS had an Interactive Open House Session of the President, The ICSI and the Council Members, The ICSI with the members. CS B. Narasimhan President, The ICSI, CS Ashish Karodia, CS Manish Gupta, CS Manoj Kumar Purbey, CS NPS Chawla, CS Praveen Soni, CS Rajesh C. Tarpara, CS Rupanjana De, CS Sandip Kumar Kejriwal, CS Suresh Pandey, CS Venkata Ramana R. and CS Asish Mohan, Secretary, The ICSI, were present on the dais at the session.

CS B. Narasimhan, President, The ICSI briefly introduced all the Council Members and the Committees and areas they are heading. After the introduction the President opened the floor for member queries. All the queries were suitably replied by the President along with the other Council Members.

### THIRD TECHNICAL SESSION- SEBI LODR: LATEST AMENDMENTS, ISSUES & CLARIFICATIONS

**Session Co-ordinators:** CS Manoj Kumar Purbey and CS Praveen Soni, Council Members, The ICSI.

**Panellists:** CS Savithri Parekh, Company Secretary and Compliance Officer, Reliance Industries Limited; CS Avishkar Naik, Vice President- Surveillance, National Stock Exchange of India Ltd. and CS Anjan Roy, Company Secretary in Practice, Past Chairman, ICSI -EIRC.

CS Manoj Kumar Purbey, in his introductory remarks briefed about the theme of the technical session. He extended a warm welcome to the esteemed panellists and invited them to share their valuable insights and experiences with the delegates.

CS Avishkar Naik, in his address, deliberated upon the role Securities and Exchange Board of India (SEBI) plays as a regulator in maintaining the integrity and stability of the Indian Capital Markets. He highlighted SEBI's initiatives and reforms in Capital Markets, undertaken in collaboration with the Stock Exchanges, to strengthen the regulatory framework in Indian Capital Markets. His address was thrust upon SEBI's efforts towards ease of doing business for industries by reducing the compliance burden, formulating data-driven regulations to ensure effectiveness, allowing regulations to mature over time, and leveraging Artificial Intelligence (AI) and Regulatory Technology (RegTech) to boost regulatory capabilities and investor protection. He, further highlighted SEBI's transformative changes which are all backed by data analysis, enabling informed decision-making, identifying areas for improvement, and measuring regulatory effectiveness. He concluded by sharing that prioritizing ease of compliance, data-driven regulation, and AI/RegTech integration, the SEBI is ready to introduce transformative changes that will shape the future of India's Capital Markets.

CS Anjan Roy in his opening remarks spoke about the very happening phase in stock market which is crossing beyond 80000 marks. He said it is important to understand that developed country have higher scale of operation and the legislations should facilitate that. He further explained the role of Corporate CS in transforming the governance for Viksit Bharat.

CS Savithri Parekh shared her insights from an industry perspective, focusing on the challenges faced by the industry with respect to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Her deliberations were focused upon the need of clarity in regulations for a better compliance regime and she concluded by appreciating Government's initiatives in this regard.

The panellists had in-depth discussions on the session's theme, addressed various issues and queries from the delegates which made the deliberations more interactive.

CS Praveen Soni, Council Member, The ICSI summarized the key takeaways from the session and proposed the Vote of Thanks.

### FOURTH TECHNICAL SESSION- DIGITIZING GOVERNANCE: BUILDING EFFICACY

**Session Co-ordinators:** CS Rupanjana De and CS Ashish Karodia, Council Members, The ICSI.

**Panellists:** CS Vinod Kothari, Company Secretary in Practice and Past Chairman, ICSI-EIRC; Shri Manoj Tulsian, Joint Managing Director & CEO, Greenply Industries Limited; CS Mrityunjay Acharjee, General Manager (Finance) Numaligarh Refinery Ltd.

CS Ashish Karodia in his introductory remarks briefed about the session theme and welcomed all the esteemed panellists and invited them to share their valuable insights and experiences with the delegates.

CS Rupanjana De highlighted the capabilities of AI in processing large chunks of data at the same time and identifying patterns.

Shri Manoj Tulsian in his address, emphasized the role of AI for building efficacy in Board room. He spoke about how digitization has increased the transparency and convenience of the Board members in current period. He further said that India is going in a very faster way and AI is a great enabler if it is used in decision making with right perspective. He appreciated India's achievements in tackling large-scale problems, such as the Unified Payments Interface (UPI), which demonstrates the country's capability to solve complex issues through technological innovation and highlighted the role India can play in global AI innovation.

CS Mrityunjay Acharjee in his remarks highlighted the relevance of AI in business modelling and how it helps in day to day working and getting the best results out of it. He stressed upon the Digital Personal Data Protection Act, 2023 which presents several opportunities for businesses to improve their data management practices and ensure compliances with the new regulations.

CS Vinod Kothari in his remarks highlighted few examples around the world where an AI are being appointed as board members in a Company. He shared one incidence where the United Arab Emirates' International Holding Company during 2024 appointed an AI-powered observer to its Board. He further quoted Mr. Karim Lakhani's statement on AI that AI is not going to replace humans, but humans with AI are going to replace humans without AI. He said that risks are there but with a systematic and safe approach it can give the best results in future.

The panellists delved into a rich and insightful conversation, tackling a range of topics related to the session's theme, and provided thoughtful and informative responses to various queries, which ultimately made a fostering and interactive session.

Thereafter, CS Rupanjana De summed up the discussions and proposed the Vote of Thanks.



# GST Day 2024 Celebrated Across India by ICSI Regional Offices and Chapters



NIRC



EIRO



SIRO



Gurugram



Hyderabad



Chhatrapati Sambhaji Nagar





Belagavi



Bhubaneswar



Nagpur



Bhopal



Bengaluru



Kota



Varanasi

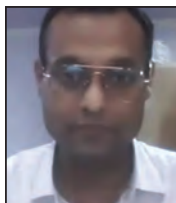


Kanpur

# EEE 4.0 - MASTER KNOWLEDGE SERIES

## WEBINAR ON

**Comprehensive Approach on RERA & Development Authorities held on 03.07.2024**



**Speaker:**  
**CS Gaurav Agrawal**  
RERA Consultant



**Moderator:**  
**Mrinal Madhur**  
The ICSI

## WEBINAR ON

**External Commercial Borrowings, Trade Credits and Structured Obligations-A detailed Analysis held on 10.07.2024**



**Speaker:**  
**CS Bijoy P Pulipra**  
Commercial Arbitrator



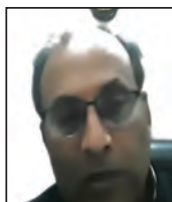
**Moderator:**  
**CS (Dr.) Pooja Rahi**  
The ICSI

## WEBINAR ON

**Fraud Risk in crypto asset classes: Implications for Professionals held on 17.07.2024**



**Speaker:**  
**Mr Smarak Swain**  
Director, FATF Cell,  
Dept. of Revenue, MoF, GoI



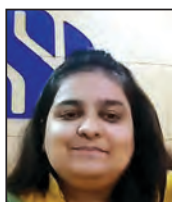
**Moderator:**  
**CS Venkata Ramana R**  
Central Council Member, The ICSI

## WEBINAR ON

**Intellectual Property Rights and Trademarks: From Concept to Protection held on 31.07.2024**



**Speaker:**  
**CS Nayan Rawal**  
Advocate, Patent and  
Trademark Attorney



**Moderator:**  
**CS Surbhi Jain**  
The ICSI



## WEBINAR ON

MCA-21 V3-Recently Launched 9 Company Forms held on 24.07.2024



**Special Address:**  
**CS B. Narasimhan**  
President, The ICSI



**Speaker:**  
**Sh. Manoj Pandey**  
Additional Secretary, MCA



**Speaker:**  
**Sh. Sanjay Jain**  
Director, MCA



**Speaker:**  
**Sh. R.C. Mishra**  
Joint Director, MCA



**Speaker:**  
**Sh. Vivek**  
Deputy Director, MCA



**Speaker:**  
**Ms. Mansi Gokhale**  
Assistant Director, MCA



**Moderator:**  
**CS Pawan Chandak**  
Central Council Member, The ICSI

## OTHER WEBINARS

## WEBINAR ON

Union Budget 2024-25 - Priorities &amp; Proposals held on 28.07.2024



**Addressed by:**  
**CS B. Narasimhan**  
President, The ICSI



**Speaker:**  
**Dr. Girish Ahuja**  
Eminent Tax Expert &  
Former Council Member, The ICSI



**Speaker:**  
**CS Bimal Jain**  
Eminent Indirect Tax Expert and  
Founder, A2Z Taxcorp LLP



**Moderator:**  
**CS Suresh Pandey**  
Central Council Member,  
The ICSI

## WEBINAR ON

An Insight into Mediation as a form of ADR held on 30.07.2024



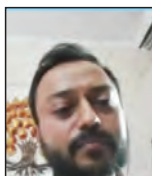
**Speaker:**  
**Dr. Gitanjali Prabhu Shetty**  
PhD (Law) Counsel,  
Arbitrator & Mediator



**Moderator:**  
**CS Ashish Karodia**  
Central Council Member,  
The ICSI

## WEBINAR ON

Crash Course on NBFC held from July 22-27, 2024



**Speaker:**  
**Mr. Amit Sourabh**  
AGM, RBI



**Speaker:**  
**Ms. Bhoomika Sharma**  
AGM, RBI



**Moderator:**  
**CS Suresh Pandey**  
Central Council Member,  
The ICSI

## Meeting of ICSI delegates with students of ICSI NISM Integrated Programme

A delegation comprising CS B. Narasimhan, President, The ICSI, CS Dhananjay Shukla, Vice-President, The ICSI, CS Manish Gupta, Immediate Past President and Council Member, The ICSI and CS Asish Mohan, Secretary, The ICSI interacted with the students of CSMC Executive Program at NISM Campus on August 03, 2024. Mr. Sunil Kadam, Registrar, NISM, Dr. Rajesh Kumar, Professor, NISM and other Faculties were also present.





## Meeting with International Dignitaries at ICSI

CS B. Narasimhan, President, The ICSI, CS Dhananjay Shukla, Vice - President, The ICSI, CS Manish Gupta, Immediate Past President, The ICSI, CS Asish Mohan, Secretary, The ICSI and senior officials met with IMA delegation comprising Mr. Michael DePrisco, The President and CEO; Mr. Sunil Deshmukh, Chair, IMA Global Board of Directors and other senior management on July 23, 2024 to discuss about collaboration in areas of mutual interest and offering programmes for respective members at ICSI Headquarters.







**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](http://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 compendium of 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](mailto: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 companies 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. Guidelines for Authors is placed at **Appendix-A**.

Should you require any further information, please feel free to connect with us.

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

Sincerely,

**Team ICSI**

## Guidelines for Authors

1. Articles on subjects of interest to the profession of company secretaries are published in the Journal.
2. The article must be original contribution of the author.
3. The article must be an exclusive contribution for the Journal.
4. 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.
5. The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants.
6. The article must carry the name(s) of the author(s) on the title page only and nowhere else.
7. 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.
8. The copyright of the articles, if published in the Journal, shall vest with the Institute.
9. 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.
10. The article shall be accompanied by a summary in 150 words and mailed to [overseas@icsi.edu](mailto:overseas@icsi.edu)
11. The article shall be accompanied by a 'Declaration-cum-Undertaking' from the author(s) as under:

### Declaration-cum-Undertaking

1. I, Shri/Ms./Dr./Prof....., 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 ICSI Journal and has not been / nor would be sent elsewhere for publication; and
  - c) the copyright in respect of this article, if published in ICSI Journal, 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)



**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। इष्टं कुरु। तपः। श्रद्धां। धैर्यं।

**Mission**

"To develop high calibre professionals  
facilitating good corporate governance"

**#ICSIMiddleEastConf**



# ICSI MIDDLE EAST CONFERENCE

Theme : Responsible Investment for Sustainable Future

**Co-Host : ICSI Middle East (DIFC) NPIO**

**4-6 September 2024 | Grand Hyatt, Abu Dhabi, UAE**

Knowledge Partner

**IVSC**





## About the Conference

Investing in a sustainable future is not a choice, it's an imperative. Imagine a world where financial growth and environmental responsibility go hand-in-hand. This is the power of responsible investing, where your money can make a positive impact while building a more sustainable future for generations to come. The world is facing unprecedented challenges such as climate change, resource depletion, and social inequality. Traditional investment strategies often overlook these critical issues. The new emerging approach is Responsible Investment.

Responsible Investment goes beyond just financial returns. It integrates environmental, social, and governance (ESG) factors into the investment decision-making process. This means considering a company's impact on the planet, its workforce, and its overall governance practices alongside its financial performance. Investing in companies committed to sustainability is the key to unlocking a double win: a healthy planet and a healthy portfolio.

In line with its vision of becoming a global leader in promoting good corporate governance and its mission to develop high-caliber professionals who facilitate good corporate governance, the Institute of Company Secretaries of India (ICSI) is catalyzing another opportunity for knowledge sharing by organizing its Middle East Conference in Abu Dhabi on 4-6 September, 2024.





The theme of the conference, **“Responsible Investment for a Sustainable Future”**, is set to bring forth a channel of discussions, equipping Company Secretaries with the know-how, that can help organizations find innovative solutions like green financing and carbon credit mechanisms and pair responsible investment with strong corporate governance.

The ICSI Middle East Conference in Abu Dhabi promises a deep dive into the world of responsible investment. The sessions will explore Global trends, Opportunities and Challenges in Responsible Investments; Regional focus into the specific considerations for responsible investment within Asia and the Middle East; The role of global stewardship codes and reporting behaviour in driving responsible investment forward; and Sustainability footprints of Sovereign Wealth Funds.

The conference will also focus on India-UAE bilateral relationship through collaborative discussions, aimed at unlocking mutually beneficial investment opportunities that would drive economic growth, create jobs, and foster a more sustainable future for both nations.

As a platform to connect with thought leaders, industry pioneers, and prospective investors, the Conference will help in shaping the future of responsible investment.

**CS B Narasimhan**  
President  
The ICSI

**CS Dhananjay Shukla**  
Vice President  
The ICSI

**CS NPS Chawla**  
Council Member  
& Chairman,  
International Affairs  
Committee, The ICSI

**CS Asish Mohan**  
Secretary,  
The ICSI

**CS R Lakshmanan**  
Chairman ICSI  
Middle East  
(DIFC) NPIO



## what is in store



**Three-Days Capacity  
Building Programme**



**Prospect for venturing  
into new realms**



**Enriching Study Tour**



**Networking with  
Global Leaders**

## who should attend

**Thought  
Leaders**

**Investment  
Bankers**

**Entrepreneurs**

**Governance  
Professionals**

**Industry**

**Academia**

### Tentative Programme Schedule

Date	Time	Particulars
Day - 1 Wednesday 4 <sup>th</sup> September 2024	09:00 – 10:00 hrs	Delegate Registration
	10:00 – 11:30 hrs	Opening/Inaugural Plenary
	11:30 – 12:00 hrs	Tea Break
	12:00 – 13:15 hrs	Plenary II
	13:15 – 14:15 hrs	Lunch
	14:15 – 15:15 hrs	Plenary III
	15:15 – 16:15 hrs	Plenary IV
	16:15 – 16:45 hrs	Tea Break
	17:30 – 20:00 hrs	Panoramic Tour of Abu Dhabi City

----- End of Day - 1 -----

Date	Time	Particulars
Day - 2 Thursday 5 <sup>th</sup> September 2024	09:30 – 11:00 hrs	Plenary V
	11:00 – 11:30 hrs	Tea Break
	11:30 – 12:30 hrs	Plenary VI
	12:30 – 13:30 hrs	Plenary VII
	13:30 – 14:30 hrs	Lunch
	14:30 – 15:30 hrs	Plenary VIII
	15:30 – 16:00 hrs	Tea Break
	16:00 – 16:30 hrs	Interaction with Participants

----- End of Day - 2 -----

Date	Time	Particulars
Day - 3, Friday 6 <sup>th</sup> September 2024	09:00 – 12:00 hrs	Study Tour

----- End of Day - 3 -----

\*Subject to changes and modifications.



## Delegate Fees (Non-Residential)

Category	Fees in INR*	Fees in AED**
ICSI Members	15,000	650
ICSI Students	10,000	450
Others	18,000	800
Members of ICSI Middle East (DIFC) NPIO	-----	450

\*Exclusive of GST @ 18%

\*\*Taxes as applicable

Delegates making payment in INR, register at  
<https://stimulate.icsi.edu/RO/Home/delegateportal/10>



Delegates making payment in AED to pay at the below mentioned bank account & then register at <https://forms.gle/VJ9blj6knTRfqcbq9>

### BANK ACCOUNT DETAILS

Beneficiary Name : ICSI Middle East DIFC NPIO  
 Account Number : 90010200029762  
 IBAN : AE230110090010200029762  
 SWIFT : BARBAEADDUB  
 Branch : Bank of Baroda, Sheikh Rashid Building, Dubai Main Branch, Bur Dubai.



### Kindly Note

- ✳ Prior Registration for the Conference is mandatory.
- ✳ Delegate fee is payable in advance and is non-refundable. Please note that payments are not accepted through DD, Cheque, Cash etc.
- ✳ The fee includes literature, tea/coffee, high-tea and 2 lunches.
- ✳ Delegates may arrange flight tickets, visa, stay and local travel on their own.
- ✳ Delegates may book their stay in the Grand Hyatt Hotel at concessional rates arranged by the ICSI.
- ✳ 10% Corporate Discount on nominating 3 or more delegates from the same organisation. To avail the discount, send nomination at [overseas@icsi.edu](mailto:overseas@icsi.edu)

ICSI Members attending the Conference shall be eligible for grant of CPE Credits in terms of ICSI (Continuous Professional Education) Guidelines, 2019.

## Hotel Booking for Delegate

1. Registered Delegates may book rooms in the Grand Hyatt Emirates Pearl Hotel, P.O. Box 7309, West Corniche, Abu Dhabi, UAE at the following concessional rates (for 3 Nights only) arranged by the ICSI:

Room Type Run of the House (ROH)	Amount in AED Per room per night basis (Non-refundable)			
	03-Sept	04-Sept	05-Sept	06-Sept
SGL Rate (Single Occupancy)	500	500	500	Check out
DBL Rate (Double Occupancy)	550	550	550	Check out

- ✦ The above room rates may vary on pre and post Conference days.
- ✦ The above rates are inclusive of Buffet Breakfast and all applicable service charges, local fees, and taxes. Government fee is subject to change without prior notice, as per Government instructions (rates will be adjusted in case of change in Government taxes)
- ✦ Complimentary wireless high-speed internet access in guest rooms and public areas.

### Check-in and Checkout Time (subject to availability)

Check-in: 3.00 PM

Check-out: 12.00 Noon. Late check-out charges are as follows:

Until 6.00 pm: 50% of the confirmed rate

After 6.00 pm: Full rate

- ✦ Delegates will have to carry an official identification card for check-ins
2. For booking of rooms, email at [overseas@icsi.edu](mailto:overseas@icsi.edu) with a copy of delegate registration receipt.
  3. All hotel payments are to be settled directly by the delegate.
  4. Delegates may also book their stay in any other hotel of their choice.

**Book your rooms by 15 August 2024 to avail concessional rates**

**For Query/ Clarifications:**

Contact : +91 11 – 4534 1063/ 1064/ 1065/1087/1088

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<b>Silver Partner</b> <ul style="list-style-type: none"> <li>• Official Status as Silver Partner</li> <li>• Organisation Logo on Backdrop</li> <li>• Fee Exemption for 3 Non-Residential Delegates</li> <li>• Complimentary 'Chartered Secretary' (ICSI monthly Journal) – 6 months subscription</li> <li>• Opportunity to play 1-minute promotional video of the organisation during the break – 1 time</li> <li>• Full page colour advertisement in the conference Literature</li> <li>• Acknowledgement of the Partner during the Programme</li> </ul>	3,00,000 INR/ 13,000 AED

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For Sponsorship queries contact

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Logo on Backdrop	✓	✓	✓	✓
Complimentary delegates (Non- Residential)	10	6	4	3
Complimentary 'Chartered Secretary' subscription	1 year	1 year	6 months	6 months
Organisation's 1 minute promotional video	4 times	3 times	2 times	1 time
Advertisement in Conference Literature	✓	✓	✓	✓
Advertisement in 'Chartered Secretary'	3 issues	2 issues	1 issue	–
Display of Corporate Standee	2	1	–	–
Logo on Promotional Material	✓	✓	–	–
Corporate Literature distribution	✓	✓	–	–
Complimentary Table top Booth	✓	✓	–	–
Social Media promotions	✓	✓	–	–
Speaking and presentation slot in B2B Session	✓	✓	–	–
Logo on Delegate Badge	✓	–	–	–
Speaking Slot	✓	–	–	–
Special Acknowledgement	✓	✓	✓	✓



## CS Dev Bajpai

**Executive Director, Legal & Corporate Affairs and  
Company Secretary, Hindustan Uniliver Limited**

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Mr Dev Bajpai (58) has been a member of the Management Committee of HUL since May 2010 and was inducted on the Board of Directors of HUL as a Whole Time Director with effect from January 2017.

Executive Director, Legal & Corporate Affairs and Company Secretary Dev is a Fellow Member of the Institute of Company Secretaries of India and has a law degree from the University of Delhi. He completed an Executive Program for Corporate Counsels at Harvard conducted by Harvard Law School.

He has over 30 years of experience in diverse industries that include Automobiles, FMCG, Hospitality and Private Equity, in the areas of Legal, Governance, Tax and Corporate Affairs.

In the past, he has worked with Maruti Udyog Limited, Marico Limited, Indian Hotels Company Limited and ICICI Venture Funds Management Company Limited. He has been part of Committees of Apex Industry Organisations such as CII & FICCI. CS Dev has also represented the Industry before Parliamentary Committees.



## **India is envisioned to become Viksit Bharat by 2047. What role will Indian corporates and Company Secretary professionals are playing in achieving these milestones?**

India is the fastest growing economy. The next 25 years have been called as Amrit Kaal by the Hon'ble Prime Minister signalling the advent of a uniquely auspicious period in the history of India for which the foundation has been laid over the last decade. It is going to be India's two decades ahead, not just, economically, but also, in the country, playing an increasingly important role in the geopolitical stage & in bringing about a new world era.

Consider this. India is already the fifth largest economy in the world surpassing UK in the recent past. As per IMF's World Economic Outlook, the size of the Indian economy will increase to \$ 5 Trillion in 2026-27. The Amrit Kaal period is the period when the country will realize its full potential given that the last decade has been very well deployed in building the foundation for the same. As per a recently released EY Report titled India @ 100 even while maintaining a stable, yet modest growth rate of 6% per annum, India would become a US \$26 Trillion economy in market exchange rate terms by 2047-48 with a per capita income exceeding US \$ 15000, nearly six times the current value, and will be classified as a "developed" country from a "developing & emerging" country.

In this backdrop, if I have to respond to the question that you have posed, I will say that for Corporate India & professionals like Company Secretaries, there has never been a better time than now. Corporate India is a key stakeholder in Government's vision of Viksit Bharat. This has got most recently reaffirmed by the Union Budget presented last month. The trust and reliance placed by the Government on Corporate India in playing a role in nation building is clear by the various schemes of employment, employability and skill development announced by the Hon'ble Finance Minister. The Government, on their part, have taken a series of measures to facilitate the growth of the industry through multiple schemes designed to bring about this growth. These schemes in the areas of manufacturing, agriculture & allied industries, exports, infrastructure have the potential to propel India's growth to a much higher level. Government has, over the last few years, increased its capital expenditure on infrastructure very significantly. This will not only promote foreign investment but will help more investments being made within the country. There is a healthy competition amongst States to invite investments which has never been seen in the past. There cannot be a better environment than what we have today to make an even more meaningful contribution to the growth of the Indian economy.

Today, the legal & regulatory environment is conducive for Company Secretaries to make a meaningful contribution that addresses not just the agenda of the Organizations

that they serve but goes beyond to the communities in which they operate. In the areas of Sustainability, CSR, ESG, Corporate Governance, evolving regulations, fiscal regulations, proposed labour regulations, creating a self-regulation framework for some industries, developing alternative means of dispute resolution mechanism, use of technology including ensuring rightful proliferation of AI that benefits all stakeholders are some of the areas where Company Secretaries have a role to play. Company Secretaries have punched below their weight is my feeling and they are capable of punching above their weight is my conviction. With the kind of rounded off course content and training that Company Secretaries get, they are most suitably placed to leverage the current environment in doing good to their work and the environment in which they operate. One example is the area of regulations. Instead of being only passive recipients of regulation, they can co-create regulation with the authorities.

## **Businesses have been largely impacted by the environmental and regulatory environment. How would you perceive the altering business dynamics of the country vis-à-vis global trends ?**

In the last few years, during and after Covid, the world has been a BANI world. BANI stands for brittle, anxious, non-linear & incomprehensible. The geo-political environment has been a fast changing one with the war that we have witnessed over the last two years soon after covid relented. The commodity prices were at an all-time high until last year & now we see commodities deflating. Our country has been the shining star. It has largely been an exception to the global slow down caused by massive supply chain disruptions after covid. Our tax collections as well as compliance have improved month on month.

The regulatory environment is ever evolving. In some ways, it is fine as the regulation has to keep pace with the changing business dynamics and as societal milieu changes. However, there is also need for stability in regulations that are crafted well. It brings about ease in doing business and removes uncertainty. I think we are on the right track. I firmly believe what is required is a series of internal reforms in regulations that are administered both by Centre and the States which will further propel growth and FDI.

## **FMCG has been a key role player in the Indian economy? How would you describe its major achievements and challenges? How has your journey been like?**

FMCG is among the top Industries in the country that is comprised of several sectors such as Personal Care, Home Care, Foods & so on & so forth. The industry serves daily needs of the households and straddles across the pyramid. The industry is a large employment generator and contributes handsomely to the tax revenues of the Government. The per capita consumption of FMCG is still low even for urban consumption & If we compare it with countries of Southeast Asia, it is abysmally low. The potential, therefore, for the industry to grow is enormous across categories & sectors.

Moreover, the consumer today is far more informed & discerning. She needs quality products at affordable prices. So, innovation becomes critical for the industry. However, there are legislative & regulatory challenges. By its very nature, the industry attracts both central and state regulations. The industry also suffers from a huge counterfeit and unfair competition problem. There is a proliferation of local players when the commodity prices are down, & some of them also sell counterfeit or look alike products. In the wake of severe inflationary pressures not too long ago to now a deflationary situation where commodity prices are down, it has been a tough ride for the industry. Companies that have kept the consumer at the heart of everything that they do during these times would always do better.

I have now done a total of 23 years in FMCG in my overall career of 35 years. It has been a fulfilling journey. I have seen the industry grow, mature, and meet the ever-evolving consumer needs with differentiated products and services over these years. E-com has emerged as an important channel in servicing the consumer. It has been a fascinating journey.

**Hailing from a company which has nine decades of presence in the Indian corporate Inc., how would you word the altered governance scenario in the country over all these years?**

HUL was incorporated as a corporate entity in 1933 and, over the nine decades, we have built a culture of good governance across different facets of our organization. Among the many things that bind us, governance is perhaps the most important aspect. We take immense pride in our governance philosophy, culture, and practices. Responsible corporate behaviour is at the heart of everything that we do.

The governance scenario in the country has significantly improved. There is greater appreciation of the fact that companies with sound governance practices are rewarded by stakeholders. Whilst it has been a lesson learnt hard, but I think people now get it. We have had a few cases in the recent years where corporate governance has been a casualty, but every country has their share of issues in this space. Unlike the US where corporate governance evolved much earlier through judicial pronouncements, in our country, it has had to be mandated over a period of time. But I am very hopeful that as we gear up to become the third largest economy, the issues concerning corporate governance will become basic and corporate behaviour would be of a different order striving to achieve the outstanding.

**Digital transformation is the modern-day buzz word. E-commerce has been their major impact in the overall economy in general. How you will guide CS students who are entering into the job field?**

India's digital opportunity is an eye opener for the world. A large telecom subscriber base of 1.2 bn and almost 850 mn internet users fuelled by Government's focus of building digital platforms have laid a strong foundation for a digital economy. India's digital economy grew by

15.6% between 2014-2019 which was 2.4 times faster than the growth of the Indian economy. Several service delivery platforms such as COWIN, Ayushman Bharat, Diksha, UMANG, GSTN, GeM, ONDC etc. have been either fully implemented successfully, or are in the process. The India stack pioneered in India is now the global benchmark and is a source of competitive advantage for growing businesses while they navigate some of the complexities of the Indian economy. The uniqueness of the India Stack lies in its scale, open architecture, facilitating transactions, designed to serve very high volumes at low cost. The digital economy has been a key enabler and facilitator in formalizing the Indian economy.

E com sector in India has grown handsomely over the last 5 to 6 years and has actually already realized the growth that it would have brought about by 2025. Covid has helped ecom and its various variants like q-com grow faster.

Company Secretaries can both learn & contribute to both from & to the digital transformation & the e-com boom that is being witnessed. When an industry grows rapidly, it brings about governance challenges. Company Secretaries as governance professionals have to ensure that these challenges that get thrown up in a rapidly growing digital economy are addressed. There are ethical, proprietary, governance issues that the digital economy throws up. Company Secretaries can play a role in first understanding these issues and then addressing them. A case in point is the guidelines on Dark Patterns. They directly hurt a consumer through these patterns on websites. The Government has a few months back issued guidelines on this subject. It is a governance issue. Company Secretaries as Governance Professionals have to help their organizations in ensuring that the D2C portals are free of any dark patterns like grip pricing, interface interference, nagging & so on & so forth. A lot of counterfeits are today being sold through the e-com channel. This spoils the image both of the brand as also the website from which such products are sold. This is again an area where the Company Secretaries can advocate for better laws and partner with e com team to stop such sales.

**ESG is the buzz word of the 21<sup>st</sup> Century. The present-day corporate scenario cannot be fathomed without taking into account ESG considerations. In such a scenario, what initiatives are being taken in making ESG an integral part of Board decision making?**

ESG has become integral to the way we operate today. It is a subject with which the Board engages itself with on a regular basis. At HUL, we have constituted an ESG Committee of the Board to look into the three facets of ESG. Today, there is a growing realization that it is not just profits that will alone drive the corporate agenda. Profits are important but profits with Purpose is the need of the hour. ESG provides that Purpose that can & should drive corporate priorities. In today's world corporates have to ensure that future growth is inclusive & does not come at the cost of the environment. At HUL, our value creation model is a multistakeholder model that encompasses



our consumers, customers, suppliers & business partners, our employees, shareholders and importantly, the planet & society. Given the importance of the subject & its scope to make an impact across multi stakeholders, it is one of the most important subjects for Board's deliberation. The Board has to go beyond the reporting requirements and the legal obligation that are cast on the Companies under ESG. It has to ensure that actions are taken to deliver impact in areas within the scope of the ESG mandate. Our constituting a separate Board Committee to look after ESG is an indication of the enormous importance we attach to the subject and the potential that it has to deliver meaningful impact at scale.

**Corporate Restructuring – Mergers and Amalgamations have altered the business dynamics in their own way. How do you perceive the present environment in terms of conduciveness for such business moves? And your Message to the Young Company Secretaries and Professionals.**

Mergers & Amalgamations are an important indicator of economic activity in the country. With the kind of growth that we are witnessing in our economy, M&As become an important vehicle to contribute to growth, leverage synergies, cut costs, reshape and streamline portfolios and serve the consumer and shareholders better. However, we have to look at the legal provisions that are presently applicable to mergers and other forms of corporate restructuring. On account of legal provisions that have existed for decades, M&A proposals get considerably delayed. NCLTs have huge backlogs which leads to delays. In any M&A, the whole objective is to combine or separate quickly to realize potential of synergies or shed inefficiencies quickly. This objective will not be achieved if we continue with the present regulatory regime. I am of the view that in any merger proposal, only the NCLT that has jurisdiction over the merging company which is going to lose its legal existence should only sanction the Scheme of Merger. The resultant company will be in existence after the merger and can be examined or investigated any time after the Scheme is operational. The shareholders, Audit Committee and the Board of the resultant company would have examined the merger proposal, so it need not go to NCLT at that stage. This will help expedite the process and also de clog NCLTs from huge pendency. This is also a step towards ease of doing business. Government will be able to realize revenue faster. It will send the right signal to the investing community and will be overall a positive step to bring about growth.

Company Secretaries have a role to play not just in ensuring compliance but in understanding the different facets of M&A and the business objective of any corporate restructuring proposals. Post the merger, the most important aspect is integration of the two businesses in terms of its people, practices & processes. Company Secretaries should engage themselves in all aspects of M&A namely pre, during and post-merger activities.

**The Regulatory environment is witnessing a paradigm shift from financial to non-financial reporting. How do you envision the ESG reporting landscape in India in the coming 5 years?**

This is a sign of maturity in some ways in the Indian corporate reporting framework. The ESG reporting framework is evolving and changes are being introduced

as required. The BRSR has both essential & leadership reporting indicators. The BRSR Core is going to elicit more specific information. A lot of the information to be reported under BRSR is non-financial in nature. The future reporting is likely to become comprehensive cutting across the value chain, more specific and sharper which we welcome. This will give to the investor a very good sense of the Company's approach and work it does along with the extended value chain. All of the corporate sector has an important role to play in our target as a country of being net positive.

**A member of the professional fraternity and being part of such a renowned Company, how has your journey been like?**

The journey has been very fulfilling. It has been a learning experience which I have tried to pass on to the next generation. I have seen the legislative & regulatory environment unfold & change significantly over the last three plus decades and professionals like Company Secretaries have on all such occasions of change, had a relevant role to play.

At HUL, we function with two core philosophies. They are - What is Good for India is good for HUL and Doing Well by Doing Good. These two core beliefs empower us, give us the national perspective and a conviction that we should serve the communities in which we function. This widens our thinking and perspective & it is always our effort to make a positive impact at scale.

**What role do you think professionals and especially Company Secretaries are playing and expected to play in the future in strengthening the economy of our country?**

Company Secretaries have to in addition to their core job of ensuring compliance, upholding and strengthening governance also contribute meaningfully to the business they serve. Company Secretaries should identify and work on the secretarial & legal agenda within the broader business agenda and should function as able business partners. They can engage themselves in co-creating regulation, develop advocacy skills, develop digital and AI capabilities, use their knowledge of law as a source of competitive advantage. In the ever changing legislative and regulatory landscape, they can through their deep understanding of law, be ahead of the curve and become valued partners to the businesses they serve by ensuring that the businesses function with integrity, responsibility & for the benefit of all stakeholders. They should contribute meaningfully to Government's agenda of ease of doing business.

**Your expectations from the Young Members of ICSI and message for the Journal readers?**

I think Company Secretaries as a profession has a bright future. To a large extent it depends on the individual what she or he would want to accomplish that adds value to the organization they serve. My advice would be to always take the path of the harder right than the easier wrong as that will be satisfying and fulfilling path to take.

## Indian Union Budget 2024-25: Futuristic, Progressive and Inclusive

54

CS Asish Mohan

This union budget that has emphasized on nine priorities are game changers for the Indian economy, as they will act as a catalyst in accelerating the pace of economic development. Like, the metamorphosis of agricultural research, thrust on natural farming, leveraging digital public infrastructure (DPI), proposal to launch skilling programme for youth, expansion of India Post Payments Bank branches, new assessment model for MSME credit, water management, addressing of housing needs, energy audit, allocation of massive funds for infrastructure development and so on and so forth highlights the government's holistic and transcendental approach towards transforming India into 'Viksit Bharat'.

## Does the right of Renunciation in a Rights Issue of Shares constitute a Public Offer?: The Never-ending Confusion and Controversy

60

CS (Dr.) K R Chandratre, FCS

The allotment of shares to the renouncees of rights shares even though they are not existing shareholders of the company, did not amount public offer", has once again triggered and revived the endless debate as to the question: Does the right of Renunciation in a Rights Issue of Shares constitute a Public Offer?

## Enhancing Corporate Governance: A Guide To Effective Secretarial Practices For Company Secretaries

68

CS Gaurav Kumar Vohra, FCS

Company Secretaries (CS) play a crucial role in the corporate governance framework, serving as essential intermediaries who link the board of directors, shareholders, and regulatory bodies. This article analysis best Secretarial Practices which with enhance Corporate Governance in India.

## From Paper to Pixels - Transforming Corporate Governance with Digital Solutions

76

CS Bhuvish Malhotra, ACS

Fast forward to recent times, the Companies Act, 2013, marks a significant leap in corporate governance reforms. This updated legislation brought stringent regulations designed to enhance transparency, protect minority shareholders, and enforce stricter penalties for non-compliance. This article highlights on Transforming Corporate Governance with Digital Solutions.

## Proxy Advisory Framework and the Role of Company Secretaries

82

CS Rashi Mittal, ACS, CS Nishant Sharma, ACS

This article discusses and elaborates on the applicable rules for proxy advisory firms in India. It also addresses the issues and challenges faced by these firms. Towards the end, the article emphasizes the opportunities for and the likely role of Company Secretaries in relation to proxy advisory firms.

## Black Money, Money Laundering and Interplay of Multiple Economic Law and Enforcement Agencies

88

Pramod Kumar Narula, (Lt.) Dr. Kuldeep Kumar

The objective of this article is to examine the menace of black money and money laundering and the interplay of various economic laws prevailing and enforcement agencies dealing with the same and the extent to which these are successful in obtaining convictions.

## Artificial Intelligence (AI) in Corporate Governance: Transformative Trends and Legal Pathways in India

93

CS Tanmay Mukund Pethkar, ACS

Recently, Google's model LaMDA (Language Model for Dialogue Applications) made headlines by reportedly passing the Turing Test, convincing a Google engineer that it is not only intelligent but also conscious and sentient. This has sparked a renewed interest in the Turing Test and its implications. But what exactly is the Turing Test, and why is this achievement significant in the scientific community?

## Downstream Investments under FEMA – Regulatory and Practical Considerations

97

CS Amandeep Singh Oberoi, ACS

This article aims to provide a detailed overview of the regulatory framework for downstream investments in India with practical considerations. As per the Consolidated FDI Policy Circular of 2020 ("FDI Policy"), 'Downstream investment' means indirect foreign investment, by an eligible Indian entity, into another Indian Company/LLP, by way of subscription or acquisition.

## Role of Social Stock Exchange in Achieving Viksit Bharat - A Comprehensive Review

102

Jyothi G. H.

In this comprehensive review, we examine into the symbiotic relationship between SSEs and Viksit Bharat, aiming to elucidate how SSEs can serve as catalysts in realizing these Viksit Bharat objectives. Social Stock Exchange represent a novel paradigm in capital markets, where investments are channeled towards enterprises committed to social and environmental impact alongside financial returns.



## Research Corner

P-111

## ESG - Redefining the Routes: The Role of the Company Secretary as the Elixir in ESG

112

Deepthi Menon

At the heart of this transformation is the Company Secretary, who plays a pivotal role in redefining the routes to ESG excellence. Global ESG frameworks are encouraging businesses to adopt practices that promote environmental stewardship, social responsibility, and strong governance. This article highlights ESG - Redefining the Routes: The Role of the Company Secretary as the Elixir in ESG.

## Legal World

P-127

- **LMJ 08:08:2024** The appellant is a distinct legal entity other than the unregistered bodies and there is no material to show that it is a successor thereto, it is not understandable as to how it became a tenant in respect of the premises in question.[SC]
- **LW 55:08:2024** It is beyond doubt that the commercial wisdom of the CoC is required to be honoured in letter and spirit. There is no role for Adjudicating Authority to interfere.[NCLAT]
- **LW 56:08:2024** Keeping in mind that the 'compensatory aspect' of remedy shall have priority over the 'punitive aspect', courts should encourage compounding of offences under the NI Act if parties are willing to do so.[SC]
- **LW 57:08:2024** Individual members are not signatories to the arbitration agreement, the fundamental requirement under Section 7 of the Arbitration Act, that the arbitration agreement has to be in writing among the parties to the arbitration proceedings, has also not been met.[BOM]
- **LW 58:08:2024** The grounds for challenge under Section 34 of the 1996 Act, and other relevant provisions are not available to those who are not parties to the arbitration agreement or proceedings.[Del]
- **LW 59:08:2024** The Food Authority has prescribed a warning size of 50% on the Pan Masala packet and the prescription of this size is not disproportionate and is in fact, appropriate considering the object sought to be achieved by the Regulator and for instructive purposes [DEL]
- **LW 60:08:2024** The scheme of amalgamation has fixed the appointed date as 01.04.2019 and accordingly after such date, the entity to which notice is issued is deemed not to be in existence.[KNT]
- **LW 61:08:2024** The allegation of refusal to deal and RPM are stated to be originating from oral directions and are not corroborated by any evidence, thus not supporting the case of the Informant.[CCI]
- **LW 62:08:2024** OP-1 being a consumer/ procurer of the impugned item has freedom to specify its requirements, conditions, EC and the said requirements, conditions, EC themselves cannot be deemed to be anti- competitive.[CCI]

## From The Government P-135

- Notice In the matter of Section 75 of the Limited Liability Partnership Act, 2008 read with Rule 37 (2) of Limited Liability Partnership Rules, 2009
- Filings under Section 124 and Section 125 of the Companies Act 2013 read with IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 in view of transition from MCA 21 version 2 to version 3
- Notice In the matter of Section 75 of the Limited Liability Partnership Act, 2008 read with Rule 37(2) of Limited Liability Partnership Rules, 2009
- Merger of Forms IEPF-3 With IEPF-4 and IEPF-7 with IEPF-1 along with change in payment process thereof in MCA Version 3-reg
- The Companies (Incorporation) Amendment Rules, 2024
- The Nidhi (Amendment) Rules, 2024
- The Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2024

- The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024
- The Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Amendment Order, 2024
- The Companies (Management and Administration) Amendment Rules, 2024
- The Companies (Significant Beneficial Owners) Amendment Rules, 2024
- Extension of time for Filing of PAS-7-rag
- Enabling ESG Rating Providers (ERPs) to undertake ESG rating activities under IFSCA
- Enabling Credit Rating Agencies (CRAs) to undertake rating activities under IFSCA
- Recognition of BSE Limited as Research Analyst Administration and Supervisory Body (RAASB) and Investment Adviser Administration and Supervisory Body (IAASB)
- Information to be filed by schemes of AIFs availing dissolution period/ additional liquidation period and conditions for in-specie distribution of assets of AIFs
- Ease of doing business - Streamlining of prudential norm for passive schemes regarding exposure to securities of group companies of the sponsor of Mutual Funds
- Measures for Ease of Doing Business for Credit Rating Agencies (CRAs) – Timelines and Disclosures
- Modification to Enhanced Supervision of Stock Brokers and Depository Participants
- Measures to instil confidence in securities market – Brokers' Institutional mechanism for prevention and detection of fraud or market abuse
- Reduction in denomination of debt securities and non-convertible redeemable preference shares
- Dispatch of Consolidated Account Statement (CAS) for all securities assets
- Charges levied by Market Infrastructure Institutions – True to Label
- Master Directions on Cyber Resilience and Digital Payment Security Controls for nonbank Payment System Operators
- Guidelines on treatment of Dividend Equalisation Fund (DEF)- Primary (Urban) Co-operative Banks (UCBs)
- Master Direction on Treatment of Wilful Defaulters and Large Defaulters
- 'Fully Accessible Route' for Investment by Non-residents in Government Securities – Exclusion of new issuances in 14-year and 30-year tenor securities
- Prompt Corrective Action (PCA) Framework for Primary (Urban) Co-operative Banks (UCBs)
- Small Value Loans – Primary (Urban) Co-operative Banks (UCBs)
- Bank Finance against Shares and Debentures
- Domestic Money Transfer – Review of Framework
- Master Direction - Overseas Investment
- Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies)
- Master Directions on Fraud Risk Management in Urban Cooperative Banks (UCBs) / State Cooperative Banks (StCBs) / Central Cooperative Banks (CCBs)
- Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions
- Withdrawal of Circulars – Internal Review
- Basel III Capital Regulations - Eligible Credit Rating Agencies (ECAI)
- Remittances to International Financial Services Centres (IFSCs) under the Liberalised Remittance Scheme (LRS)
- Export-Import Bank of India's GOI-supported Line of Credit of USD 2.50 mn to the Government of Co-operative Republic of Guyana, for installation of Solar Photo Voltaic Power Plant at Cheddi Jagan International Airport
- Online submission of Form A2: Removal of limits on amount of remittance
- Release of foreign exchange for Miscellaneous Remittances

## Other Highlights

- ❖ NEWS FROM THE INSTITUTE
- ❖ GST CORNER
- ❖ ETHICS IN PROFESSION
- ❖ CG CORNER
- ❖ ESG CORNER

# Call For ARTICLES

## Call For Articles in CS Journal – September 2024 Issue



### Responsible investment for a sustainable future

Responsible investment involves considering environmental, social and governance (ESG) issues when making investment decisions and influencing companies or assets (known as active ownership or stewardship). It complements traditional financial analysis and portfolio construction techniques with the core aim of generating financial returns to achieve positive outcomes for people and the planet, while avoiding negative ones.

It is for this reason that the ICSI is hosting its Middle East Conference at Abu Dhabi on the said theme. And it was thought fit that the September 2024 issue of Chartered Secretary Journal be themed around the topic **"Responsible investment for a sustainable future"**.

You are requested to send in your Articles centres around the sub-themes mentioned herein below:

- ❖ Sustainable Investing
- ❖ Green bonds and Impact investing
- ❖ Thematic investing (e.g., water, clean energy, healthcare)
- ❖ Impact Measurement and Reporting
- ❖ ESG metrics and standards
- ❖ Impact reporting frameworks (e.g., GRI, SASB, TCFD)
- ❖ Regulatory and Policy Developments
- ❖ Policies and incentives for green investments
- ❖ Green Finance and Innovation
- ❖ Green banking
- ❖ Fintech solutions for responsible investment
- ❖ Challenges and Risks in Responsible Investing
- ❖ Motivations and barriers to responsible investing Trends in investor demand for ESG products
- ❖ ESG Integration in Investment Strategies

Members and other readers desirous of contributing articles may send the same latest by **Thursday, August 22, 2024** at [cs.journal@icsi.edu](mailto:cs.journal@icsi.edu) for the **September 2024** issue of Chartered Secretary Journal.

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

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Regards,

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# 1

## ARTICLES



- INDIAN UNION BUDGET 2024-25: FUTURISTIC, PROGRESSIVE AND INCLUSIVE
- DOES THE RIGHT OF RENUNCIATION IN A RIGHTS ISSUE OF SHARES CONSTITUTE A PUBLIC OFFER?: THE NEVER-ENDING CONFUSION AND CONTROVERSY
- ENHANCING CORPORATE GOVERNANCE: A GUIDE TO EFFECTIVE SECRETARIAL PRACTICES FOR COMPANY SECRETARIES
- FROM PAPER TO PIXELS - TRANSFORMING CORPORATE GOVERNANCE WITH DIGITAL SOLUTIONS
- PROXY ADVISORY FRAMEWORK AND THE ROLE OF COMPANY SECRETARIES
- BLACK MONEY, MONEY LAUNDERING AND INTERPLAY OF MULTIPLE ECONOMIC LAW AND ENFORCEMENT AGENCIES
- ARTIFICIAL INTELLIGENCE (AI) IN CORPORATE GOVERNANCE: TRANSFORMATIVE TRENDS AND LEGAL PATHWAYS IN INDIA
- DOWNSTREAM INVESTMENTS UNDER FEMA – REGULATORY AND PRACTICAL CONSIDERATIONS
- ROLE OF SOCIAL STOCK EXCHANGE IN ACHIEVING VIKSIT BHARAT - A COMPREHENSIVE REVIEW

# Indian Union Budget 2024-25: Futuristic, Progressive and Inclusive

The Indian Union Budget 2024-25 lays down a visionary trajectory for India's economic development. The budget has laid thrust on employment, skilling, MSMEs, and the middle class with the aim of bolstering economic growth, improve productivity, and increase the efficiency of markets and sectors. The inclusive approach in the union budget is evinced through its focus on four significant casts – Poor ('Garib'), Women ('Mahilayen'), Youth ('Yuva') and Farmer ('Annadata'). This union budget that has emphasized on nine priorities for accomplishing the goal of 'Viksit Bharat', i.e., Productivity and resilience in Agriculture; Employment & Skilling; Inclusive Human Resource Development and Social Justice; Manufacturing & Services; Urban Development; Energy Security; Infrastructure; Innovation, Research & Development and Next Generation Reforms makes it an exemplary budget.



**CS Asish Mohan**

Secretary, ICSI  
[secretary@icsi.edu](mailto:secretary@icsi.edu)

## INTRODUCTION

**T**he prevailing optimism in Indian economy is manifested from the fact that when the global economy notwithstanding its better performance than expected is still in the clutches of policy uncertainties mainly due to elevated asset prices, political uncertainties and shipping disruptions which continues to pose substantial downside risks for growth and upside risks to inflation, our economy continues to shine in the empyrean of economic growth and will continue to shine in the years ahead.

The general price level that exerts a robust impact on the pockets of the people especially the middle class, it is heartening to note that India's inflation continues to be low, stable and moving towards the 4 percent target. Core inflation (non-food, non-fuel) stood at 3.1 percent. Moreover, initiatives to ensure supplies of perishable commodities reach markets adequately congeals the economic prosperity.

Accentuating on employment, skilling, MSMEs, and the middle class, the budget made an announcement of five schemes and initiatives to enable employment, skilling and other opportunities for 4.1 crore youth over a period of five years period with a central outlay of ₹2

lakh crore and for the current year, the government made a provision of ₹1.48 lakh crore for education, employment and skilling, which definitely play a pivotal role in enhancing our youths calibre thereby making them competent both at national and global levels.

On this note we sail further to explore the crucial aspects of the Union Budget 2024-25 which has provided India with a visionary path of economic development by entwining the attributes of futuristic, progressive and holistic growth. Among the vital facets of the union budget, are the nine priorities that are like wheels of economic development. The nine priorities are as under:

1. Productivity and resilience in Agriculture.
2. Employment & Skilling.
3. Inclusive Human Resource Development and Social Justice.
4. Manufacturing & Services.
5. Urban Development.
6. Energy Security.
7. Infrastructure.
8. Innovation, Research & Development.
9. Next Generation Reforms.

This year's union budget has fuelled the process of building a resurgent India. The ensuing paragraphs undertakes descriptive as well as analytical study to reconnoitre various significant initiatives covered in the union budget and their probable impacts.

## THE NINE PRIORITIES – THE WHEELS OF ECONOMIC DEVELOPMENT

The nine priorities of the union budget are like the wheels which will assist in accelerating the locomotion of Indian economy. In view of this, it is imperative to undertake



brief discussion on the various measures included under the nine priorities.

- 1) **Productivity and resilience in Agriculture:** To provide impetus to the agricultural growth the following major initiatives have been announced-
  - a) Comprehensive review of the agriculture research setup to bring focus on raising productivity and developing climate resilient varieties.
  - b) To attain self-reliance ('Atmanirbharta') in the production of oil seeds such as mustard, groundnut, sesame, soyabean and sunflower.
  - c) Formulation of National Cooperative Policy for systematic, orderly and all-round development of the cooperative sector.
  - d) Providing fillip to vegetable production & supply chain by promoting FPOs (Farmer Producer Organisations), cooperatives & start-ups for vegetable supply chains for collection, storage, and marketing.
  - e) 109 new high-yielding and climate resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers.
  - f) The concept of natural farming will be fostered by initiating 1 crore farmers across the country into natural farming.
  - g) Impetus to shrimp production and export by extending finance for shrimp farming, processing and export through NABARD (National Bank for Agriculture and Rural Development).
  - h) In view of the soaring significance of digitalisation, the government in this year's budget has envisaged to develop Digital Public Infrastructure (DPI) for coverage of farmers and their lands in 3 years, crop survey in 400 districts and issuance of *Jan Samarth* based Kisan Credit Cards. It can be stated from the above measures that the agriculture sector in India is all set to witness a phenomenal growth with stress on natural or organic farming.

Innovation in agriculture is all set to take off as the budget have focused on high-yielding and climate resilient varieties of crops production. Embracing of technology in agriculture is an allegory of digital transformation of India and modernisation of agriculture. Fast tracking growth of rural economy and creation of employment opportunities on a massive scale is one of the policy goal of the government. Overall, agriculture which is element of the primary sector of the economy is all set for a massive metamorphosis.

- 2) **Employment & Skilling:** The three schemes for employment linked incentive which are part of the Prime Minister's package have covered the youth who will step into the world of employment, i.e. first

timers, job opportunities in manufacturing sector and support to employers. So, in a way, prospective employees who will be part of the work force, opportunities for the future workforce in sphere of manufacturing and employers who will provide jobs to the future human capital have been focused.

The major initiatives under employment & skilling can be captured under the following points:

- a) Three schemes of employment linked incentive: Under Scheme A, i.e. for the first timers, a one-month wage in all formal sectors in three instalments up to ₹15,000 which is estimated to benefit 210 lakh youth.  
  
Under Scheme B, addressing job creation in manufacturing has been linked to first time employees and incentive to both employee & employer for EPFO contributions in the specified scales for the first 4 years. This scheme is expected to benefit 30 lakh youth.  
  
The Scheme C offers support to the employers as government will reimburse EPFO contributions of employers up to ₹3000 per month for 2 years for all new hires and this scheme is expected to generate 50 lakh jobs.
- b) To provide impetus to women empowerment the government aims to increase participation of women in the workforce and in this regard, it will establish working women hostels in collaboration with industry, and set up creches.
- c) Providing of loans up to ₹7.5 lakh with a guarantee from a government promoted fund to assist 25,000 students every year.
- d) To motivate students to pursue higher education in domestic institutions, financial support for loans up to ₹10 lakh will be provided. Direct e-vouchers to 1 lakh students will be provided every year and annual interest subvention of 3% will also be provided.
- e) Government's emphasis on skilling is manifested from its progressive skilling programme which has the following salient features:
  - ei) 20 lakh youth will be skilled over a 5-year period.
  - eii) 1,000 Industrial Training Institutes will be upgraded in hub and spoke arrangements with outcome orientation.
  - eiii) Course content & design aligned as per skill needs of industry.

Thus, the aforesaid initiatives will act as a pathfinder for the young population to a glorious journey of education and skill development and for the women to fulfil their aspirations and reach their desired career destinations.

- 3) **Inclusive Human Resource Development and Social Justice:** This priority of the union budget aims to bolster growth of rich states situated in the eastern part of India by generation of economic opportunities as an endeavour to accomplish the goal of 'Viksit Bharat'.

Another important initiative under the mentioned priority is Amritsar Kolkata Industrial Corridor with development of an industrial node at Gaya, Bihar. With reference to welfare for Women and girls, this budget has been given special focus by allocating ₹3 lakh crore for schemes benefitting women and girls.

One of the vital initiatives that have been mentioned in this union budget that manifest the government's focus towards the upliftment of the tribal communities is "Pradhan Mantri Janjatiya Unnat Gram Abhiyan", improving the socio-economic condition of tribal communities covering 63,000 villages benefitting 5 crore population.

As a unique and inclusive initiative, the government has announced to set up more than 100 branches of India Post Payments Bank in the north-eastern region. Further, key announcements under Andhra Pradesh Reorganisation Act are: financial support of ₹15,000 crores will be arranged in FY2024-25; completion of Polavaram irrigation project for ensuring food security of the nation and stress on crucial infrastructure like water, power, railways and roads in Koppaerthy node on the Vishakhapatnam-Chennai Industrial Corridor and Orvakal node on Hyderabad-Bengaluru Industrial Corridor.

4. **Manufacturing & Services:** Manufacturing and services sectors complements each other and so growth of both these sectors is significant. Keeping this point in view, the union budget has brought out flurry of measures like credit guarantee scheme for MSMEs in the manufacturing sector, new assessment model for MSME credit, enhanced scope for mandatory on boarding in TReDS (Trade Receivables electronic Discounting System), Mudra loans limit increased to ₹20 lakh from current ₹10 lakh, twelve industrial parks under the National Industrial Corridor Development Programme, scheme of providing internship opportunities in 500 top corporate houses to 1 crore youth in 5 years etc. create a conducive milieu for the growth of manufacturing and services sector, as well as developing a competent legion of future human capital who will be able to serve various organisations covered under the manufacturing and services sector efficiently by providing youth with internship in companies, thereby equipping them with practical insights, which will assist them phenomenally in scanning the business environment, comprehend the job roles and accordingly deliver optimum output.
5. **Urban Development:** The union budget has announced various important measures for strengthening urban development under stamp duty, street markets, transit oriented development and

water management. It encourages states to lower stamp duties for properties purchased by women; street markets envision a scheme to develop weekly 'haats' or street food hubs in select cities; transit-oriented development plans for 14 large cities with a population more than 30 lakh and water management aims to promote water supply, sewage treatment and solid waste management projects and services for 100 large cities through bankable projects.

Growing urban areas demands a greater number of houses and in this regard, PM Awas Yojana (Urban 2.0) is set to address the needs of 1 crore urban poor and middle-class families with an investment of ₹10 lakh crore.

6. **Energy Security:** Energy is an indispensable component of economic growth. Inadequate energy supply may jeopardise various economic activities. Taking cognizance of this critical facet, the union budget has encompassed numerous vital measures.

To solidify the situation in nuclear power, the budget has proposed to undertake initiatives with private sector in nuclear energy segment through setting up Bharat Small Reactors and conducting R&D of Bharat Small Modular Reactor and newer technologies for nuclear energy.

Another important step announced under this priority is energy audit which will take into consideration the financial succour for shifting of micro and small industries to cleaner forms of energy and enabling investment grade energy audit in 60 clusters initially then increasing it to 100 clusters in the next phase.

Nuclear and green energy have been provided berths in this budget, thereby fostering both nuclear energy production as well as ensuring environment protection by stressing on green energy.

7. **Infrastructure:** Infrastructure being the quintessence of the economic development needs special focus, as various developmental activities of an economy largely depend on the quality of infrastructure. Moreover, a world class infrastructure plays a pivotal role in cajoling foreign direct investments as well encourages growth of domestic industries. Thus, infrastructure holds a paramount position in the process of economic development.

The union budget identifying the significance of infrastructure the government have focused on three vital facets of infrastructure- core infrastructure, irrigation and flood mitigation and tourism. With reference to core infrastructure the government has already earmarked a massive amount of ₹11,11,111 crore which constitutes 3.4% of GDP; allocation of ₹1.5 lakh crore to states as long-term interest free loans to support resource allocation and launching of Phase IV of PMGSY (Pradhan Mantri Gram Sadak Yojana) to provide all weather connectivity to 25,000 rural habitations.



With respect to irrigation and flood mitigation, financial assistance will be provided for projects with estimated cost ₹11,500 crore such as the Kosi-Mechi intra-state link and 20 other ongoing and new schemes, assistance for flood management and assistance for reconstruction and rehabilitation of Himachal Pradesh.

8. **Innovation, Research & Development:** Operationalization of the Anusandhan National Research fund for basic research and prototype development; private sector-driven research and innovation at commercial scale and thrust on space economy will act as a catalyst in scaling astral heights in the innovation, research and development.

For private sector-driven research and innovation at commercial scale will be taken up with a financing pool of ₹1 lakh crore and setting up of venture capital fund of ₹1,000 crore for providing impetus to space economy. Thus, the gamut of innovation, research & development is wide and covers research from basic level to space.

9. **Next Generation Reforms:** This priority has addressed multifarious facets, i.e. **rural and urban land related matters**, e.g. Unique Land Parcel Identification Number (ULPIN) or Bhu-Aadhaar for all lands, digitization of cadastral maps, establishment of land registry and linking to the farmers' registry etc.;

**taxonomy for climate finance** for enhancing the availability of capital for climate adaptation and mitigation related investments;

**simplification of FDI and overseas investments** to facilitate FDIs and foster opportunities for using Indian Rupee as a currency for overseas investments;

**NPS-Vatsalya** as a plan for contribution by parents and guardians for minors;

**improvement of data governance**, collection, processing and management of data and statistics and

with reference to the **New Pension Scheme (NPS)**, a solution will be evolved to address the relevant issues while maintaining fiscal prudence to protect the common citizens.

Thus, the next generation reforms are progressive as it assimilates the approaches of rural advancements, upgradation of data governance, boosting foreign investments and social security.

## EASE OF DOING BUSINESS AND TAX STRUCTURE

For enhancing 'Ease of Doing Business', the government is already working on the Jan Vishwas Bill 2.0. Further, the states will be incentivized for implementation of their Business Reforms Action Plans and digitalization.

Now coming to the tax structure, the positive news is that with reference to GST, tax incidence on the common man

The Union Budget 2024-25 lays the building blocks for a 'Viksit Bharat'. With employment, skilling, MSMEs and the middle class under the focal point, the Indian economy is poised to grow at an amazing pace.

has decreased; reduced compliance burden and logistics cost for trade and industry; and enhanced revenues of the central and state governments. The government's proposals for custom duties intends to support domestic manufacturing, deepen local value addition, promote export competitiveness, and simplify taxation, while keeping the interest of the general public and consumers on a higher pedestal.

In case of direct taxes, the government's efforts towards simplification of taxes, improve tax payer services, provide tax certainty and bring down litigation while stepping-up revenues for financing the development and welfare schemes of the government indicates a comprehensive and win-win approach.

To make the direct tax regime simpler, the government is going to undertake complete review of the Income Tax Act, 1961 which will assist in reducing disputes and litigations phenomenally, thereby providing certainty to the tax payers. Substantial portion of time of regulatory authorities and taxpayers gets consumed during tax disputes, which hamper the overall productivity and economic activities. Hence, the proposition to undertake comprehensive review of the Income Tax Act, 1961 will definitely be a game changer.

With respect to the proposed tax structure in the new tax regime there is an optimism that it will help in saving up to ₹17,500.

The proposed tax structure is as follows:

Income Slabs	Tax Rate
0-3 lakh rupees	Nil
3-7 lakh rupees	5 per cent
7-10 lakh rupees	10 per cent
10-12 lakh rupees	15 per cent
12-15 lakh rupees	20 per cent
Above 15 lakh rupees	30 per cent

## SELECT ECONOMIC VARIABLES ANALYSIS

There are various economic components of a union budget such as effective capital expenditure, deficit statistics, receipts, expenditure, transfer of resources to states and union territories with legislature etc. It generates tremendous academic and research

interests to delve into the performance / trends of the various economic components covered in the union budget. In view of this, under this section the performance of select economic variables that is effective capital expenditure and deficit statistics have been analyzed.

The data considered for the analysis have been referred from the India Budget, Ministry of Finance, Government of India.

### 1. Effective Capital Expenditure

Capital formation holds the key in a nation's progress. The accumulation of capital goods translates into investment and the production of more goods and services, which in turn helps in raising the income levels of the population and increasing the aggregate demand level in the economy. More aggregate demand implies higher aggregate supply of goods and services.

In light of the immense significance capital formation holds, it generates academic and research interests to undertake prognosis of effective capital expenditure till 2047, as we aim to build a '*Viksit Bharat*' by 2047. In view of this, the forecasted effective capital expenditure for the period 2025 to 2047 is provided in table 1 and the trend of effective capital expenditure for the mentioned period is provided in the diagram following table 1.

To ascertain the projected effective capital expenditure, parabolic trend equation has been applied. It is to be noted that while deriving the forecasted capital expenditure values, out of two figures of effective capital expenditures mentioned for FY 2023-24, i.e. ₹12.7 lakh crore (Revised Estimated) and ₹12.5 lakh crore (Provisional Actuals), the latter have been considered.

Please refer table 1 for trend of existing and forecasted effective capital expenditure.

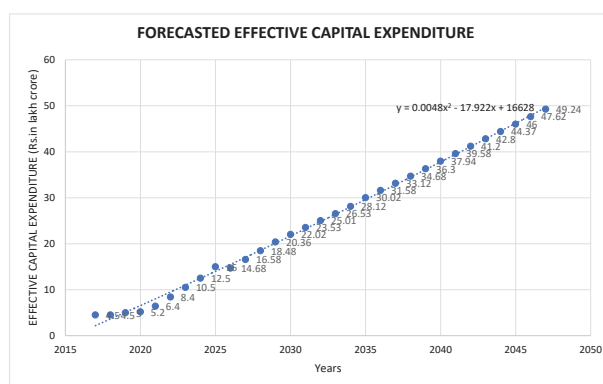
**Table 1**

#### Trend of Effective Capital Expenditure

Years	Effective Capital Expenditure (₹ in lakh crore)
2017	4.5
2018	4.5
2019	5
2020	5.2
2021	6.4
2022	8.4
2023	10.5
2024	12.5
2025	15
2026	14.68
2027	16.58
2028	18.48

2029	20.36
2030	22.02
2031	23.53
2032	25.01
2033	26.53
2034	28.12
2035	30.02
2036	31.58
2037	33.12
2038	34.68
2039	36.3
2040	37.94
2041	39.58
2042	41.2
2043	42.8
2044	44.37
2045	46
2046	47.62
2047	49.24

The parabolic trend of the forecasted effective capital expenditure for the period 2025 to 2047 is provided in the diagram below-



Thus, it can be observed that the effective capital expenditure is showing a rising trend, implying that in near future the production of goods and services will enhance due to higher gross domestic capital formation, thereby resulting into increase of national income and per capita income. Rise in per capita income means elevation in the standard of living of the people and so it may be assumed that population will left with surplus that may be channelized into savings in different forms of financial products which in turn will assist greatly in meeting the investment requirements of the entrepreneurs.

A higher gross domestic capital formation is a precursor of improved savings at the household, state, and public levels. Furthermore, a higher capital formation results into an increase in capital-to-labour ratio, i.e. greater labour productivity which directly contributes to economic growth through enhanced output.



## 2. Deficit Statistics

Deficit Periods & Deficit Scenarios	Fiscal Deficit (In ₹ crore)	Revenue Deficit (In ₹ crore)	Effective Revenue Deficit (In ₹ crore)	Primary Deficit (In ₹ crore)
2022-2023 Actuals	1737755	1069926	763662	809238
2023-2024 Budget Estimates	1786816	869855	499867	706845
2023-2024 Revised Estimates	1734773	840527	519337	679346
2023-2024 Provisional Actuals <sup>1</sup>	1653670	765624	461837	589799
2024-2025 Budget Estimates	1613312	580201	189423	450372
<b>Mean (X<sup>-</sup>)</b>	<b>1705265.2</b>	<b>825226.6</b>	<b>486825.2</b>	<b>647120</b>
<b>Standard Deviation (σ)</b>	<b>70168.17</b>	<b>177266.47</b>	<b>204290.35</b>	<b>134984.54</b>
<b>Coefficient of Variation(C.V.)</b>	<b>4.11</b>	<b>21.48</b>	<b>0.42</b>	<b>0.21</b>

From the above analysis, it may be deduced that the coefficient of variation does not appear to be higher for fiscal deficit, effective revenue deficit and primary deficit. In other words, on observing the coefficient of variations of fiscal deficit, effective revenue deficit and primary deficit, it may be interpreted that they are extremely low, thereby indicating negligible variation in the data, i.e. the deficit values have not fluctuated much which is a harbinger of economic stability.

The coefficient of variation value for revenue deficit though quite higher but if the scenarios of various values provided period wise are observed, i.e. Actuals, Budget Estimates, Revised Estimates, Provisional Actuals then it may be surmised that the deficit figures reveals a declining trend. For example, the revenue deficit figures for 2023-2024 (Revised Estimates), 2023-2024 (Provisional Actuals) and 2024-2025 (Budget Estimates) stood at ₹ 840527 crore, ₹ 765624 crore and ₹ 580201 crore respectively are displaying a declining trend, thereby indicating an improvement in the revenue deficit.

## CONCLUSION

The Union Budget 2024-25 lays the building blocks for a 'Viksit Bharat'. With employment, skilling, MSMEs and the middle class under the focal point, the Indian economy is poised to grow at an amazing pace. Through its nine priorities, it has laid ample emphasis on primary, secondary and tertiary sectors.

All the crucial dimensions of the mentioned sectors have been duly addressed whether in the form of transformation of agricultural research, strive to attain self-reliance in the production of oil seeds such as mustard, groundnut, sesame etc.; digitalisation of agriculture for undertaking crop survey, coverage of farmers and their lands, huge outlay earmarked for various strategic activities like infrastructure, skilling of youth, schemes benefiting huge number of women and girls, improvement in the socio-economic condition of tribal communities, enhancement in the limit of Mudra Loans under the 'Tarun' category, housing for urban poor etc. is herald of inclusive growth.

On various economic parameters also such as fiscal deficit, revenue deficit, effective capital expenditure,

inflation etc. the economy has demonstrated robust performance which is a testimony to the fact that Indian economy is resilient and marching confidently.

The government's focus on taxonomy for climate finance, irrigation and flood mitigation measures, energy audit, encouraging participation of private sector in nuclear energy segment, improvement in data governance, comprehensive review of the Income Tax Act, 1961 and so on and so forth will definitely place India on a high pedestal of economic development.

To conclude, the Union Budget 2024-25, a gargantuan budget with estimated total receipts other than borrowings and the total expenditure estimated at ₹32.07 lakh crore and ₹48.21 lakh crore respectively will act as a fulcrum in building a resurgent India and making it a \$5 trillion economy.

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## Footnotes

- Provisional Actuals for FY 2023-24 are unaudited and subject to change.

# Does the Right of Renunciation in a Rights Issue of Shares Constitute a Public Offer?: The Never-ending Confusion and Controversy

The observation of the Honorable single judge of the Madras High Court in *Vikramjit Singh Oberoi v Registrar of Companies* [2020] 223 Comp Cas 199 (Mad), that “the allotment of shares to the renounees of rights shares even though they are not existing shareholders of the company, did not amount public offer”, has once again triggered and revived the endless debate as to the question: Does the right of Renunciation in a Rights Issue of Shares constitute a Public Offer? A debate on this issue has been alive for the past several years (before and after the enactment of the Companies Act 2013), but no concrete and foolproof statutory solution has so far been put in place either by the Ministry of Corporate Affairs (MCA) or by the Securities and Exchange Board of India (SEBI).



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## INTRODUCTION

The observation of the Honorable Single Judge of the Madras High Court in *Vikramjit Singh Oberoi v Registrar of Companies* [2020] 223 Comp Cas 199 (Mad), that “the allotment of shares to the renounees of rights shares even though they are not existing shareholders of the company, did not amount to a public offer”, has once again triggered and revived the endless debate as to the question: Does the right of renunciation in a rights issue of shares constitute a Public Offer? A debate on this issue has been alive for the past several years (before and after the enactment of the Companies Act 2013), but no concrete and foolproof statutory solution has so far been put in place either by the Ministry of Corporate Affairs (MCA) or by the Securities and Exchange Board of India (SEBI). While SEBI has been dealing with the issue through circulars, the Companies Act 2013 (‘the Act’) remains vague and unclear.

## RIGHTS ISSUE: THE STATUTORY FRAMEWORK

Section 62 of the Act contains the statutory framework concerning rights issues of shares by companies. Section 23(1)(c) of the Companies Act 2013, inter alia, states:

“A public company may issue securities through a rights issue or a bonus issue in accordance with the provisions of this Act and in the case of a listed company or a company

which intends to get its securities listed, also with the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules and regulations made thereunder.”

Section 23(2)(a) states:

“A private company may issue securities— (a) by way of rights issue or bonus issue in accordance with the provisions of this Act.”

Although Section 23 uses the expression ‘rights issue’, it is not defined in that section or anywhere in the Act. In fact, the phrase ‘rights issue’ is nowhere used in except Section 23. What section 62 says is ‘Further issue of share capital’ or issue of further shares.

A Rights issue is a method by which companies raise capital by offering shares to their shareholders. This is a privilege given to shareholders of a company to subscribe *pro rata* to a new issue of securities (generally at a price below that prevailing in the market). The name ‘rights issue’ arises from the principle of pre-emption rights, according to which any new shares issued by a company must first be offered to the existing shareholders in proportion to their holding of existing shares, that is, *pro rata*. For example, in a 1 for 4 rights issue, shareholders would be given the option to subscribe one new share for every four shares they already hold as on the record date. As rights are usually issued at a discount to the market price/ fair value of existing shares, those not wishing to take up their rights can sell them in the market in case of listed entity or renounce to other persons to subscribe.

Shares offered to the existing shareholders of a company are called ‘rights shares’. In regard to the rights shares, the shareholders of a company have a pre-emptive right to subscribe to these shares. Where a company proposes to increase the subscribed capital by issuing further shares, these shares are offered for subscription to the existing shareholders of the company on a certain basis or in a certain proportion. The shareholders who receive offers for the right shares are also entitled to renounce these to other persons, but the persons who are not shareholders have no right of direct subscription to these shares. It is common to vest in the Board of Directors of a company the power to issue unsubscribed rights shares to any persons selected by the Board.



The entire spectrum of the provisions of s. 62(1)(a) must be said to be the law relating to rights issue, comprising the following requirements:

- (1) further shares must be offered to persons who, at the date of the offer (Record date), are holders of existing equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer;
- (2) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed (As prescribed in Rule 12A w.e.f. 01-04-2021 not less than 7 days from the date of offer) and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
- (3) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice offering the shares shall contain a statement of this right; and
- (4) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company.

## RIGHT OF RENUNCIATION

If the recipient of a rights offer does not wish to take advantage of the offer himself, he can sell the letter and the attendant rights to any other person who becomes entitled to subscribe to the shares offered by the company. To renounce means to give up or put aside voluntarily; to give up by formal declaration. As per the Black's Law Dictionary, to renounce means to give up or abandon formally (a right or interest); to disclaim. The ordinary meaning of the word 'renounce' in the context of the provision in Section 62 is to give up or put aside voluntarily: formally declare one's abandonment of (a claim, right, or possession); to relinquish; abandon; surrender.

As per clause (ii) of Section 62(1)(a), in the case of a rights issue of shares, "unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right."

This provision recognizes the right to renounce by a shareholder the shares offered to him as his 'rights'. This is not, however, an absolute statutory right as the expression "unless the articles of the company otherwise provide" in this clause clearly allow a company to exclude, by articles, this right. Unless the articles of a company

expressly exclude this right, it will be deemed to exist. The effect of these words is to subordinate the provision of the Act to the provision of the articles of the company. In other words, the provision that the offer of further shares shall be deemed to include the right of renunciation by a shareholder in favour of any other person, will not apply if the articles of the company "otherwise provide".

Thus, if the articles of association of the company which makes a rights issue do not bar the right to renounce shares offered, a shareholder receiving the offer for shares, this right will be available as a statutory right and Board while passing a resolution for the rights issue cannot take away this right; the Board can take it away only if the articles of the company contain an express provision debarring the shareholders from this right.

The right of renunciation is often excluded in the case of a private company because whereas, under the Companies Act there is no restriction on the number of members, a private company must limit the number of its members to 200. It is, therefore, incumbent on a private company to ensure that the right to renounce the rights shares offered to its members does not result in the number of its members exceeding 200. Hence, usually, the right of renunciation is not provided in the rights issue of a private company. Clause (ii) of Section 62(1) begins with the words "unless the articles of the company otherwise provide" thereby facilitating any company to prohibit renunciation of rights shares.

In the case of a listed company, the right of renunciation must be given regardless of the provision in the articles of association not giving such right to the members of the company.

An unlisted public company, however, need not give this facility to the member if the articles of association of the company provides so and the Board of Directors decides not to give it in respect of a rights issue. If this right is to be given to the members, a separate form will be supplied to them along with the form for accepting the offer, so that any member wishing to renounce the shares offered to him may do so.

## INTERPRETATION OF THE WORDS "IN FAVOUR OF ANY OTHER PERSON"

The effect of the words "in favour of any other person" in clause (ii) of Section 62(1)(a) was considered by the Delhi High Court in *Raj Kumar Bhatia v AV Light Automotives Ltd* [2016] 197 Comp Cas 144 (Delhi) in the context of the corresponding provision in Section 81 of the Companies Act 1956, and it was held that the right exercised by one of the Directors in renouncing 30,000 shares in favour of "any other person", which, in this case was her mother-in-law was in consonance with Section 81(1)(c). There was no need to bring in Section 81(1A) which envisaged further issue of capital by offering further shares of the company to any person, whether or not that person includes the person referred to in clause (a) of sub-section (1). The court remarked that while interpreting a clause in a statute,

it must be read to conjunct it with the overall intent of the Legislature in enacting the statute. The words used in an enactment must be given a plain meaning within its ambit and context ; and the separate provisions of a statute must normally be read to complement each other; and if it is not possible to do so, each of the provisions must be construed to make it effective and operative (*CIT v. S. Teja Singh* [1959] 35 ITR 408 (SC); AIR 1959 SC 352).

## DEEMED PUBLIC OFFER

Sub-section (2) of Section 42 deals with a private placement of securities by a company , i.e. offering securities only to a select group of persons who have been identified by the Board, whose number shall not exceed fifty or such higher number as may be prescribed excluding the qualified institutional buyers and employees of the company being offered securities under a scheme of employees stock option in terms of provisions of clause (b) of sub-section (1) of Section 62, in a financial year subject to such conditions as may be prescribed.”

Explanation III below subsection (4) of Section 42 reads as follows:

Explanation III.—If a company, listed or unlisted, makes an offer to allot or invites subscription, or allots, or enters into an agreement to allot, securities to more than the prescribed number of persons, whether the payment for the securities has been received or not or whether the company intends to list its securities or not on any recognised stock exchange in or outside India, the same shall be deemed to be an offer to the public and shall accordingly be governed by the provisions of Part I of this Chapter.

In this Explanation, the words “makes an offer to allot or invites subscription” contemplate a company offering its securities or inviting offers for subscription for its securities. In the case of allotment of securities to the renouncees, there is neither an offer nor an invitation by the company; it is to the shareholders who renounce the offers received by them.

Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 reads as follows:

“(2) For the purpose of sub-section (2) of Section 42, an offer or invitation to subscribe securities under private placement shall not be made to persons more than two hundred in the aggregate in a financial year:

*Provided* that any offer or invitation made to qualified institutional buyers, or to employees of the company under a scheme of employees stock option as per provisions of clause (b) of sub-section (1) of Section 62 shall not be considered while calculating the limit of two hundred persons.

*Explanation.*—For the purposes of this sub-rule, it is hereby clarified that the restrictions aforesaid would be reckoned individually for each kind of security that is equity share, preference share or debenture.”

Notably, the right of renunciation forms part of the rights issue provisions and it cannot be separated in the name of interpretation or otherwise. That will amount to rewriting the statute which is not permissible.

## DOES THE RIGHT OF RENUNCIATION IN A RIGHTS OFFER CONSTITUTE A PUBLIC OFFER?

The shareholders, who receive offers for subscribing to the rights shares are also entitled to renounce those shares. Renunciation connotes the surrender to someone else of rights to shares in a rights issue. The person to whom the shares are offered fills in the renunciation form (usually attached to the letter of offer) in favour of the person to whom he wishes to renounce his rights. Persons who are not shareholders of the company are not entitled to subscribe to the rights shares directly otherwise than on renunciation.

When a member to whom any shares are offered by a company in a rights issue renounces them to a person who is not a member of the company, there is not an invitation by the company for subscribing for the shares. If the recipient of a rights offer does not wish to apply for the shares offered to him himself, he can sell the letter and the attendant rights to any other person who becomes entitled to subscribe to the shares offered by the company.

In a Circular issued on 4 November, 57, by the then Department of Company Affairs had clarified that “The issue of further shares by a company to its members with the right to renounce them in favour of third parties does not require the issue or registration of a prospectus.”

Section 56 of the Companies Act, 1956 (‘the 1956 Act’), which corresponds to Section 26 of the 2013 Act, excluded the issue to the existing members or debenture holders of a company of a prospectus or form of application relating to shares in or debentures of the company, whether an applicant for shares or debentures will or will not have the right to renounce in favour of the persons.

## SECTION 67 OF COMPANIES ACT 1956

However, Section 67 of the 1956 Act, entitled “Construction of references to offering shares or debentures to the public, etc.” provided a clue as to what is, and what is not, a ‘public offer’ of shares or debentures, and its subsection (3) provided as follows:

“(3) No offer or invitation shall be treated as made to the public by virtue of sub-section (1) or sub-section (2), as the case may be, if the offer or invitation can properly be regarded, in all the circumstances—

- (a) as not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation; or
- (b) otherwise as being a domestic concern of the persons making and receiving the offer or invitation:



Provided that nothing contained in this sub-section shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more:

Provided further that nothing contained in the first proviso shall apply to the non-banking financial companies or public financial institutions specified in Section 4A of the Companies Act, 1956 (1 of 1956)."

In terms of the first proviso (inserted by the Companies (Amendment) Act, 2000, w.e.f. 13-12-2000), an offer or invitation to subscribe for shares or debentures made to fifty persons or more was to be treated as a public offer/invitation. But it did not unambiguously state that where the rights shares are offered only to the members of the company with the offer carries the right to renounce the shares by the member receiving the offer to any other person, that would be treated as a public offer/invitation.

In *Palmer's Company Law*, 24<sup>th</sup> edition, p 325, these observations are to be found:

"Where the issue is made to existing holders of shares or debentures, much will depend on whether the letters of allotment which the company issues are renounceable or non-renounceable. In the latter case, it cannot normally be said that the offer is "calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving" the offer, and consequently the offer is not to the public. Where the company issues renounceable letters of allotment, the circle of original allottees can easily be broken by renunciation of those rights and complete strangers may become the allottees; here the offer will normally be held to be made to the public".

In *Gower's Company Law*, 4<sup>th</sup> edition, p 351, it has been observed:

"It is therefore clear that an invitation by or on behalf of a private company to a few of the promoter's friends and relations will not be deemed to be an offer to the public. Nor, generally, will an offer which can only be accepted by the shareholders of a particular company. On the other hand it is equally clear that an offer of securities in a public company even to a handful of people may be an offer to the public if it is calculated (which presumably means 'likely' rather than 'intended') to lean to the securities being subscribed (*i.e.*, applies for on original allotment or purchased *i.e.*, bought after original allotment) by persons other than those receiving the initial offer. In particular, if securities are to be issued under renounceable allotment, letter or letters of right the invitation to take them up must be deemed to be made to the public, since these securities are obviously liable to be subscribed or purchased by others".

The Supreme Court of India, after citing with approval the above two paragraphs of the two great authorities on Company Law, has in the case of *Needle Industries (India) Ltd v Needle Industries Newey (India) Holding Ltd.* (1981) 51 Comp Cas 743, held that the right to renounce the shares by the members of a public company which has

The issue of deemed public issue remains confusing and controversial with regard to renunciation of rights shares issued by a company when the renunciation results in allotment of shares to more than the prescribed number.

become such by virtue of Section 43A would result directly in the infringement of the article relating to the matter specified in Section 3(1)(iii)(b) of the Act, (*i.e.*, the limit on the number of members of a private company), because under clause (c) of section 81(1), the offeree is entitled to split the offer and renounce the shares in favour of as many persons as he chooses, depending partly on the number of shares offered by the company to him. The Supreme Court observed: "The right to renounce the shares in favour of any other person is also bound to result in the infringement of the article relating to the matter specified in Section 3(1)(iii)(c) (*i.e.*, prohibition against an invitation to the public to subscribe for any shares or debentures) because *an offer which gives to the offeree the right to renounce the shares in favour of the non-member is, in truth and substance, an invitation to the public to subscribe for the shares in the company*". (Emphasis supplied).

It is respectfully submitted that the above observations of the Supreme Court seem to be obiter dicta since the court had not made the aforesaid remark after considering all the provisions of the Act regarding public issue versus rights issue inasmuch the question before the Supreme Court was not concerning the distinction between the two but it was concerning applicability of Section 81 to a private company which had become a public under Section 43A of the 1956 Act but which had retained in its articles the conditions constituting a company a private company as contained in Section 3(1)(iii) of the 1956 Act.

The Ministry of Corporate Affairs' Letter referred to above had stated as follows:

In a circular issued by the Department of Company Affairs as far back as 1957 (No. 8/81/56-PR) it was stated:

"The issue of further shares by a company to its members with the right to renounce them in favour of third parties does not require the issue or registration of a prospectus".

In one other clarification the Department stated:

"When a special resolution is passed under Section 81(1A), the further shares can be issued either as an offer to public or in any other manner as may be indicated. When the manner of such issue of shares is restricted to a select group (as distinguished from the general public), however

large they may be, it ceases to be an offer to public. The offer containing such an offer cannot be deemed to be a prospectus”.

## THE SAHARA JUDGEMENT

In *Sahara India Real Estate Corporation Ltd. and others v. Securities and Exchange Board of India and another* [2012] 174 Comp Cas 154 (SC), the Supreme Court held that Section 67(3) of the Companies Act, 1956, is an exception to Section 67(1) and (2). If the circumstances mentioned in clauses (a) and (b) of Section 67(3) are satisfied, the offer invitation would not be treated as being made to the public. The first proviso to Section 67(3) indicates, that any offer of securities by a public company to fifty persons or more will be treated as a public issue under the 1956 Act, even if it is of domestic concern or it is proved that the shares or debentures are not available for subscription or purchase by persons other than those receiving the offer or invitation. The facts revealed that the companies had issued securities to the public more than the threshold limit statutorily fixed under the first proviso to Section 67(3) and hence violated the listing provisions which may attract civil and criminal liabilities.

Commenting upon sub-section (3) of s. 67 Jagdish Singh Khehar J. had clearly said:

“Section 67(3) ... provides for an exception to the meaning assigned to the phrase “to the public” (under sub-sections (1) and (2)). In this behalf s. 67(3) delineates two categories of invitations/offers which would not be treated as invitations/offers, “to the public”. *Clause (a) of section 67(3) mandates, that an offer/invitation which forbids a right of renunciation in favour of others would “not” be treated as an invitation or offer “to the public”.*

It is worth noting that the *Sahara* judgment was relating to the provision in Section 67(3)(a) of the 1956 Act. Significantly, there is no identical provision now in the 2013 Act. In fact, the entire Section 67 of the 1956 Act has been done away with and an independent provision dealing with only private placement, i.e. Section 42, enacted. The 2013 Act also failed to make a precise provision declaring that rights issue of shares with the right of renunciation resulting into allotment of the shares to more than fifty (now, two hundred) persons would constitute a public offer/invitation.

## SECTION 26 OF THE COMPANIES ACT 2013

Section 26 contains provisions regarding “Matters to be stated in prospectus” and lays down as to what a prospectus issued by or on behalf of a public company shall state and contain. This obviously emanates from Section 23(1)(a), according to which a public company may *issue securities to public through prospectus* (herein referred to as “public offer”) by complying with the provisions of this Part.

However, Section 26(2)(a) expressly excludes a rights issue and states that “Nothing in sub-section (1) shall apply to the issue to existing members or debenture-holders of a

company, of a prospectus or form of application relating to shares in or debentures of the company, *whether an applicant has a right to renounce the shares or not under sub-clause (ii) of clause (a) of sub-section (1) of Section 62 in favour of any other person.*”

## KERALA HIGH COURT DECISIONS

In *Kunnamkulam Paper Mills Ltd v SEBI* [2012] 174 Comp Cas 149 (Ker), SEBI had attacked an unlisted public company’s rights issue on the ground that it was to be treated as a deemed public issue. The company had declared a rights offer of shares to its shareholders with an option to the shareholders to renounce the shares in favour of any other person and allotted equity shares to 163 persons. The Registrar of Companies issued a show-cause notice to the company on the ground that in terms of Section 67 of the 1956 Act, shares could not be privately placed to more than 50 persons without issuing a prospectus for such issue or without complying with the guidelines issued in that respect.

The case was entirely based on the argument that the rights issue with the right of renunciation was amounted to a public issue in terms of Section 67(3)(a) read with the first proviso (noted above) which is evident from the following submissions of SEBI in that case:

“The allegation in that notice was that the offer made by the company is a deemed public issue under the first proviso to Section 67(3) of the Companies Act and since the issue was not made in accordance with Sections 56, 60, 69, 72 and 73 of the Companies Act and the guidelines, and therefore the company is liable to be proceeded with. The petitioner company submitted ... reply to the show-cause notice, mainly contending that they have not made any public issue of shares and the offer is only for right issue to the existing shareholders. After considering the reply, the first respondent issued exhibit P8 order. In exhibit P8 the first respondent found that the offer made by the company for right issue is an offer made by the company to 50 or more persons and therefore the same shall tantamount to a public offer and it is to be regarded as a public issue made by the company in violation of the guidelines. It is further observed that the offer made for right issue of shares need be construed as an offer to the public under Section 67(1) and (2) of the Companies Act, because the action of the company will not fall within the exempted categories of offers specified under Section 67(3) of the Companies Act. It is further stated that by virtue of proviso to Section 67(3) the exemption provisions contained therein will not apply since the offer is made to more than 50 persons.”

A single Judge of the Kerala High Court set aside the SEBI’s order on the ground of jurisdiction in the light of the provisions of Section 55A of the 1956 Act, but did not dwell upon the question whether the first proviso to Section 67(3) was violated by the company.

However, a Division Bench of the High Court reversed the judgment of the single judge [see *Securities and Exchange Board of India v. Kunnamkulam Paper Mills Ltd.* [2013]





178 Comp Cas 371 (Ker)]. The Division Bench's judgment is entirely based on Section 67(3) which is clear from the following observations of the Bench:

"That a public company is entitled to increase the subscribed capital by allotment of further shares unless otherwise provided in the articles of the company is clear from clauses (a) and (b). That the offer so made shall be deemed to include a right exercisable by a person concerned to renounce the shares offered to him or any of them in favour of any other person is clear from clause (c). ... No doubt Section 67(3) clearly indicates that such offer or invitation shall not be applicable under certain circumstances as provided under sub-section (3)(a) and (b). But the first proviso to Section 67(3) of the 1956 Act applies in respect of subscription of shares or debentures made to 50 or more persons even in the case of rights issue when a company exercises its power under Section 81(l)(c) of the Act which gives right to a share-holder to renounce the shares in favour of persons who are not shareholders and when such a right is given to 50 or more persons that also will be deemed to be an offer made to any Section of the public as provided under Section 67(1) and (2). When an offer is made to a section of public necessarily the company will have to comply with the provisions applicable in respect of public issue.

Apart from the fact that there is no provision in the 2013 Act identical to Section 67, the number 50 (increased to 200 by the Rules) finds a place in the Section dealing with *private placement*, i.e. Section 42 and not in the section dealing with rights issue, i.e. Section 62. There was no definition of 'private placement' in the 1956 Act. The 2013 Act now provides a definition in Section 42 and there is no mention of that number in Section 62. By enacting Section 23, the 2013 now makes a watertight distinction between public issue, rights issue and private placement. So, the number 50 mentioned in Section 42 is relevant

only for the purpose of Section 42 and not for the purpose of Section 62. Moreover, neither Section 62, nor Section 23, nor Section 42, nor any other provision of the 2013 Act makes the number 50 applicable in the case of rights issue when members of the company making a rights issue renounce their rights entitlements to others (non-members) resulting into the number of non-member renouncees, exceeding 50. In this scenario, anyone having sound knowledge of law and rules of statutory interpretation cannot read such a restriction into Section 62, because it is against the principle of statutory interpretation to insert any words in a statute.

The Division Bench's order is entirely based on the provision in Section 67(3) and its first proviso as noted above. Be that as it may, now there being no provision similar to Section 67(3) and, on the contrary, a distinct provision on private placement, restricting an offer to 200 persons and otherwise requiring compliance with several requirements, and Section 62(1)(c) requiring a special resolution for any private placement issue, any offer as a private placement issue to more than the prescribed number would amount to a public offer.

The definition of 'prospectus' also does not seem to be of any relevance to argue that a rights issue with the right of renunciation would amount to public issue, even if according to that definition a notice, circular, advertisement or other document inviting offers from the public for the subscription or purchase of any securities of a body corporate would amount to a prospectus, because in a rights issue the company does not issue any document inviting offers from the public (or renouncees); it invites offers from its members only and the members renounce shares offered to them in favour of other persons; this is neither a public offer as defined in Section 23 nor is it a private placement issue as defined in Section 42 and, moreover, Section 62 or any other provision of the 2013

Act does not cover the renunciation of shares offered in a rights issue in a public offer.

The action initiated by the Registrar of Companies and SEBI against some companies having offered further shares on rights basis with the right of renunciation and decisions in *Sahara* and *Kunnamkulam Paper* were all based on the edifice of Section 67(3) of the 1956 Act including its first proviso. That edifice having collapsed, there would be no justification in alleging violation of a statute in such a case inasmuch as the framework of the provisions of the 2013 Act is quite different from that of the 1956 Act, mainly due to omission of Section 67 and enactment Section 42 being independent provisions dealing with on 'private placement' with an exhaustive definition of that expression. Furthermore, as already noted, the definition of 'prospectus' also is of no avail to argue that a rights issue with the right of renunciation would amount to 'public offer' even if the number of allottees due to renunciation exceeds 50 (or 200). In fact, that number has absolutely no relevance in the case of a rights issue; that is relevant only in the case of a private placement issue which, as noted above, has now been separately and exclusively dealt with by Section 42.

## MADRAS HIGH COURT DECISION

Contrary to the Kerala High Court (Division Bench) decision in the *Kunnakulam case* (*supra*), a single judge of the Madras High Court held in *Vikramjit Singh Oberoi v Registrar of Companies* [2020] 223 Comp Cas 199 (Mad), held that the allotment of shares to the renouncees of rights shares even though they are not existing shareholders of the company, did not amount public offer. In this case, the company had allotted shares on right basis to its existing shareholders and many of the existing shareholders had renounced their entitlement in favour of others who were not shareholders. On that basis, the Registrar of Companies alleged that Section 67 of the Companies Act, 1956 was attracted because the renunciation was in favour of more than 50 persons. In other words, the case of the Registrar of Companies was that the renunciation converts the rights issue into a public issue and that, therefore, Section 56 of the Companies Act, 1956 should have been adhered to. It was submitted by the company that Section 81 of the Companies Act, 1956 mandates that the company should grant the right of renunciation to all its existing shareholders while issuing the letter of offer to such shareholders; thereafter, such existing shareholders are statutorily entitled to renounce their rights in favour of any person. It was further submitted that the company does not have any control over the aforesaid process and, consequently, cannot insist that such renunciation should be in favour of existing shareholders of the company.

Rejecting the Registrar's allegation, the learned single judge held:

"The alleged offence is in respect of non-compliance of *public issue related requirements*. It is the settled legal position that any public company should make a further issue of shares only to existing shareholders, in the

same proportion, unless a special resolution is passed authorizing the company concerned to issue shares to others. Such issue is referred to as a rights issue. It is also the settled position that when a rights issue is made, the letter of offer is issued to all existing shareholders and it is mandatory that each shareholder is given the right to renounce such shares to any person. The relevant provision, in this regard, is Section 81(1)(a), (b) and (c) of the Companies Act, 1956. Therefore, the company does not have any control in respect of such renunciation, which may be in favour of any person, including third parties. Learned senior counsel also referred to the letter No. 8/81/56-PR dated November 4, 1957 of the Ministry of Company Affairs, in this regard, to the effect that such renunciation does not require the issuance of a prospectus. Consequently, it cannot be said that the rights issue was converted into or metamorphosed into a public issue merely because renunciations were made in favour of more than 50 third parties. Therefore, I have no hesitation in concluding that the company and the petitioners did not commit the alleged offence of violating Sections 56 and 67 of the CA, 1956. Nevertheless, the issuance of multiple show cause notices, in spite of the reply of the company, establishes a reasonable apprehension of prosecution. Consequently, the petitioners are entitled to relief under Section 463(2) of the Companies Act, 2013."

## DOES ALLOTMENT OF UNSUBSCRIBED SHARES IN RIGHTS OFFER CONSTITUTE 'PRIVATE PLACEMENT OFFER'?

As noted earlier, Section 62 permits offering of further shares to persons other than existing members of the company. This is, however, permissible subject to compliance with the conditions laid down in 62(1)(c) and the Rules made under that section. However, Section 62(1)(c) does not deprive a rights issue from its status as such despite the right given to the Board of Directors to dispose of unsubscribed shares in such manner which is not disadvantageous to the shareholders and the company; it also cannot constitute either a public issue or private placement issue, even if the allottees of such shares happen to be outsiders or strangers and are more than two hundred in number.

As in the case of a rights offer with the right of renunciation, so in the case of a rights offer with the right given to the Board in accordance with the provision in Section 62(1)(a)(iii) (to dispose of unsubscribed shares in such manner which is not disadvantageous to the shareholders and the company) also cannot constitute either a public offer or a private placement offer, even if the allottees of such shares happen to be 'outsiders' or 'strangers', not being existing shareholders of the company.

## DIFFERENCE BETWEEN 'OFFER' AND 'ALLOTMENT'

The Regulatory authorities seem to have been making no difference between 'issue', 'offer' and 'allotment' of shares which is one of the reasons for the present



confusion and controversies, whereas the judiciary in India and UK have different view going by the conceptual and statutory framework (which is expected to prevail but is, unfortunately, adhered to).

The authorised capital comes into existence or is said to come into existence or is said to be created on being provided for in the memorandum of association of the company. When the shares are so created, they may remain unissued for a long time. The shares thus created are said to be issued when a resolution authorising the issue, is passed by the Board of Directors or the shareholders of a company, in its Board meeting or general meeting. The issued shares come into existence on being allotted vide a resolution of the Board of Directors or Company. 'Allotment' is the appropriation of a certain number of shares to a person, out of the previously unappropriated shares. Thus, it is on 'allotment' of shares that the shares come into existence. [Farwell L.J. in *Mosely v Koffyfontein Mines Ltd.* (1911) 1 Ch. 73]

"It is plain that the words 'creation', 'issue' and 'allotment' are used with the three different meanings familiar to business people as well as to lawyers. There are three steps with regard to new capital; first it is created; till it is created the capital does not exist at all. When it is created it may remain unissued for years, as indeed it was here; the market did not allow of a favourable opportunity of placing it. When it is issued it may be issued on such terms as appear for the moment expedient. Next comes allotment." [Re *Florence Land and Public Works Co.* (1885) LR 29 Ch. D 421].

The Supreme Court extensively dealt with this subject in the landmark case of *Sree Gopal Jalan v Calcutta Stock Exchange Association Limited* [1963] 33 Comp Cas 862: AIR 1964 SC 250. It was held: 'The term issue of shares is not defined anywhere in the Act. There is a difference between 'creation', 'issue' and 'allotment' of shares. A share in a company comes into existence on the evolution of a process which begins with the creation of a share and ends with its allotment. The intermediary step is that of 'issue' of the shares. The Supreme Court has held that 'creation', 'issue' and 'allotment' are the three stages towards the formation or coming into existence of new share capital. After review of UK case law on the subject, the Supreme Court observed as follows:

"It is beyond doubt from the authorities to which we have earlier referred, and there are many more which could be cited to show the same position, that in Company Law 'allotment' means the appropriation out of the previously unappropriated capital of a company, of a certain number of shares to a person. Till such allotment the shares do not exist as such. It is on allotment in this sense that the shares come into existence. Learned counsel for the appellant has not been able to cite any case where the word 'allotment' has been used to describe a transaction with regard to an existing share, that is, a share previously brought into existence by appropriation to a person out of the authorised capital. In every case the words 'allotment of shares' have been used to indicate the creation of shares

by appropriation out of the unappropriated share capital to a particular person. We find no reason why the word 'allotment' in section 75 [of the Companies Act 1956] should have a different sense."

In *Morgan Stanley v Kartick Das* [1994] 81 Comp Cas 318 (SC); 1994 AIR SCW 2801, the Supreme Court once again reiterated the view taken by it in *Sree Gopal Jalan* case (Supra), that the shares come into existence only on the allotment thereof. Till such time as the allotment takes place, the shares do not come into existence. Creation of share capital without allotment does not bring the shares into existence.

The expression 'issue of shares' has been interpreted by the UK's Supreme Court in *National Westminster Bank plc and another v Inland Revenue Commissioners* [1994] 3 All ER 1 (HL) (by majority decision) as meaning not only the passing of a resolution or making of an offer or receiving applications for subscribing to the shares, but it is something more than that, and it contemplates the process of an application followed by allotment and notification and completed by entry on the register; the term 'issue' in relation to shares means something distinct from allotment and imported that some subsequent act had been done whereby the title of the allottee had become complete. But that was a case in the context of a provision in tax law which sought to grant a relief from tax and provided that an individual who qualified for the relief must subscribe for eligible shares in a qualifying company, and those shares were issued to him after 5 April 1983 and before the end of 1993. In fact, in the above case, in the minority judgment, two judges held that the word 'issue' has been recognised as a mercantile rather than as a technical legal term and it derives its meaning from its context and that 'issue of shares' does not require allotment and registration of the shares in the name of the allottee.

## CONCLUSION

Despite the enactment of Sections 23 and 42 and re-enactment of Section 62, the issue of deemed public issue remains confusing and controversial with regard to renunciation of rights shares issued by a company when the renunciation results in allotment of shares to more than the prescribed number. The regulatory authorities' contention that it does result in a public issue is not backed by a clear and unambiguous statutory provision and there have been conflicting court rulings. This state of affairs put unlisted public companies into a dilemma and quandary. There is no reason why this unhappy state of affairs should be allowed to exist. Probably, a solution lies in making a clear and unambiguous provision in Section 26 stating that "Notwithstanding anything contained in any other provision of this Act, allotment of any securities of a company to more than the prescribed number of persons, whether in a rights issue or otherwise (including renouncement of shares offered in a rights issue) shall be considered an offer or invitation to the public."



# Enhancing Corporate Governance: A Guide To Effective Secretarial Practices For Company Secretaries

“Effective governance is not just about compliance; it’s about building trust, fostering transparency, and leading with integrity. Company Secretaries are the custodians of this trust, ensuring that every practice supports the organization’s commitment to excellence and accountability.”



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## INTRODUCTION

**C**ompany Secretaries (CS) plays a crucial role in the corporate governance framework, serving as essential intermediaries who link the Board of Directors, shareholders, and regulatory bodies. Their responsibilities are diverse and encompass ensuring adherence to legal and regulatory requirements, which involves meticulous compliance with various laws and timely submission of statutory documents. Additionally, CS professionals are pivotal in managing Board operations, including organizing meetings, preparing agendas, and recording minutes, which supports effective decision-making and governance. They also provide strategic advisory services, helping the Board navigate complex business decisions and manage risks. Furthermore, CS professionals are key in managing communication with stakeholders, including shareholders and regulatory authorities, ensuring transparency and maintaining trust. By adopting comprehensive practices in these areas, Company Secretaries can significantly enhance their effectiveness, streamline organizational operations, and contribute to a robust corporate governance structure that supports the organization’s overall integrity and success.

## ADHERENCE TO LEGAL AND REGULATORY COMPLIANCE

Understanding and Implementing Legal Requirements: At the heart of a Company Secretary’s (CS) role lies the critical responsibility of ensuring strict adherence to legal and regulatory requirements, which forms the bedrock of corporate governance and operational integrity. This



encompasses compliance with various statutes and regulations, including the Companies Act, Securities and Exchange Board of India (SEBI) regulations, and other pertinent laws. Achieving robust legal compliance involves several key practices:

1. **Staying Informed:** Continuous learning and staying updated with the latest legal and regulatory changes are fundamental to a Company Secretary’s role. Given the dynamic nature of laws and regulations, Company Secretaries must proactively seek out and assimilate new information. This can be achieved by:
  - **Subscribing to Legal Updates:** Regularly receiving updates from legal and regulatory bodies, professional newsletters, and journals to keep abreast of legislative changes and emerging legal trends.
  - **Attending Workshops and Seminars:** Participating in industry-specific workshops, seminars, and conferences that offer insights into recent developments and practical applications of legal requirements.
  - **Engaging with Professional Associations:** Being active in professional associations and networks, such as the Institute of Company Secretaries of India (ICSI), to benefit from collective expertise, resources, and ongoing professional development opportunities.
2. **Compliance Management System:** Implementing a structured and systematic compliance management system is crucial for ensuring that all legal obligations are met effectively and on time. This involves:

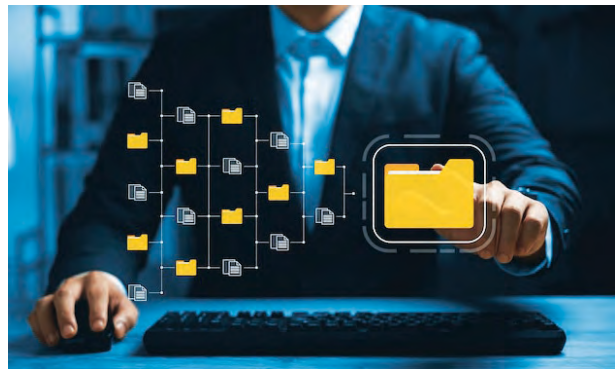


- **Tracking Statutory Deadlines:** Establishing a comprehensive calendar or system to monitor important deadlines for statutory filings, such as annual returns, financial statements, and compliance certificates. Automated reminders and tracking tools can help prevent missed deadlines.
  - **Maintaining Accurate Records:** Keeping meticulous records of all compliance-related documents and filings. This includes maintaining a database of submissions, correspondence with regulatory authorities, and compliance-related communications.
  - **Regular Audits and Reviews:** Conducting periodic audits and reviews of compliance processes to ensure they are functioning correctly and identifying any areas for improvement. This helps in proactively addressing any compliance issues before they escalate.
3. **Internal Controls:** Developing and maintaining effective internal controls is essential for ensuring that compliance obligations are met consistently and efficiently. This involves:
- **Establishing Internal Procedures:** Designing and implementing internal procedures and guidelines that govern compliance activities. This includes protocols for preparing, reviewing, and submitting required documents.
  - **Regular Monitoring and Checks:** Instituting regular checks and balances to monitor compliance activities. This may involve periodic internal reviews and audits to verify that compliance measures are being followed and are effective.
  - **Training and Awareness:** Providing ongoing training and awareness programs for employees involved in compliance-related activities. Ensuring that staff are well-informed about their roles and responsibilities concerning compliance helps in fostering a culture of adherence.

By integrating these practices into their operations, Company Secretaries can ensure that their organizations remain compliant with legal and regulatory requirements, thereby mitigating risks and upholding the highest standards of corporate governance. This comprehensive approach to managing legal compliance not only supports operational efficiency but also enhances the organization's credibility and integrity in the eyes of stakeholders and regulatory bodies.

## EFFICIENT DOCUMENT MANAGEMENT

Effective document management is essential for maintaining accurate records, ensuring operational efficiency, and safeguarding sensitive information. To achieve these goals, organizations should adopt several best practices:



1. **Digitalization:** Transitioning to a digital document management system is a fundamental step towards improving accessibility and operational efficiency. Key aspects of digitalization include:
  - **Cloud-Based Solutions:** Leveraging cloud storage platforms provides secure, scalable, and easily accessible storage for documents. Cloud solutions enable remote access, facilitate collaboration, and offer robust backup and disaster recovery options. This shift reduces the need for physical storage and enhances document retrieval efficiency.
  - **Electronic Document Management Systems (EDMS):** Implementing an EDMS can significantly streamline the creation, storage, and retrieval of documents. These systems often feature advanced document indexing, search capabilities, and integration with other business applications, which simplifies managing large volumes of documents.
  - **Digitization of Existing Records:** Converting physical documents into digital formats is crucial for improving accessibility and reducing physical storage needs. Use high-quality scanners or imaging technologies and ensure thorough quality checks to maintain the accuracy and completeness of digitized records.
2. **Document Control:** Robust document control protocols are essential for managing documents throughout their lifecycle and ensuring their accuracy and security. Important practices include:
  - **Version Management:** Implement a version control system to keep track of document revisions and updates. This practice ensures that the most current version is always available and provides a detailed history of changes, which is vital for auditing and compliance.
  - **Access Restrictions:** Establish strict access controls to limit document access based on user roles and responsibilities. This minimizes the risk of unauthorized access or modifications and ensures that sensitive information is only accessible to those who need it.

- **Audit Trails:** Maintain comprehensive audit trails that record document access, modifications, and deletions. Audit trails help monitor document integrity, track changes, and identify any issues related to compliance or unauthorized actions.
3. **Confidentiality:** Protecting sensitive information is a critical aspect of document management. Effective measures to ensure confidentiality include:
- **Encryption:** Utilize encryption to protect data both at rest (stored documents) and in transit (documents being transmitted over networks). Encryption secures sensitive information from unauthorized access and potential breaches.
  - **Secure Access Controls:** Implement strong authentication mechanisms, such as multi-factor authentication (MFA), to control access to digital documents. Regularly review and update access rights based on user roles and organizational changes to ensure that only authorized personnel can access or modify sensitive documents.
  - **Regular Security Audits:** Conduct regular security audits to evaluate the effectiveness of document protection measures. These audits help to identify potential vulnerabilities, ensure compliance with security standards, and update practices to address emerging threats.

By integrating these best practices into their document management processes, organizations can enhance the efficiency of record-keeping, ensure secure and accurate document handling, and support overall operational effectiveness. These practices contribute to improved compliance, better information security, and streamlined access to critical documents.

## BOARD AND SHAREHOLDER MEETINGS

Organizing and managing Board and shareholder meetings is a critical responsibility of Company Secretaries, requiring meticulous attention to detail and adherence to best practices to ensure that meetings are productive, compliant, and effective. Key practices for organizing and managing these meetings include:



Company Secretaries plays a pivotal role in this framework by ensuring compliance with legal and regulatory requirements, thereby safeguarding the organization's adherence to relevant laws and standards.

1. **Preparation and Planning:** Effective preparation and planning are essential for the smooth conduct of Board and shareholder meetings. This involves:
  - **Developing Comprehensive Agendas:** Collaborate with the Board to draft a detailed agenda that outlines all topics to be discussed. The agenda should be structured to cover key issues efficiently and should include time allocations for each item to ensure that the meeting remains focused and on schedule.
  - **Distributing Agendas and Supporting Documents:** Send the agenda and all relevant supporting documents to attendees well in advance of the meeting. This allows participants sufficient time to review the materials, prepare their contributions, and make informed decisions. Supporting documents may include financial reports, proposals, and previous meeting minutes.
  - **Ensuring Readiness:** Verify that all necessary arrangements, such as meeting venues, technology for virtual meetings, and any required resources, are in place. Ensure that participants are informed of logistical details and have access to any tools or platforms needed for the meeting.
2. **Minute-Taking:** Accurate and detailed minute-taking is crucial for documenting the proceedings and outcomes of the meetings. Key aspects include:
  - **Recording Detailed Discussions and Decisions:** Capture comprehensive records of discussions, decisions made, and action items agreed upon during the meeting. Ensure that the minutes reflect the essence of discussions without introducing personal interpretations or biases.
  - **Using Clear and Precise Language:** Write the minutes in clear and unambiguous language to avoid misinterpretation. Use formal and concise language to accurately represent the meeting's proceedings while ensuring compliance with legal and regulatory requirements.



- **Documenting Action Items:** Clearly outline action items, including who is responsible for each task and the deadlines for completion. This facilitates accountability and provides a reference for tracking the implementation of decisions.
3. **Post-Meeting Actions:** Efficient management of post-meeting actions is essential for ensuring that decisions are implemented and follow-up tasks are completed. This involves:
- **Circulating Minutes:** Distribute the finalized minutes to all attendees and relevant stakeholders promptly after the meeting. This ensures that everyone is informed of the discussions, decisions, and assigned action items.
  - **Following Up on Action Items:** Implement a tracking system to monitor the progress of action items and decisions made during the meeting. Regularly review the status of these tasks and follow up with responsible individuals to ensure timely completion.
  - **Archiving Documents:** Maintain a systematic record of all meeting documents, including agendas, minutes, and supporting materials. Proper archiving ensures that records are easily retrievable for future reference and compliance purposes.

By adhering to these practices, Company Secretaries can ensure that Board and shareholder meetings are conducted effectively, decisions are well-documented, and follow-up actions are managed efficiently. This not only supports robust corporate governance but also enhances the overall functioning and transparency of the organization.

## CORPORATE GOVERNANCE



Promoting strong governance practices is central to the role of a Company Secretary, who is responsible for ensuring that the organization adheres to high standards of integrity, transparency, and regulatory compliance. The following best practices are essential for achieving robust corporate governance:

1. **Governance Framework:** A well-defined governance framework is fundamental for guiding organizational behaviour and decision-making processes. Key aspects include:

- **Advising on Governance Framework Development:** Collaborate with senior management and the Board to establish a comprehensive governance framework that aligns with industry best practices and regulatory requirements. This involves drafting and formalizing governance policies, including those related to board structure, roles and responsibilities, and committee functions.
  - **Creating Codes of Conduct and Ethics Guidelines:** Develop detailed codes of conduct and ethics guidelines that outline expected behaviours and standards for Board members, executives, and employees. These documents should address issues such as conflicts of interest, compliance with laws and regulations, and the handling of confidential information.
  - **Implementing and Communicating Policies:** Ensure that governance policies and ethical guidelines are effectively communicated across the organization. This includes distributing documents to relevant stakeholders, providing access to policy manuals, and integrating policies into the organization's operations and culture.
2. **Training and Development:** Ongoing education and training are crucial for embedding governance principles and ensuring compliance throughout the organization. Best practices include:
- **Conducting Training Sessions:** Organize regular training sessions for Board members, executives, and employees to educate them about corporate governance principles, legal obligations, and ethical standards. These sessions should cover topics such as corporate responsibility, risk management, and regulatory compliance.
  - **Fostering a Culture of Transparency:** Promote a culture that values transparency and ethical behaviour by encouraging open communication and providing mechanisms for reporting unethical conduct or governance concerns. Establish clear procedures for whistleblowing and ensure that employees feel safe and supported when raising issues.
  - **Supporting Continuous Learning:** Encourage Board members and employees to pursue ongoing professional development related to governance, compliance, and ethics. This can include attending seminars, workshops, and conferences, as well as obtaining relevant certifications.
3. **Governance Audits:** Regular governance audits are essential for assessing the effectiveness of governance practices and ensuring compliance with established standards. Key practices include:
- **Conducting Regular Audits:** Schedule and perform regular audits of governance practices

to evaluate their effectiveness and adherence to internal policies and external regulations. Audits should review various aspects of governance, including Board operations, compliance with legal requirements, and the implementation of ethical guidelines.

- **Identifying and Addressing Areas for Improvement:** Analyse audit findings to identify any weaknesses or areas for improvement in governance practices. Develop and implement action plans to address these issues, enhance governance processes, and mitigate potential risks.
- **Reporting and Follow-Up:** Prepare and present detailed audit reports to the Board and relevant stakeholders, outlining findings and recommendations. Ensure that follow-up actions are taken to address identified issues and improve governance practices. Regularly review the progress of these actions and make adjustments as necessary.

By focusing on these best practices, Company Secretaries can effectively promote strong corporate governance, support ethical behaviour, and ensure compliance with regulatory requirements. This proactive approach enhances organizational integrity, fosters stakeholder confidence, and contributes to the overall success and sustainability of the organization.

## RISK MANAGEMENT



Effective risk management is a critical aspect of a Company Secretary's role, focusing on identifying potential risks and implementing strategies to mitigate them. This proactive approach ensures that the organization can address challenges before they escalate into significant issues. The following key practices are essential for managing risks effectively:

1. **Risk Assessment:** Regular and thorough risk assessments are foundational to identifying and understanding potential risks that could impact the organization. Best practices include:
  - **Conducting Risk Assessments:** Perform systematic risk assessments on a regular basis to identify and evaluate compliance, governance, and operational risks. Use various risk management tools and techniques, such as risk matrices, scenario analysis, and quantitative methods, to assess the potential impact and likelihood of identified risks.
  - **Engaging Stakeholders:** Involve key stakeholders, including senior management, department heads, and external advisors, in the risk assessment process. Their insights and expertise can provide a comprehensive understanding of potential risks across different areas of the organization.
  - **Documenting Risks:** Maintain detailed records of identified risks, including their nature, potential impact, likelihood, and current controls. This documentation serves as a reference for developing and implementing mitigation strategies and for ongoing monitoring.
2. **Mitigation Strategies:** Developing and implementing effective risk mitigation strategies is crucial for managing identified risks and minimizing their impact. Key practices include:
  - **Updating Policies and Procedures:** Review and update organizational policies and procedures to address identified risks. Ensure that policies include clear guidelines for risk management, compliance, and ethical behaviour.
  - **Enhancing Internal Controls:** Strengthen internal controls to prevent or mitigate the impact of risks. This may involve implementing additional checks and balances, improving financial controls, and enhancing security measures.
  - **Providing Additional Training:** Offer targeted training and development programs to employees and Board members on risk management practices and compliance requirements. Ensure that all relevant personnel understand their roles in mitigating risks and managing compliance effectively.
  - **Developing Contingency Plans:** Create and maintain contingency plans for high-impact risks. These plans should outline specific actions to be taken in response to various risk scenarios, ensuring that the organization is prepared to respond effectively in the event of a risk materializing.
3. **Reporting:** Effective reporting on risk management activities ensures that the Board and other key stakeholders are informed about risks and mitigation efforts. Best practices include:
  - **Providing Detailed Reports:** Prepare comprehensive reports on risk management activities, highlighting key risks, mitigation



measures, and any emerging issues. Ensure that reports include relevant data, analysis, and recommendations for addressing identified risks.

- **Regular Updates:** Provide regular updates to the Board on the status of risk management activities, including progress on implementing mitigation strategies, changes in the risk environment, and any new or emerging risks.
- **Highlighting Key Issues:** Emphasize significant risks and critical issues that require the Board's attention. Include recommendations for further actions or decisions needed to address these issues effectively.
- **Facilitating Board Discussions:** Support the Board in discussing and addressing risk-related matters by providing relevant information and facilitating informed decision-making.

By implementing these practices, Company Secretaries can effectively manage risks, protect the organization from potential threats, and support its long-term stability and success. Proactive risk management enhances organizational resilience, ensures compliance, and fosters a culture of awareness and preparedness.

## COMMUNICATION AND STAKEHOLDER MANAGEMENT



Effective communication and stakeholder management are pivotal to fostering transparency, trust, and positive relationships with various stakeholders. For Company Secretaries, this involves not only managing internal communications but also ensuring that external interactions uphold the organization's reputation and regulatory obligations. Here are the essential practices for engaging with stakeholders effectively:

1. **Stakeholder Engagement:** Engaging with shareholders, regulators, and other stakeholders is crucial for maintaining a positive organizational image and addressing their concerns effectively. Key practices include:

- **Developing Engagement Strategies:** Create comprehensive strategies for engaging with different stakeholder groups, including shareholders, regulators, employees, and the community. Tailor these strategies to address the specific needs and expectations of each group, ensuring effective communication and relationship-building.
- **Addressing Concerns Promptly:** Establish protocols for addressing stakeholder concerns and queries in a timely manner. This may involve setting up dedicated communication channels, appointing responsible personnel, and developing standard responses for common issues.
- **Providing Timely Updates:** Regularly update stakeholders on significant corporate matters, including strategic decisions, operational changes, and financial performance. Use various communication tools, such as newsletters, press releases, and social media, to keep stakeholders informed and engaged.

2. **Public Disclosure:** Accurate and timely disclosure of information is critical for maintaining transparency and meeting regulatory requirements. Key practices include:

- **Ensuring Compliance with Disclosure Requirements:** Adhere to regulatory requirements for public disclosure, including financial statements, annual reports, and other mandatory filings. Ensure that all disclosures are accurate, complete, and made within stipulated deadlines.

- **Communicating Financial and Operational Information:** Provide clear and concise information about the organization's financial performance, operational updates, and strategic initiatives. Use standardized formats and ensure that reports are easy to understand for both stakeholders and the general public.

- **Managing Significant Announcements:** Handle significant announcements, such as mergers, acquisitions, or leadership changes, with care. Develop a communication plan to manage the announcement process, including drafting press releases, preparing FAQs, and coordinating with media outlets.

3. **Feedback Mechanisms:** Implementing effective feedback mechanisms helps to gather valuable insights from stakeholders and address their concerns proactively. Key practices include:

- **Establishing Feedback Channels:** Create various channels for stakeholders to provide feedback, such as surveys, suggestion boxes, online forms, and direct communication options.

Ensure that these channels are accessible and user-friendly.

- **Conducting Surveys and Polls:** Regularly conduct surveys and polls to gather feedback from shareholders, employees, and other stakeholders. Use the results to gauge satisfaction, identify areas for improvement, and make informed decisions.
- **Holding Meetings and Forums:** Organize meetings, forums, or town halls to engage directly with stakeholders, discuss their concerns, and provide updates. These interactions offer opportunities for open dialogue and foster a sense of involvement and transparency.
- **Addressing Feedback Constructively:** Analyse feedback received and address concerns in a timely and constructive manner. Develop action plans to address any issues raised and communicate the steps taken to stakeholders, demonstrating responsiveness and commitment to improvement.

By focusing on these practices, Company Secretaries can enhance stakeholder relationships, promote transparency, and ensure that communication aligns with regulatory requirements and organizational goals. Effective communication and stakeholder management contribute to building trust, mitigating potential conflicts, and supporting the overall success and reputation of the organization.

## CONTINUOUS PROFESSIONAL DEVELOPMENT



In the dynamic and evolving field of corporate governance, continuous professional development is essential for Company Secretaries to maintain effectiveness, adapt to changes, and uphold the highest standards of competence. Committing to ongoing learning and professional growth ensures that Company Secretaries remain knowledgeable, skilled, and equipped to handle the complexities of their roles. Here are key strategies for staying current and competent:

1. **Ongoing Education:** Participating in ongoing education is vital for keeping up with industry trends, legal updates, and best practices. Key strategies include:
  - **Professional Development Programs:** Engage in a variety of professional development programs, such as workshops, seminars, and training sessions, to stay informed about the latest developments in corporate governance, legal requirements, and regulatory changes. These programs provide valuable insights and practical knowledge that can be applied to daily responsibilities.
  - **Advanced Courses and Specialized Training:** Enrol in advanced courses and specialized training related to emerging areas of corporate governance and compliance. Topics may include advanced risk management, digital transformation in governance, or updates in securities regulation. Such training helps to deepen expertise and adapt to evolving industry needs.
  - **Webinars and Online Learning:** Utilize webinars and online learning platforms to access educational content from experts and thought leaders in the field. These platforms offer flexibility and the opportunity to learn from a diverse range of sources and perspectives.
2. **Professional Networking:** Engaging in professional networking is crucial for exchanging knowledge, gaining insights, and staying informed about industry developments. Key strategies include:
  - **Joining Professional Associations:** Become an active member of professional bodies and associations related to corporate governance and company secretarial practice. Organizations such as the Institute of Company Secretaries of India (ICSI) or international counterparts provide access to resources, events, and networking opportunities.
  - **Participating in Industry Conferences:** Attend industry conferences, forums, and networking events to connect with peers, share experiences, and learn about emerging trends and best practices. These events offer opportunities for knowledge exchange and professional growth.
  - **Engaging in Online Communities:** Participate in online communities, discussion groups, and forums dedicated to company secretarial practice and corporate governance. Engaging in these platforms allows for sharing insights, seeking advice, and staying updated on industry developments.



3. **Certifications and Qualifications:** Pursuing relevant certifications and qualifications demonstrates expertise and a commitment to professional excellence. Key strategies include:

- **Advanced Degrees:** Consider obtaining advanced degrees, such as a Master's or PhD in corporate governance, law, or business administration. Advanced degrees provide in-depth knowledge and enhance professional credentials.
- **Specialized Certifications:** Pursue specialized certifications relevant to company secretarial practice, such as certifications in risk management, compliance, or governance. These credentials highlight specialized skills and expertise in specific areas.
- **Industry-Recognized Credentials:** Obtain industry-recognized credentials and accreditations that validate professional competence and adherence to industry standards. These credentials enhance credibility and demonstrate a commitment to ongoing professional development.

By implementing these strategies, Company Secretaries can ensure that they remain at the forefront of their profession, equipped to handle emerging challenges, and capable of contributing effectively to their organizations. Continuous professional development fosters a culture of excellence, adaptability, and lifelong learning, which is essential for maintaining high standards of corporate governance and compliance.

## CONCLUSION

Effective secretarial practices are crucial for the seamless operation and governance of organizations, underpinning their success and sustainability. Company Secretaries play a pivotal role in this framework by ensuring compliance with legal and regulatory requirements, thereby safeguarding the organization's adherence to relevant laws and standards. Their expertise in managing documents efficiently streamlines operations, reduces risks, and ensures accurate record-keeping.

Organizing meetings effectively, from planning and preparation to minute-taking and post-meeting follow-ups, enhances Board and shareholder engagement, ensuring that decisions are documented and acted upon promptly. Promoting strong corporate governance through the development and implementation of governance frameworks, training, and regular audits fosters transparency, ethical behaviour, and accountability within the organization.

Risk management is another critical area, where Company Secretaries must identify potential risks, develop mitigation strategies, and provide detailed

reports to the board. This proactive approach helps in minimizing threats and maintaining organizational resilience. Effective communication with stakeholders—through timely updates, accurate public disclosures, and feedback mechanisms—ensures transparency and strengthens stakeholder trust.

Finally, continuous professional development is essential for Company Secretaries to remain proficient and up-to-date with industry trends, legal changes, and best practices. By pursuing ongoing education, engaging in professional networking, and obtaining relevant certifications, Company Secretaries enhance their skills and knowledge, thereby contributing more effectively to organizational success.

By embracing these best practices, Company Secretaries not only uphold the highest standards of professionalism but also play a vital role in fostering robust corporate governance. Their contributions are instrumental in driving organizational performance, ensuring regulatory compliance, and maintaining stakeholder confidence, thereby supporting the overall success and sustainability of the organization.

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# From Paper to Pixels - Transforming Corporate Governance with Digital Solutions

“Digital governance is crucial in today’s rapidly evolving business landscape, utilizing tools like AI-driven analytics to improve financial reporting and operational efficiency. Businesses cannot thrive without robust corporate governance and compliance; these elements are fundamental from inception to operation, significantly impacting long-term stability and growth. Company Secretaries (CS) are indispensable in this transformation, evolving from traditional compliance roles to become strategic advisors and management facilitators. They spearhead the adoption of digital solutions, ensuring that corporate governance remains robust and adaptive. Much like Arjuna relied on Krishna’s guidance in the epic battle of Mahabharata, they guide organizations through these complexities, equipping them to survive and thrive in the digital age.”



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## INTRODUCTION

Corporate governance in India has come a long way since the early 20<sup>th</sup> century. The journey began with the Companies Act, 1956, which laid down the basic framework for corporate operations and accountability. This act aimed to provide a regulatory environment ensuring that companies conducted their business in a fair and transparent manner. Over the decades, India has witnessed several milestones in corporate governance, reflecting its growing emphasis on ethical practices and stakeholder protection.

Fast forward to recent times, the Companies Act, 2013, marks a significant leap in corporate governance reforms. This updated legislation brought stringent regulations designed to enhance transparency, protect minority shareholders, and enforce stricter penalties for non-compliance. The Act introduces comprehensive rules on Board composition, corporate social responsibility, and financial disclosures, setting a high standard for corporate governance in India.

## THE EVOLUTION OF CORPORATE GOVERNANCE IN INDIA

Corporate governance in India initially revolved around basic compliance with regulatory requirements, which were relatively rudimentary. The focus was primarily on

ensuring companies adhered to the fundamental rules of registration, reporting, and financial disclosures. The governance framework was relatively simple, prioritizing fundamental regulatory and minimal adherence to rules over advanced practices.

Significant reforms began with the Companies Act, 2013, which introduced stricter compliance requirements and enhanced Board responsibilities, aiming for greater transparency and accountability. SEBI’s regulations further strengthened governance by enforcing rigorous disclosure norms for listed companies, while the Kotak Committee’s 2017 recommendations emphasized Board diversity, independent oversight, and improved transparency. These reforms collectively shaped a more robust and transparent corporate governance framework in India.

## CORPORATE GOVERNANCE IN THE WAKE OF THE PANDEMIC

The COVID-19 pandemic has accelerated the adoption of remote and hybrid work models, influencing corporate governance practices. Boards now rely heavily on virtual meetings and digital tools for decision-making, which has expanded participation but introduced new challenges in cybersecurity and data management.

Companies have adapted their governance structures to accommodate remote work, ensuring continued oversight and strategic planning despite physical distance. To keep pace, companies are updating governance policies to support remote operations and ensure compliance with changing regulations.

## RECENT DEVELOPMENTS AND ENFORCEMENT ACTIONS

The Ministry of Corporate Affairs (MCA) has implemented AI-driven systems to enhance regulatory oversight. The MCA V3 portal uses artificial intelligence to analyze company filings, detect discrepancies, and enforce compliance more effectively. This proactive approach helps in identifying potential issues and ensures that companies adhere to governance standards.

The MCA's automated systems provide alerts, emails and notifications to avoid or minimize non-compliance issues. For instance, if irregularities are detected, the system generates automated notifications and prompts necessary actions, thereby supporting timely compliance and enforcement.

## HOW DIGITAL SOLUTIONS TRANSFORMING CORPORATE GOVERNANCE?



Digital corporate governance solutions are transforming governance practices and business operations, delivering both tangible and intangible benefits that extend beyond cost and resource savings. Here's how they are reshaping corporate governance:

1. **Secured and Improved Collaboration:** Digital tools facilitate seamless collaboration among Board Members, regardless of their location. Virtual rooms, discussion boards, and document-sharing features enable active participation in meetings and decision-making processes.
2. **Enhanced Information Flow:** Integrated interfaces and data hosting portals streamline the dissemination of sensitive documentation. These systems provide immediate and secure access to documents, with options for real-time commenting and discussions. This setup ensures accountability, tracks action items, and enhances organizational efficiency.
3. **Increased Participation:** Hybrid and virtual meetings broaden participation, allowing more Board members and shareholders to contribute to strategic decisions from any location. For instance, electronic voting allows shareholders to cast their votes securely and conveniently, improving participation and reducing the likelihood of disputes.
4. **Transparency:** Centralized systems boost transparency by making decisions, actions, and discussions accessible to all relevant stakeholders. Digital tools provide real-time access to financial data, allowing stakeholders to view up-to-date information and track transactions effectively.
5. **Managing Conflicts of Interest:** With timely access to information, Board members can identify and address potential conflicts of interest. Some digital governance systems offer forms for declaring conflicts, promoting ethical standards and transparency in Board and shareholder meetings.
6. **Access to Historical Records:** Digital governance solutions provide easy access to historical records, including meeting agendas, notes, and voting information. This capability supports effective management and compliance by offering a comprehensive reference for financial and regulatory audits.
7. **Streamlined Compliance and Reporting:** Manual compliance processes can be time-consuming and prone to errors, whereas digital solutions automate routine tasks and ensure that regulatory requirements are met efficiently. It effectively monitors regulatory changes, generate compliance reports, and manage submissions. These tools reduce the risk of non-compliance and ensure timely and accurate reporting to regulatory bodies.
8. **Improved Communication with Stakeholders:** Digital platforms, such as virtual meeting tools and online feedback systems, enable companies to engage with stakeholders more efficiently. These platforms facilitate smoother interactions, allowing stakeholders to participate in meetings, provide feedback, and stay informed about company developments.
9. **Enhanced Decision-Making:** Digital tools provide access to real-time data and advanced analytics, supporting more informed and strategic decision-making. AI-powered analytics platforms offer valuable insights into various aspects of a company's performance and market conditions, helping Board members make data-driven decisions.

## WHAT IS THE ROLE OF LEADERSHIP IN DIGITAL TRANSFORMATION?

Digital transformation is not just a technological shift but a fundamental change in how companies operate and compete. As businesses navigate this transformative landscape, leadership plays a crucial role in guiding and implementing these changes effectively. Here's a closer look at the role of leadership in digital transformation:

1. **Understanding the Impact:** Digital transformation is top of mind for Boards, with 82% of digital issues now a major focus in Boardroom discussions. Leaders must not only understand but anticipate the broad implications of digital changes on their organizations. For instance, how are emerging technologies reshaping market dynamics and operational models?
2. **Navigating Technological Change:** With rapid technological advancements, leaders face a critical challenge. Research shows that while 63% of leaders recognize the impact of digitalization, only 30% provide the necessary strategic guidance, and 39% actively oversee digital initiatives. This disparity highlights the need for leaders to step up their game in both guiding and monitoring digital transformation efforts.





3. **Building Expertise and Partnerships:** Success in digital transformation often hinges on the ability to build expert teams and forge strategic partnerships. Leaders are increasingly collaborating with technology experts and industry peers. For example, how are companies leveraging external expertise to address digital challenges and drive innovation?
4. **Leveraging Data for Insights:** Effective leaders use predictive analytics to turn data into actionable insights, enhancing decision-making and strategic planning. The ability to interpret and utilize data effectively is crucial. Consider how companies are integrating these analytics to gain a competitive edge and streamline operations.
5. **Fostering Trust and Clear Communication:** Trust and communication are key to successful digital transformation. Leaders must ensure that their vision and execution path are clear and that stakeholders are aligned. What strategies are leaders employing to build trust and maintain open communication channels during the transformation process?
6. **Innovating Business Models:** A strong grasp of digital trends enables leaders to create new business models that drive efficiency and customer engagement. Leaders are tasked with innovating in response to digital disruptions. Reflect on how organizations are adapting their business models to stay competitive in a rapidly evolving digital landscape.

## IMPACT OF DIGITAL TRANSFORMATION GLOBALLY AND IN INDIA

Globally, digital transformation has fundamentally reshaped corporate governance. The advent of

technologies like cloud computing, big data analytics, and artificial intelligence has revolutionized how companies manage information, ensure compliance, and engage with stakeholders. Real-time data access and enhanced transparency have become the new norms, making governance practices more efficient and responsive.

In India, the integration of digital tools into corporate governance is still evolving but gaining momentum. Companies are increasingly adopting digital platforms for various governance functions, from compliance tracking to Board communications. For instance, Board portals and e-meeting systems are becoming commonplace, allowing for seamless virtual meetings and instant access to critical documents. This shift is improving communication, streamlining compliance processes, and enhancing overall governance effectiveness.

## WHAT ARE THE KEY CHALLENGES AND OBSTACLES?

As digital solutions reshape corporate governance, several challenges and obstacles emerge. Understanding these hurdles is crucial for navigating the transition to digital governance effectively and ensuring robust and resilient governance practices.

1. **Cybersecurity Concerns:** Digital data breaches represent a significant risk to corporate governance. Such breaches compromise data integrity, potentially exposing sensitive financial information, strategic plans, or personal data of stakeholders. This can lead to loss of trust, reputational damage, and legal consequences.

**Example:** Consider a company like XYZ Corp that experiences a major data breach. Sensitive financial

data and confidential board discussions are exposed. This breach not only undermines stakeholder confidence but also attracts regulatory scrutiny and financial penalties.

2. **Resistance to Change and Technological Barriers:** Resistance to digital transformation often stems from entrenched practices and a lack of digital skills within an organization. Employees accustomed to traditional processes may resist adopting new technologies, and insufficient digital skills can hinder the effective use of digital tools.

**Example:** Imagine a manufacturing company, DEF Ltd., where senior management is reluctant to adopt a new digital Board portal. The resistance could be due to a preference for traditional paper-based processes and a lack of familiarity with digital tools. This reluctance can slow down the digital transformation process and limit the benefits of new technologies.

3. **Regulatory and Compliance Issues:** Traditional regulations may not always align with new digital practices, creating compliance challenges. Regulatory frameworks designed for manual processes might not account for the nuances of digital tools and data management, leading to conflicts and difficulties in maintaining compliance.

**Example:** Suppose GHI Ltd. is implementing an advanced digital compliance system. The existing regulatory guidelines, which were designed for paper-based reporting, do not fully address the new digital reporting processes. This discrepancy creates challenges in ensuring that digital practices align with regulatory requirements.

## WHAT STRATEGIES CAN OVERCOME THESE CHALLENGES?

To tackle the challenges of digital corporate governance, organizations can adopt several effective strategies. By implementing these strategies, companies can mitigate risks, enhance adoption, and ensure compliance, paving the way for successful digital transformation.

### 1. Implementing Robust Cybersecurity Measures

**Multi-Factor Authentication (MFA):** MFA adds an extra layer of security by requiring users to provide two or more verification factors before gaining access. This reduces the risk of unauthorized access even if passwords are compromised.

**Encryption:** Encrypt sensitive data both in transit and at rest. This ensures that even if data is intercepted, it remains unreadable without the proper decryption key.

**Regular Security Audits:** Conduct frequent security audits to identify vulnerabilities and assess the effectiveness of existing security measures. Regular audits help in discovering potential weaknesses and updating security protocols accordingly.

By adopting real-time data access, automated reporting systems, and robust digital platforms, companies can ensure that their governance practices are both current and effective. As we navigate an increasingly digital landscape, the importance of embracing digital transformation in corporate governance cannot be overstated.

### 2. Fostering a Culture of Digital Adoption

**Training and Development:** Implement comprehensive training programs to enhance digital skills among employees. Training should cover new technologies, digital tools, and cybersecurity practices to ensure staff are well-prepared for digital transformation.

**Leadership Support:** Leadership plays a crucial role in driving digital adoption. Leaders should advocate for digital initiatives, demonstrate commitment, and allocate resources to support digital transformation efforts.

**Clear Communication:** Communicate the benefits and importance of digital transformation to all employees. Transparency about how new technologies will improve efficiency and streamline processes helps in gaining buy-in and reducing resistance.

### 3. Navigating Regulatory Changes

**Stay Updated:** Regularly monitor changes in regulations and compliance requirements related to digital practices. This can involve subscribing to industry newsletters, attending webinars, or participating in professional networks.

**Seek Legal Advice:** Consult legal experts to ensure that digital practices and technologies comply with current laws and regulations. Legal advice can help in interpreting complex regulations and avoiding potential compliance issues.

## WHAT ARE THE BEST PRACTICES FROM INDIAN CORPORATIONS?

Indian corporations are setting benchmarks in digital corporate governance by adopting several best practices. Leading companies in India leveraging advanced digital tools for transparent reporting, embracing automated compliance systems, fostering a culture of continuous digital education, implementing robust cybersecurity measures and encouraging active Board participation.

1. **HDFC Bank:** HDFC Bank has implemented robust cybersecurity measures, including multi-factor authentication and encryption, to protect its digital

assets. The bank conducts regular security audits to identify and address potential vulnerabilities and also established comprehensive training programs to enhance digital skills among employees. These measures have enabled HDFC Bank to maintain high standards of digital security and ensure effective digital governance. The bank's proactive approach to training and cybersecurity has strengthened its position as a leader in digital banking.

2. **Infosys:** One notable example of digital transformation in corporate governance is the use of Board portals by Infosys that allows for secure document sharing, virtual meetings, and real-time collaboration among Board members and leverages digital tools to provide real-time financial reporting. Automated audit trails at Infosys track every financial transaction, enhancing accuracy and making it easier to detect and address any inconsistencies.
3. **TCS:** Tata Consultancy Services (TCS) exemplifies effective digital governance with its innovative practices. Their virtual annual general meetings (AGMs) offer seamless participation for shareholders worldwide, enhancing engagement, feedback and automated compliance tools streamline regulatory reporting. Their robust cybersecurity measures and comprehensive employee training further support a secure and efficient digital governance framework.
4. **Reliance Industries:** Reliance has integrated AI-powered analytics into its corporate governance framework to enhance decision-making and risk management. The use of predictive analytics helps in identifying potential issues before they arise, leading to more proactive governance.

## FUTURE TRENDS AND INNOVATIONS

As digital transformation continues to evolve, several future trends and innovations are set to redefine corporate governance. Embracing these innovations will enable companies to navigate complex governance landscapes with greater agility and foresight.

1. **Artificial Intelligence (AI):** AI technologies are set to revolutionize governance practices by automating routine tasks, analyzing large datasets for insights, and enhancing decision-making processes. For example, AI can be used to detect anomalies in financial transactions, predict potential compliance issues, and offer strategic recommendations based on data trends.

AI-powered tools can analyze historical Board meeting data to predict potential conflicts of interest and suggest agenda items that require more attention, thereby improving overall Board efficiency.

2. **Blockchain Technology:** Blockchain offers a decentralized and tamper-proof ledger that enhances data security and transparency. This technology can be used to track and verify transactions, manage shareholder records, and ensure the integrity of corporate documents.

Companies can use blockchain to create immutable records of Board resolutions and financial transactions, providing an auditable trail that is secure from tampering and fraud.

3. **Increased Adoption of Digital Tools:** Indian companies are expected to embrace digital tools more widely, including advanced Board portals, automated compliance systems, and AI-driven analytics. This shift will enhance operational efficiency, improve decision-making, and streamline governance processes.

Companies might increasingly adopt cloud-based solutions for real-time collaboration and data sharing, facilitating more agile and responsive governance structures.

4. **Greater Regulatory Alignment:** Regulatory bodies are likely to update and align regulations to better accommodate digital practices. This will involve revising compliance requirements, introducing new guidelines for digital governance, and ensuring that existing laws are adapted to new technologies.

5. **Enhanced Stakeholder Engagement:** Digital transformation will lead to more effective engagement with stakeholders through digital platforms. Companies will use social media, virtual meetings, and interactive portals to facilitate communication and gather feedback from shareholders and other stakeholders.

Companies may implement virtual town halls and online forums to engage with shareholders, address their concerns, and provide updates on corporate performance.

6. **Innovative Practices:** Leading organizations are pioneering new approaches to digital governance. For instance, some companies are implementing AI-driven risk management systems that analyze real-time data to identify and mitigate potential risks before they impact operations.

Another innovation is the use of virtual reality (VR) for immersive Boardroom experiences, allowing Directors to participate in virtual meetings with a sense of presence and interaction that enhances decision-making.

7. **Thought Leadership:** Thought leaders in digital governance advocate for the adoption of emerging technologies and the rethinking of traditional governance models. They emphasize the importance of adapting to technological advancements and leveraging digital tools to drive innovation and transparency.

Industry experts may publish insights on the future of blockchain in corporate governance or offer best practices for integrating AI into compliance processes, shaping the future landscape of digital governance.



## HOW COMPANY SECRETARIES CAN DRIVE DIGITAL TRANSFORMATION?

Company Secretaries (CS) are indispensable in the corporate landscape. Their responsibilities extend beyond traditional compliance and documentation to include roles as visionary strategists, management facilitators, and advisors. They are adept administrators, spearheading digital transformation and fortifying corporate governance with innovative insights and strategic decision-making, much like Arjuna relied on Krishna's guidance in the epic battle of Mahabharata.

Businesses cannot thrive without robust corporate governance and compliance; these elements are fundamental from inception to operation. For instance, Byju's faced scrutiny and regulatory challenges due to governance issues, while Paytm encountered hurdles related to compliance, impacting their long-term stability and growth.

1. **Leading and Facilitating Digital Transformation Initiatives:** Company Secretaries (CS) professionals are at the forefront to lead digital transformation projects within organizations. They champion digital innovation by advocating for initiatives that align with corporate governance objectives. They coordinate cross-functional teams to ensure the smooth implementation of digital tools and practices, ensuring that these are effectively integrated into organizational processes, enhancing decision-making and operational efficiency.

Additionally, they guide Boards and management in utilizing these tools effectively, making sure that the digital solutions align with governance requirements and enhance overall efficiency.

2. **Enhancing Compliance and Reporting:** Company Secretaries (CS) professionals ensure that digital transformation aligns with regulatory requirements by actively monitoring regulatory changes to stay updated on evolving digital compliance mandates. They also manage digital reporting processes, overseeing the accurate and timely submission of regulatory filings, to maintain compliance and transparency.

In response to the recent ROC enforcement actions, automated compliance tools may be implemented that improve the accuracy of digital filings and reduced the risk of penalties.

3. **Driving Cybersecurity and Data Privacy:** With the increased use of digital tools, Company Secretaries (CS) professionals are crucial in managing cybersecurity and data privacy. They develop security protocols by collaborating with IT departments to establish robust cybersecurity measures and ensure data protection.

Additionally, they educate and train Board members and employees on best practices for digital security and data privacy, fostering a culture of awareness and compliance.

4. **Ensuring Effective Stakeholder Communication:** Effective communication with stakeholders is crucial, and Company Secretaries (CS) play a key role in this process. By leveraging digital platforms, CS professionals can engage with shareholders more efficiently, address their concerns promptly, and provide timely updates. This proactive approach not only enhances transparency but also fosters stronger relationships with stakeholders.

## FINAL THOUGHTS ON DIGITAL TRANSFORMATION AND CORPORATE GOVERNANCE

Digital transformation stands as a cornerstone of modernizing corporate governance. The integration of digital tools and technologies has brought about significant advancements, such as enhanced transparency, improved communication channels, and streamlined compliance processes. These benefits collectively drive organizations towards greater efficiency and accountability. By adopting real-time data access, automated reporting systems, and robust digital platforms, companies can ensure that their governance practices are both current and effective.

As we navigate an increasingly digital landscape, the importance of embracing digital transformation in corporate governance cannot be overstated. It is not merely about keeping up with technological advancements but about leveraging these innovations to build resilient, transparent, and efficient organizations. Forward-thinking companies that embrace digital tools will not only enhance their governance practices but will also gain a competitive edge in a rapidly evolving business environment. Incorporating digital transformation into corporate governance practices is a strategic move that prepares organizations for future challenges and opportunities. By fostering a culture of innovation and ensuring robust digital integration, organizations can set new benchmarks in governance excellence.

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# Proxy Advisory Framework and the Role of Company Secretaries

Proxy advisory firms have become significant intermediaries in the corporate governance landscape of the Indian corporate market. Since the inception of the first proxy advisory firm in 2010, the industry has experienced substantial growth. These firms play a crucial role by making suggestions to investors after analysing corporate governance practices of companies. Their major functions include making voting recommendations, proxy voting, policy advocacy, and providing education and spreading awareness among stakeholders. However, despite their benefits, these firms face several issues and challenges. They are sometimes accused of personal biases, inadequate research practices, and providing unreliable information. Additionally, there are concerns about their independence, particularly in cases of conflict of interest.



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## INTRODUCTION

**E**merging as relatively recent entities in the corporate realm, proxy advisory firms are independent organisations that provide research, analysis, and recommendations to shareholders regarding corporate governance issues and matters to be voted on at company meetings (Ganie et al., 2023). Their primary function is to assist

institutional investors, such as mutual funds, pension funds, and other asset managers, in making informed voting decisions during shareholder meetings. Infact, the term ‘proxy advisory’ originates from the idea of ‘proxy votes,’ wherein a shareholder grants authority to another individual (in this case, a proxy advisory firm) to vote on their behalf regarding resolutions presented by the management (Subramanian, 2016).

As per Regulation 2(1)(p) of the SEBI (Research Analysts) Regulation, 2014, a proxy adviser means “any person who provide advice, through any means, to institutional investor or shareholder of a company, in relation to exercise of their rights in the company including recommendations on public offer or voting recommendation on agenda items<sup>1</sup>.”

Proxy advisory firms have swiftly assumed a pivotal role by aiming to provide voting recommendations to the clients backed by research and explicitly highlighting pros and cons of a decision. The significance of proxy advisory firms has been amplified with the implementation of enhanced corporate governance regulations as outlined in the Companies Act, 2013, and SEBI (LODR) Regulations, 2025. Numerous instances exist where the counsel provided by proxy advisors has contributed to the implementation of improved governance practices within companies. For instance, in 2018, the Global Funds opposed the appointment of Deepak Parekh as the non-executive chairman of HDFC. Their rationale was grounded in Parekh’s simultaneous directorship in eight companies, raising concerns about his ability to manage multiple roles judiciously (Gopakumar, 2018, August 1). Similarly InGovern raised red flags over Care (subsidiary) ESOPs to the executive chairperson of Religare Enterprises (REL), Rashmi Saluja (Chatterjee, 2023, November 15). More notably, two proxy advisory firms, Institutional Investor Advisory Services India Ltd (IiAS) and Institutional Shareholder Services (ISS), opposed the proposal to appoint Anant Ambani on the Board of Reliance Industries Ltd (Vyas, 2023, October

<sup>1</sup>. Securities and Exchange Board of India (Research Analysts) Regulations, 2014, The Gazette of India. September 1, 2014, PP. 1-32.

20) a proposal which was later disregarded by the shareholders (Moneycontrol News, October 28, 2023)). InGovern, however, had taken a different stand on the issue (Kurup, 2023, October 11).

The growing prevalence of proxy advisory services in India is evident, as institutional investors increasingly turn to their recommendations when exercising voting rights in listed companies. Furthermore, proxy advisors typically uphold companies to elevated corporate governance standards beyond legal requirements, theoretically promoting increased transparency and helping shareholders in making well-informed decisions without the need for personal research. When Proxy advisors' reports portray the company positively in terms of decision-making and legal compliance, it instils confidence in investors. This increased confidence can lead to greater investments in the company. Consequently, companies are incentivized to adopt and maintain good governance policies to align with the recommendations provided by proxy advisors.

## REGULATORY FRAMEWORK

Proxy Advisory Firms in India are regulated by the market regulator SEBI through its regulation; SEBI (Research Analysts) Regulation, 2014 (hereinafter referred to as "Regulations") and Circular; Procedural Guidelines for Proxy Advisors dated August 3, 2020 (including its amendments) and Grievance Resolution between listed entity and proxy advisors dated August 4, 2020. A few of the important regulations are discussed for the understanding of the governance of the proxy advisory firms in India.

### 1. Registration

In order to operate as a proxy advisor in India, one must obtain a certificate of Registration from the Securities and Exchange Board of India (SEBI) by submitting an application in Form A, as provided in the first schedule of the regulations, along with non-refundable application fees.

The regulations also outline specific qualification requirements for individuals seeking registration or partners of a firm. Additionally, there are minimum net tangible assets criteria stipulated: individuals or partnership firms must have a minimum net tangible assets value of not less than Rs 1 Lakh, while Limited Liability Partnerships (LLPs) or Body Corporates must maintain a capital adequacy of a net worth of not less than Rs 25 Lakhs. Net worth is defined as the aggregate value of paid-up share capital plus free reserves (excluding reserves created out of revaluation), reduced by the aggregate value of accumulated losses. However, there is no specified business model to operate as a proxy advisor. There are three prominent advisory firms operating in India which are InGovern Research Services Private Limited, Stakeholder Empowerment Services and Institutional Investor Advisory Services India Limited (IIAS). There is no compulsory standardisation of business

models as yet and therefore proxy advisors in India can have different business models. These are free to adopt to any business structure be it sole proprietor, LLP, company or even a not for profit organisation.

Foreign proxy advisors intending to operate in India are mandated to enter into an agreement with SEBI-registered proxy advisors in India. This regulatory requirement by SEBI serves to protect the Indian proxy advisors and the Indian market from potential volatility introduced by foreign players. Furthermore, this regulation provides a level of assurance to Indian proxy advisors as they are not obligated to meet the minimum qualification requirements or possess expertise in the Indian market to release reports.

### 2. Management of Conflict of Interest

When personal interests intersect with broader concerns, potential conflicts of interest emerge. Given the unique nature of proxy advisory roles, it is imperative to minimise or effectively manage any such conflicts to prevent any adverse impact. It is crucial to keep the conflicting interest at bay when giving voting recommendations or research reports to keep them unbiased and unclouded from personal opinions and interests. Regulation 15 mandates the establishment of internal policies and procedures to address potential conflicts of interest. These policies as framed by these firms are easily accessible on their respective websites.

According to this regulation, proxy advisers shall have a written internal policy that should govern the dealing and trading of securities of the company that could lead to; actual or potential conflict of interest. Furthermore, they are required to ensure the reliability of their research and prevent the misuse of research reports for market manipulation. Additionally, mechanisms must be in place to ensure the independence of research activities from other business operations such as sales, customer acquisition etc. Conflict of interest is also addressed in terms of regulation 19 wherein disclosure of material conflict of interests is mandated in the research report.

### 3. Disclosure Requirements

In May 2019, the working group formed to provide input on issues concerning proxy advisors released its report. In this, in relation to the conflict of interest where the subject company is promoters/ shareholders of the proxy advisor, the working group recommended that the proxy advisors should be allowed to make a recommendation provided the relationship is fully disclosed and the conflict of interest is detailed. It said in its report *"The key in dealing with any potential issues relating to promoters/ major shareholders, is to take appropriate steps to manage, mitigate and/or disclose any potential issues and not impose any absolute prohibitions on such recommendations."*



Proxy advisory firms can serve as torchbearers of corporate governance and provide a much-needed impetus to stakeholder activism. The introduction of proxy advisory firms opens up multifaceted avenues for corporate professionals, including governance professionals or Company Secretaries.

As mentioned earlier Regulation 19 extensively deals with the disclosure requirements in the research report. It requires the proxy advisors to disclose all the material information about itself, material conflict of interest, beneficial or actual ownership among others.

#### 4. Code of Conduct

All Proxy advisors have to abide by the Code of conduct outlined in the Third Schedule as mentioned under Regulation 24(2) read with Regulation 23(1).

Schedule Third encompasses areas like honesty and good faith, diligence, confidentiality, conflict of Interest, compliance among others in the Code of conduct that have to be observed by the Proxy Advisory firms. It is worth noting that these standards are not merely advisory or recommendations. The Code of Conduct have to mandatorily followed by the Proxy Advisory firms; emphasising the relevance of governance in these firms as well. It is of utmost importance for all businesses to adopt good governance practices irrespective of the type of business they are engaged in, and it is evident from this that SEBI itself is very clear about its position on good governance practices. Through this Code of Conduct the senior management itself is tied with the responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures. (Point 8 of Code of Conduct, Third Schedule to Regulation)

In addition to this, they are also required to abide by the procedural guidelines issued by the Board vide Circular dated August 3, 2020. These guidelines clearly indicate the Board's intention to enhance transparency in the operations of proxy advisory firms. As per this Circular, firms are required to establish policies for voting recommendations, which must be reviewed annually. They must also disclose the methodologies and processes used in their research, as well as establish clear procedures to identify, manage, and mitigate potential conflicts of interest arising from other business activities. Furthermore, they must have a documented process for communication with clients and companies. The

Circular also mandates a sharing policy, requiring firms to share reports simultaneously with clients and companies, with this policy being publicly disclosed on their website. Additionally, they must disclose any conflicts of interest in every document where advice is given, with a focus on potential areas of conflict and the measures taken to address them.

#### 5. Grievance Redressal

The work of proxy advisors is of such a nature that differences of opinion are inevitable which can often lead up to serious grievances.

The SEBI Working group was formed with a threefold objective one of which was to advise on the framework for resolution between corporates and proxy advisors. Prior to this listed Companies had litigation as the only available route to seek redressal for their grievances. (ITC Ltd. slapped a Rs 1,000 crore defamation suit against Institutional Investors Advisory Services in 2017 for alleged defamatory remarks against its Director in its Research report (ET Bureau, September 6, 2017)).

The Working Group Report in its recommendation said the disputes between the corporates and proxy advisors needs to be first examined by SEBI and only thereafter may the person approach the court of law. It further added that *"It should be kept in mind that this process is only available for egregious acts like abuse of power or violations of basic levels of code of conduct, and is not an appellate mechanism second guessing the opinions of the proxy advisors."*

In response to the recommendation of the Working Group in its Report, SEBI came out with a circular dated August 4, 2020 addressing the framework for grievance resolution between listed entities and proxy advisors. SEBI in its circular has allowed the listed entities to approach it in case of grievances against Proxy Advisors, where-in-after it will examine the matter for non-compliance of Regulations, Circulars and Code of conduct. However, SEBI has not mandated listed companies to approach it as a first step, as indicated by the use of the word "may" in the circular instead of "shall." This raises the question of whether listed entities can still pursue legal action without seeking redressal from SEBI first.

### FUNCTIONS OF PROXY ADVISORY

1. **Voting Recommendations** - A key function of the Proxy Advisory firms is to provide voting recommendations to the institutional investors regarding the resolutions placed for the shareholders' approval. They conduct thorough research taking in view multiple factors like legal regulations, company's policies and market conditions to give



a recommendation. The recommendations advise institutional investors to vote either 'for' or 'against' the proposed agenda items.

2. **Proxy Voting** - The Companies Act allows the shareholders to appoint a proxy to vote on its behalf in the shareholders meeting. Proxy advisory firms play a crucial role in this process by acting as proxies for their clients, enabling them to cast their votes effectively during these meetings. Moreover, they assist institutional investors in understanding and managing the practical aspects of voting, particularly in online meetings, ensuring that votes are cast efficiently and in a timely manner as per the company's specifications.
3. **Corporate Governance Analysis** - Proxy Advisory firms conduct in-depth analysis of corporate governance practices of listed companies in India. They examine Board efficiency, Board diversity, compensation packages, status of regulatory compliance, protection of shareholders rights etc. Recommendations provided by these firms often prompt companies to enhance their compliance and governance frameworks to align with industry standards.
4. **Policy Advocacy** - The proxy advisory firms assists the Company in implementing policies that promote corporate governance practices leading to transparency, accountability and shareholders rights protection. They ensure that these policies serve the

larger interests of shareholders rather than benefiting specific groups or individuals.

5. **Education & Awareness** - The voting participation of retail investors is still very low in Indian companies. They are either unaware or indifferent towards the proposals put up by the company and fail to understand its impact on their investment goals. Proxy Advisory firms play this role of bringing awareness and educating the retail investors. They conduct awareness campaigns, publish research reports, and organise seminars and workshops to disseminate information and raise awareness about governance issues among investors, companies, and other stakeholders.

## ISSUES & CHALLENGES

1. **Lack of awareness** - There is a lack of awareness as to the role and objectives of the proxy advisory firms, especially amongst the retail and minority shareholders. This may often lead to non-adherence to the recommendations made by the proxy advisors after thorough and in depth research, which might also limit the impact of the proxy advisory firms on corporate governance. Institutional Investors and the Listed Companies may be less inclined towards the services of the proxy advisory firms if they are not fully aware of the value proposition and benefits offered by these firms. This reduces the effectiveness of the process and also impedes the growth of such advisory firms.

2. **Non acceptance from the corporate world** - Establishing trust and confidence with companies is crucial for proxy advisors to thrive and positively impact the corporate governance framework but these firms encounter challenges in gaining acceptance from the corporate world due to allegations of personal biases, inadequate research practices, unreliable information, and at times misleading the investors.
3. **Global Competition** - Indian proxy advisory firms are mandated to seek registration with the SEBI in order to conduct their operations within the country. In contrast, foreign proxy advisory firms are not subject to the same registration requirement when providing services related to Indian listed companies. As a result, these foreign firms operate without direct regulation from SEBI. This regulatory asymmetry creates a competitive disadvantage and high competition for Indian proxy advisory firms. The Working Group recommended in its report that *"SEBI could consider providing a code of conduct under the RA Regulations which should be followed by foreign proxy advisors as it should also apply to domestic proxy advisors. These should be principle based and focused on broad principles of fairness, disclosure and conflict and based on a comply or explain basis."*
4. **Shareholders Participation** - Often, not all shareholders of the Company vote on matters presented before them, resulting in only a handful of shareholders casting their votes, primarily the promoter or promoter group. Institutional investors, despite holding significant shareholdings, may not exert enough influence on resolution decisions, undermining the impact of voting recommendations made by proxy advisors. Additionally, retail investors rarely participate in meetings due to factors such as lack of awareness or incentives to vote.
5. **Methodology Criticism** - The methodology employed by proxy advisory firms in their research often faces criticism. Research is inherently subjective and applying the same methodology to different resolutions may yield varying recommendations due to unique variables specific to each company. This discrepancy can lead to friction between companies and proxy advisory firms, casting doubt on the reliability of the applied methodology.
6. **Questionable Independence in case of conflict of interest** - While conflicts of interest are disclosed, they remain unregulated. Some firms may also have affiliations with institutional investors, leading to questions about their independence and the potential for biased recommendations. Despite disclosures complying with regulations, reliability issues may

still arise especially when conflicts of interest are alleged. This uncertainty makes it challenging to rely solely on the report, leading to concerns about biases.

## OPPORTUNITIES FOR AND LIKELY ROLE OF COMPANY SECRETARIES IN RELATION TO PROXY ADVISORY FIRMS

As governance professionals, Company Secretaries play a crucial role in ensuring the smooth and compliant functioning of an organisation. They are responsible for corporate governance, legal and secretarial services, corporate laws advisory and representation services, financial market services, banking services, finance and accounting services, securities compliance and certification services, taxation services, international trade and WTO services, as well as corporate communications and public relations. Thus, the sphere of work for Company Secretaries is continually expanding, and the introduction and expansion of proxy advisory firms open up newer avenues for professionals.

Regulation 26, regarding the appointment of a compliance officer as per the code of conduct, mandates that Proxy Advisory firms comply with all regulatory requirements applicable to conducting their business activities. This necessitates the presence of a person well-versed in compliance and other laws. While the regulation does not explicitly mention Company Secretaries, these professionals, being governance experts and often serving as Compliance Officers, can undertake this task with great ease and responsibility.

The role of a Company Secretary in Proxy Advisory Firms may involve a range of responsibilities aimed at ensuring effective corporate governance and facilitating informed decision-making for institutional investors. Here are key aspects of their role:

1. **Regulatory Compliance:** Company Secretaries can play a crucial role in ensuring the coordination of operations and recommendations within a Proxy Advisory Firm with regulatory frameworks. This involves ensuring compliance with relevant laws and guidelines. By staying informed about regulatory changes, market trends, and emerging governance issues, Company Secretaries not only contribute to the ongoing education of the Proxy Advisory Firm's team but can also aid in their professional development.
2. **Corporate Governance Expertise and Research Oversight:** Leveraging their expertise in corporate governance, Company Secretaries can contribute to the development of sound governance principles and practices within the Proxy Advisory Firm. They may play a role in establishing and maintaining an effective internal governance structure ensuring accountability and responsibility and guide the activities of the Proxy



Advisory Firm, especially in relation to formation of policies regarding research methodologies and voting recommendations. They may also provide oversight and guidance to the research team, ensuring that the analysis and recommendations produced align with established governance standards and legal requirements.

3. **Stakeholder Communication and Public Advocacy:** Company Secretaries may be involved in communicating with various stakeholders, including clients, regulators, and the public, to ensure transparency and maintain the Proxy Advisory Firm's credibility. Engaging in public advocacy for improved corporate governance practices, participating in discussions, and contributing thought leadership to promote awareness and understanding of governance issues among stakeholders.
4. **Legal Advisory and Representations:** Offering legal advisory services, Company Secretaries can assist in the interpretation of legal frameworks affecting proxy advisory activities and help to navigate legal complexities. Company Secretaries can also assist in establishing and maintaining positive relationships with regulatory bodies, participating in industry forums, and contributing to the development of industry-wide standards and regulations governing proxy advisory services.
5. **Environmental, Social, and Governance (ESG) Integration:** A Company Secretary can also help in integrating ESG considerations into the Proxy Advisory Firm's assessments and recommendations, reflecting the increasing importance of sustainability and social responsibility in investment decisions. They can also collaborate with technology teams to integrate advanced technologies and data analytics tools enhancing the efficiency and effectiveness of ESG integration into the overall business operations of the proxy advisory firms.

## CONCLUSION

Proxy advisory firms can serve as torchbearers of corporate governance and provide a much-needed impetus to stakeholder activism. Operating as independent organisations, these firms can earn the trust of both retail and institutional investors, provided the inherent challenges related to independence, conflicts of interest, and methodology are promptly addressed. It is too early to comment on the effectiveness of these proxy advisory firms, as the concept is still developing, and the recommendations put forth by these firms have yet to gain significant influence on voting decisions. However, the potential role of these firms cannot be discounted. The introduction of proxy advisory firms opens up multifaceted avenues for corporate professionals, including governance professionals or Company Secretaries.

With their expertise and knowledge in the governance and legal realms, they can play a crucial role in enhancing the governance framework and compliance in Indian corporates. In fact, the involvement of Company Secretaries in proxy advisory firms reflects the broader trend of recognizing the importance of governance expertise in providing valuable guidance to institutional investors and promoting responsible corporate behaviour.

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# Black Money, Money Laundering and Interplay of Multiple Economic Law and Enforcement Agencies

This paper presents the menace of black money, money laundering and the interplay of various laws and enforcement agencies. It provides an overview of the Anti-Money Law in Bharat and compares it with other countries. Black money is the root cause of money laundering, which poses significant challenges. If it is said that black money is the mother of money laundering, this will not be an exaggeration.



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## INTRODUCTION

### BLACK MONEY

**T**he meaning of black money is “income earned surreptitiously or illegally, usually in cash, and not reported to the government to avoid paying taxes on it.” According to the Oxford Dictionary<sup>1</sup>, “*money that is earned illegally or on which the necessary tax is not paid is considered illegal.*” According to Cambridge Dictionary<sup>2</sup>—“*Black money that is made from illegal trade or criminal activity.*” The ‘criminal’ component of black money may include proceeds from racketeering, trafficking in counterfeit and contraband goods, smuggling, production and trade of narcotics, forgery, illegal mining, illegal

felling of forests, illicit liquor trade, robbery, kidnapping, human trafficking, sexual exploitation and prostitution, cheating, financial fraud and cybercrime, embezzlement, drug money, bank fraud, illegal trade in arms and cryptocurrencies.

### SECTORS WHERE BLACK MONEY IS GENERATED

The main sectors where black money is made and prone to money laundering are the financial sector, real estate, bullion and jewellery, cash economy, mining and allocation of rights over natural resources, equity trading, virtual digital assets and misuse of corporate structure.

### CONNECTION WITH TAXATION

Black money is connected to the inception of taxation, which is believed to have started around 2800 - 3000 BC in ancient Egypt<sup>3</sup>. This tax levy began in the 11<sup>th</sup> century in Bharat.

Since the beginning, taxes have hidden the sources of money earned. In the present era, people find new sources to earn easy money without paying taxes, converting the money into a banking channel and showing that the money is good. In ancient times, tax concessions were also thought to exist, and they were reported as early as 196 BC.

### WORLDWIDE PROBLEMS AND CONVENTIONS

Black Money and Money Laundering are not isolated issues, but global problems that require collective action. After numerous conventions and discussions, governments of all countries have taken several steps to prevent money laundering. Conventions such as the Basel Statement of Principles and the Vienna Convention were established to combat money laundering. The G-7 Summit saw the establishment of the FATF<sup>4</sup>, an intergovernmental body, to examine and develop measures to combat money laundering. Forty countries have joined this initiative. FATF has made forty recommendations to combat money laundering and terrorist financing, and most countries have introduced or amended new laws. The Egmont group, with 177 member countries, also formed FIUs to further this cause.

## MONEY LAUNDERING

Nowadays, when one opens digital media or print media, he finds some money laundering news and actions taken by the Enforcement Directorate (ED) against economic offenders or white-collar persons. Tax is one bite by the government on a person's income or in receipt of government revenue. Any government needs taxes for the social welfare of the general society and the development of the country's infrastructure. People see how they can earn without paying taxes.

As time passed, people started to indulge in various economic offences to earn easy money without paying taxes, and they evolved several sources of illegal money and hid the money from the eyes of the rulers and governments. As the law developed, the government brought unlawful sources of money, i.e. proceeds of crime into economic offences. Economic offences cover different economic activities, such as illegal or financial crimes. Throughout the world, money earned through illicit sources is a significant cause for worry for all governments. Ultimately, offenders seek ways to bring the same into the banking channel to show this tainted money as money earned through illegal sources by mixing the same with legitimate sources; the process is called money laundering.

In Black's Law of Lexicon dictionary<sup>5</sup>, *"the term laundering is referred to as the investment or other transfer of money flowing from racketeering, drug transactions, and other sources (illegal sources) into legitimate channels so that its original source cannot be traced."*

In his book Lords of the Rim<sup>6</sup>, Sterling Seagrave mentioned that Money laundering was prevalent 4000 years before Christ, a testament to the enduring nature of this issue. This long history underscores the importance of addressing this issue.

The term "money laundering" is said to have originated from the Mafia ownership of Laundromats<sup>7</sup> (a self-service laundry service mark Laundromat) in the United States. Drug lords and gangsters in the 1950s showed the illegally earned money from a legitimate source by purchasing outwardly legitimate businesses to combine their Illegal money with the legitimate money they received from businesses. Thus, the word money Laundering emerged. In common parlance, Money laundering is the process by which the proceeds of the crime and the actual source of those proceeds are hidden so that the proceeds appear to come from a legal source, thus making "dirty" money appear "clean".

The proceeds earned from crime are layered and reintroduced into the regular economies in different ways, showing that the money has been earned or received through legitimate sources. The process is called money laundering. Consequently, every government is deprived of the revenue arising out of such transactions.

## PREVENTION OF MONEY LAUNDERING ACT, 2002 (PMLA) IN BHARAT

In this context, in Bharat, the government enacted the Prevention of Money Laundering Act, 2002 (PMLA), which came into effect on 1<sup>st</sup> July 2005<sup>8</sup>. The PMLA, 2002 has ten chapters, seventy-five sections, and rules framed thereunder. Many directives have been issued by regulatory authorities such as RBI, SEBI and IRDA. Under the PMLA, rules prescribe the procedures for various actions taken by the ED and for maintaining records by reporting entities. In Bharat, there are 29 acts mentioned in the PMLA schedule, 2002, as well as various economic laws that deal with different economic offences to prevent black money and laundering.

### Challenges

The PMLA law is part of a complex legal framework involving various national and international regulations and enforcement mechanisms involved in multiple legal frameworks. The rapid evolution of technology, especially in the financial sectors, can outpace the development of AML laws. We observe some challenges while conducting the critical and comparative study of the PMLA laws at national and in comparison to some foreign countries in the present perspective which reveals that:

- Multiple agencies are working as cited above, whether they do some repetitive exercise.
- Effective AML measures require international cooperation.
- The PMLA laws cover a wide range of offences which may be an offence in one state and not in another state.
- Financial secrecy and privacy laws can also be barriers, and some countries do not allow information sharing.
- The political will and governance structures are crucial in enforcing AML laws.
- Keeping track of new techniques of money laundering and law amendments.

The law is designed to capture various activities that criminals might use to disguise the origins of money or assets derived from criminal conduct, including direct and indirect involvement. This ensures that the primary offenders and those who assist or facilitate in any capacity are held accountable.

### Proceeds of crime:

Some terms are frequently used in money laundering matters. One should understand some meanings. *"The term 'Proceeds of Crime' refers to any form of property acquired as a result of criminal activity, specifically relating to a scheduled offence. Property includes all types of tangible or intangible assets, movable or immovable. It doesn't matter if it was obtained directly by the person committing the crime or indirectly through a series of transactions. The crime must be listed in the PMLA*



Educating the public the effects of black money on the economy and the risk of money laundering. The skills of manpower available with the agencies also need to be continuously upgraded and exposed to global best practices in their working sphere and new techniques of money laundering.

*schedule, which includes a wide range of offences. It also explains that if the actual property cannot be located outside the country, then any property within the country that is equivalent in value can be considered as proceeds of crime.”*

## OFFENCE OF MONEY LAUNDERING

The PMLA outlines the offence of money laundering which is one of the critical elements of PMLA. *“A person is found guilty of money laundering if they are involved, directly or indirectly, in any process or activity related to the proceeds of crime. This includes concealment, possession, acquisition use, projecting as untainted property and claiming as untainted property. The involvement with the proceeds of crime is considered a continuous activity until the person enjoys the benefits of the crime through any of the above-mentioned processes. There are some Basic Elements;*

- *There must be a predicate offence listed under the schedule of offences.*
- *There must be some benefit or proceeds derived from the crime.*
- *The proceeds must be disguised, concealed or used to appear legitimate.*
- *The person must have played a part in concealing or using the proceeds directly or indirectly.*
- *The activities related to the proceeds of crime must be continuing.*

*In addition to basic elements, there are three Stages of Money Laundering;*

- *Placement is introducing the proceeds of crime into the financial system.*
- *Layering conducts a series of transactions to hide the proceeds from their original source.*
- *Integration is the final stage in which the laundered proceeds are returned to the criminal from what seems to be a legitimate source.”*

The law is designed to capture various activities that criminals might use to disguise the origins of money or assets derived from criminal conduct, including direct

and indirect involvement. This ensures that the primary offenders and those who assist or facilitate in any capacity are held accountable.

## INTERPLAY OF MULTIPLE ENFORCEMENT AGENCIES

The ED and other enforcement agencies in Bharat deal with economic offences under various economic laws. Regulatory authorities have issued several directives to combat money laundering and terrorist financing. The Enforcement Directorate (ED) directly deals with money laundering.

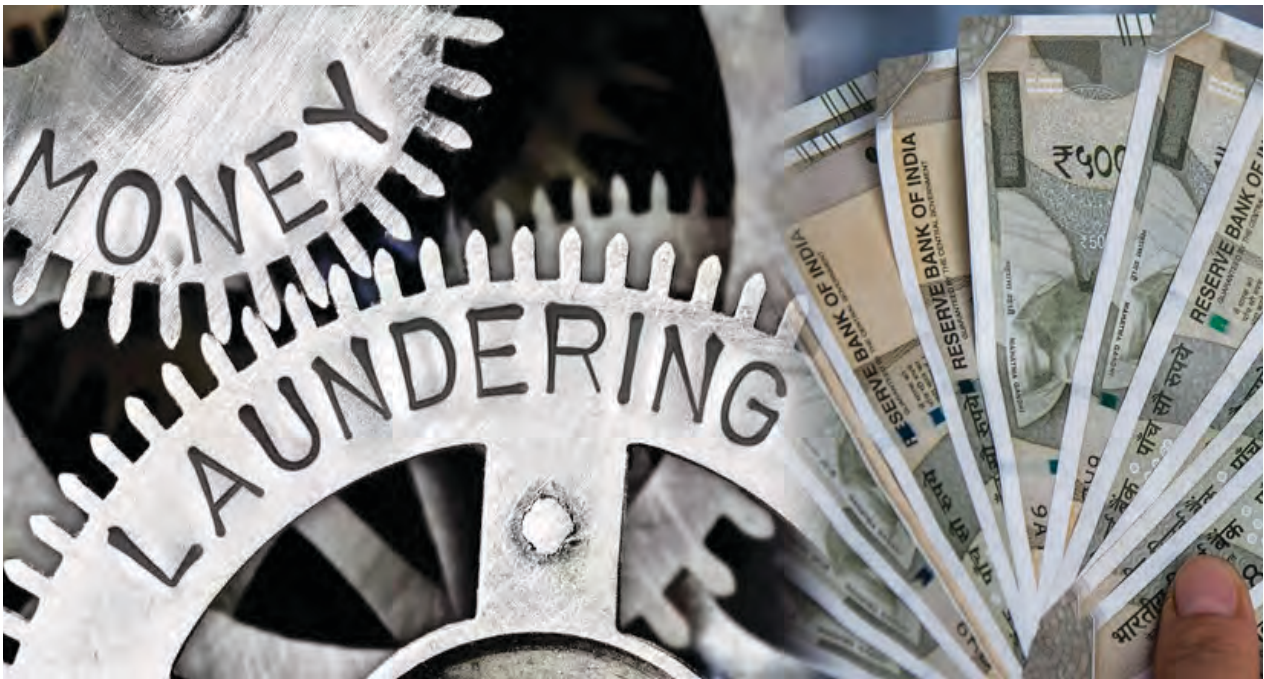
Different agencies are working to deal with financial offences and crimes. The agencies and regulatory authorities are the Central Economic Intelligence Bureau (CEIB), Narcotic Control Bureau, the Directorate General of Revenue Intelligence, the Central Board of Direct Taxes (CBDT) Central Board of Indirect Taxes and Customs and DGRI, Registrar of Companies (ROC), Registrar of Societies (ROS), Bureau of Immigration (BOI), The Economic Intelligence Council (EIC), Inter-Ministerial Coordination Committee (IMCC), National Crime Records Bureau (NCRB), National Investigation Agency (NIA), High-Level Committee, Lokpal and Lokayuktas, E.O.W. which function under the Department of Revenue and Home Affairs to obtain and investigate information from various sources. The government has also created SFIO, a multidisciplinary organisation under the Ministry of Corporate Affairs for investigating corporate fraud.

## FIU-IND

In addition to the agencies mentioned above, FIU-IND<sup>9</sup> is a vital body under PMLA to combat money laundering and terrorist financing. Established by the Ministry of Finance, it is pivotal in coordinating and strengthening national and international intelligence efforts to combat these crimes. This underscores the unit's importance in the global fight against financial crimes. FIUs, including FIU-IND, are empowered to enforce AML/CTF regulations within their respective jurisdictions.

FIU plays a pivotal role in overseeing the implementation of AML/CTF measures by reporting entities, including banks, financial institutions, and designated non-financial businesses and professions (DNFBPs). This oversight underscores the importance of compliance in the fight against economic crimes. FIU-IND receives, processes, analyses, and disseminates relevant information. It reports to the Economic Intelligence Council, which is chaired by the Finance Minister and oversees the functioning of various economic intelligence agencies.

Under the rules issued by the Prevention of Money Laundering Act 2002 (PMLA), reporting entities are required to submit multiple types of reports to FIU-IND, such as Suspicious Transaction Reports (STRs), Cash Transaction Reports (CTRs), Non-Profit Organizations Transaction Reports (NTRs) and Counterfeit Currency Reports (CCRs).



The PMLA mandates banking companies, financial institutions, and intermediaries (reporting entities) to furnish information to FIU-IND and verify the identity of their clients as prescribed. The PMLA empowers the Director of FIU-IND to call for records maintained by a reporting entity, inquire into cases of suspected non-compliance with the PMLA, and impose fines. Regulatory bodies have issued Know Your Customer (KYC) Norms for identifying clients and reporting to FIU-IND. They are mandated to prescribe enhanced measures for verifying the client's due diligence by examining the nature of clients, business and transactions made. These regulators have issued circulars for the KYC norms. Different government agencies appear to duplicate the same work after seeing the vast laws covered under PMLA.

### **MULTIPLE ECONOMIC LAWS**

Apart from PMLA-2002, various economic laws also interplay to combat money laundering, like Income-Tax Act, The Benami Transactions (Prohibition) Act, 1988, The Black Money (Undisclosed Foreign Income and Assets) And Imposition of Tax Act, 2015, Good and Services Tax Act, 2017, The Reserve Bank of India Act, 1934, The Conservation of Foreign Exchange And Prevention of Smuggling Activities Act, 1974, The Insurance Regulatory And Development Authority (IRDA) Act, 1999 and Fugitive Economic Offenders Act, 2018.

The PMLA deals with different scheduled offences stated in the Schedule of the Prevention of Money Laundering Act, 2002. A critical study of money laundering laws in India from a present perspective highlights the area covering coordination between different Agencies/ departments and how this benefits the Government of India?

### **COMPARATIVE STUDY WITH SOME FOREIGN LAWS**

A critical and comparative study of Anti-Money Laundering (AML) Laws in India and some other countries such as Australia, Germany, Singapore, USA, UK and directives of the European Union is significant for several reasons:

- Understanding how different countries prevent money laundering and terrorist financing can help and lead to better international cooperation.
- This paper identifies the most effective enforcement measures that other jurisdictions can adopt.
- Reporting entities and financial institutions must understand the AML requirements in all their jurisdictions to ensure compliance.

A comparative study of AML laws shows that punishment and fines are imposed to what extent at the National and global level, particularly in Australia, Singapore, Germany, the USA, the UK, and the AMLD directives of the European Union. Lastly, what are the reasons for late convictions in Bharat?

It has been studied that laws are more stringent and have heavy penalties and imprisonment in foreign countries. Laws are to prevent terrorist financing exist, including death sentences.

### **STATUS OF MONEY LAUNDERING CASES**

In Lok Sabha, the Finance Minister said that as on 31 March 2022, the ED had recorded 5,422 cases under the PMLA,<sup>10</sup> attached proceeds of crime of

₹ 1,04,702 crore (approximately), and filed prosecution complaints (charge sheets) in 992 cases, resulting in the confiscation of ₹ 869.31 crore and conviction of 23 accused.

After reviewing the responsibilities and work of the different regulatory authorities and government agencies, though there are sufficient authorities to deal with black money and money laundering matters.

In one of survey, we found that most government departments for offence of money laundering, mentioned in the schedule under PMLA, either have no information available or no case under PMLA has been filed for money laundering offences since the enactment of the ACT. In the recent survey of Bharat, the FATF appreciated the efforts and compliance with AML in countering money laundering and terrorist financing.

## CONCLUSION

After review, the following steps are suggested for better coordination and implementation of law compliance and for gathering evidence to convict offenders in court.

### Legal reforms:

- Integration of different agencies while conducting search operations like CBI, ED and Income Tax department for better coordination to reduce administrative costs.
- Different laws should be integrated into scheduled offences through legal provisions, systems, organizations, and informal levels under PMLA.
- The imprisonment in money laundering cases is three years except in drug cases which should be increased to longer terms compared to other countries.
- An SOP for filing the FIR for the offences should be included in all the legislation mentioned in the PMLA schedule.
- Money laundering and terrorism financing require a multifaceted approach involving legal reforms and enhanced international cooperation.
- In most countries, terrorist financing carries a heavy penalty, including life imprisonment. The Unlawful Activities Prevention Act, 1967 needs to be amended in this respect.
- Economic offences are white-collar crimes and the law should impose hefty penalties, recover money and confiscate assets.
- In Bharat, a whistle-blower policy is needed in all departments and under PMLA.
- A witness-protection law needs to be introduced at all levels of law enforcement agencies.

- A provision for arbitration and settlement should be included.
- Beyond a certain amount, ED should investigate all money laundering matters with the help of CBI and vice versa.

### Suggestions:

- Better coordination is required at all levels of the generation, layering and introduction/accumulation of black money.
- Daily hearing of prominent cases involving politicians and white-collar persons above a certain amount at all court levels.
- As per FATF recommendations, advocates and notaries should also be notified as Reporting Entities
- Educating the public the effects of black money on the economy and the risk of money laundering.
- Information technology and AI may be used more effectively.
- All agencies continuously need to be technologically upgraded in this area to tackle money laundering cases effectively, if some person has been charged should not be spared in a court of law, the agency should have solid proof of evidence.
- The skills of manpower available with the agencies also need to be continuously upgraded and exposed to global best practices in their working sphere and new techniques of money laundering.

While challenges will remain continued efforts can improve the effectiveness of AML regimes worldwide.

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# Artificial Intelligence (AI) in Corporate Governance: Transformative Trends and Legal Pathways in India

In a world of rapid technological change, the adoption of AI in corporate governance and compliance frameworks is changing the face of global business operations. India, with its rapidly growing technology environment combined with new regulatory initiatives, is leading the charge. This article explores the current state of AI in corporate governance, its implications for compliance and the regulatory developments shaping the AI future in India. Making its way through the legal considerations to practical applications this article delves into how AI is transforming decision making processes and while also stressing the importance of ethical AI implementation and regulatory equivalence, this article also provides a relevant perspective for companies facing their own compliance and regulatory challenges.



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## INTRODUCTION

Recently, Google's model LaMDA (Language Model for Dialogue Applications) made headlines by reportedly passing the Turing Test, convincing a Google engineer that it is not only intelligent but also conscious and sentient. This has sparked a renewed interest in the Turing Test and its implications. But what exactly is the Turing Test, and why is this achievement significant in the scientific community?

The Turing Test, originally called the "imitation game" by Alan Turing in 1950, is a measure of a machine's ability to exhibit intelligent behavior indistinguishable from that of a human. In the test, a human evaluator engages in natural language conversations with both a human and a machine designed to generate human-like responses. The evaluator knows that one of the conversational partners is a machine but does not know which one. If the evaluator is unable to reliably distinguish the machine from the human, the machine is said to have passed the test, demonstrating a form of artificial intelligence.

The implications of machines capable of thinking and comprehending like humans are profound. There is growing concern that such advanced AI could eventually

replace humans in various jobs, including those traditionally considered safe from automation, such as Chartered Accountants, Lawyers, Company Secretaries, and Architects. The rationale is that an AI devoid of human error could perform these tasks with greater accuracy and efficiency. Moreover, if AI reaches a level of consciousness and sentience, it might even be able to appear in courts and plead on behalf of clients.

While this future may seem distant—perhaps a century away—the current capabilities and applications of AI are already transforming industries. In this article, we will explore the present state of AI, its implications for corporate governance and compliance, and its potential uses in India and around the world.

## CURRENT LEGAL FRAMEWORK

In India, the regulatory landscape for artificial intelligence (AI) is evolving through a series of guidelines and initiatives rather than a dedicated legal framework. The country's approach began with the launch of the national AI strategy, #AIFORALL, by Niti Ayog in 2018, focusing on inclusive AI development across critical sectors such as healthcare, education, and agriculture. The strategy emphasized the creation of high-quality datasets and the development of legislative frameworks for data protection and cybersecurity. Subsequent efforts include the Principles for Responsible AI drafted by NITI Aayog, which underscore principles like safety, inclusivity, transparency, and accountability in AI deployment.

Recent developments include the Digital Personal Data Protection Act, 2023, aimed at governing digital personal data processing and addressing privacy concerns related to AI platforms. Additionally, the Information Technology Rules (Intermediary Guidelines and Digital Media Ethics Code), 2021, regulate various entities including social media intermediaries and OTT platforms, updated to include provisions relevant to AI technologies. Despite lacking a comprehensive AI-specific law, India's regulatory measures emphasize responsible AI deployment while balancing innovation and societal well-being.

## ARTIFICIAL INTELLIGENCE IN CORPORATE GOVERNANCE

The Company, as a legal entity, operates under the management of its Board of Directors, a role defined by the procedures set forth in the Companies Act, 2013. The Board acts as trustees responsible for overseeing the Company's affairs, since the Company, being an artificial entity, cannot independently manage itself. Their primary duty is to ensure the Company's prosperity while safeguarding the interests of its shareholders. This encompasses strategic planning, legal compliance, financial oversight, and risk management, roles that are pivotal for the Company's governance and sustainability.

Advancements in artificial intelligence (AI) present opportunities for augmenting the Board's decision-making capabilities. Currently, AI systems can process vast amounts of complex data swiftly, enhancing the speed and quality of decision-making processes. Augmented AI, in particular, fosters collaboration between machines and humans, offering insights and recommendations that can surpass traditional decision-making methods. Real-world applications, such as VITAL assisting in investment decisions for venture capital firms, illustrate AI's potential to support corporate Boards effectively.

Here the questions arises that whether AI can replace the functions of Board of Directors in near future, However, under existing Indian law, the appointment of directors' mandates that the Directors appointed on the Board must be individuals. Section 149 of the Companies Act specifies that a Board must consist of individuals, which raises legal questions about whether AI can be recognized as a legal personality eligible to serve as a Director. Until such legal clarity emerges, AI cannot replace human directors on corporate Boards in India.

Regarding the delegation of decision-making rights to AI, Indian law does not explicitly address whether Directors can delegate decision rights to AI. The Companies Act provides Directors with the authority to delegate certain tasks, as exemplified in the case of *Bhagwati Prasad v. Shiroman Sugar Mills Ltd.*, where the articles of association allowed Directors to delegate powers. Model Articles of Association under the Act also support this delegation.

However, AI cannot be equated to a committee or member, which raises doubts about whether Boards can delegate decision-making directly to AI. Instead, AI can be utilized to assist directors in their decision-making processes without replacing their decision rights. This interpretation aligns with the purpose of delegation provisions, aimed at easing directors' responsibilities while maintaining their oversight and decision-making authority.

To explore the feasibility of AI assisting in decision-making, a broader interpretation of delegation provisions could be considered, recognizing AI as a tool for enhancing decision-making efficiency rather than a

AI could help organizations automate tasks, boost decision-making, and match up with compliance requirements. India is evolving its own governance and compliance landscape, and it aims to regulate AI, as well.

recipient of decision-making powers. This approach would uphold the intent of delegation provisions while harnessing AI's capabilities to support informed and effective Board decisions. Thus, while AI holds promise in enhancing decision-making processes, its role within corporate governance frameworks remains limited to supporting and augmenting human-directed activities.

## ROLE OF AI IN RISK MANAGEMENT AND COMPLIANCE

In today's dynamic business environment, effective risk management and compliance strategies are crucial for safeguarding companies against potential pitfalls and ensuring adherence to legal and regulatory frameworks. Businesses face increasing pressure to anticipate and mitigate risks proactively, as any oversight can lead to costly legal consequences and reputational damage. By leveraging advanced technologies such as artificial intelligence (AI), organizations can enhance their capabilities beyond traditional risk assessments.

AI plays a transformative role in risk management by enabling real-time data analysis and predictive modeling. AI algorithms can analyze vast datasets swiftly, identifying patterns and anomalies that human analysts might miss. This capability allows businesses to detect emerging risks early, enabling timely interventions and proactive measures to mitigate potential threats. Moreover, AI-powered risk management systems can continuously monitor internal and external factors, providing ongoing insights into changing market conditions, regulatory updates, and operational vulnerabilities.

Similarly, AI contributes significantly to compliance efforts by automating compliance monitoring and reporting tasks. AI systems can scan and interpret complex regulatory requirements, ensuring that organizations stay current and compliant at all times. This not only reduces the burden of manual compliance checks but also minimizes the risk of human error, thereby enhancing accuracy and consistency in regulatory adherence. By integrating AI into their risk management and compliance frameworks, businesses can foster a culture of transparency and accountability, strengthening trust with customers, stakeholders, and regulatory bodies alike.

Ultimately, the proactive adoption of AI-driven solutions empowers businesses to navigate regulatory complexities more effectively while mitigating risks comprehensively. As AI technology continues to evolve, its application in risk management and compliance promises to redefine organizational resilience and operational excellence in an increasingly interconnected global economy.

## CHALLENGES IN ADOPTION OF AI BY BUSINESS

The adoption of Artificial Intelligence (AI) has become increasingly prevalent across various business sectors, driven by its potential to automate tasks, enhance decision-making processes, gain competitive advantages, and deliver superior customer experiences. However, integrating AI into business operations is not without its challenges, which must be carefully navigated for successful implementation.

One of the primary challenges businesses face is the lack of expertise and skills necessary for effective AI adoption. Small and mid-sized enterprises, in particular, may struggle due to constraints such as limited budgets or access to specialized talent. Building and maintaining a proficient AI team requires substantial investment in training and recruitment, which can be prohibitive for many organizations.

Another significant hurdle is the availability and quality of data. AI systems rely heavily on data to generate insights and make informed decisions. Businesses may encounter obstacles if they lack sufficient or high-quality data necessary for training AI models effectively. Addressing data gaps and ensuring data integrity are crucial steps in leveraging AI for business operations.

Implementation costs also pose a barrier to AI adoption, especially for smaller businesses with constrained financial resources. The initial investment in AI technologies, infrastructure upgrades, and ongoing maintenance expenses can be substantial. This financial burden may deter organizations from pursuing AI initiatives despite recognizing the potential benefits.

Furthermore, deploying AI infrastructure requires robust technical infrastructure capable of supporting AI applications. This includes hardware, software, and networking capabilities that can handle the computational demands of AI algorithms. Building or upgrading such infrastructure can be time-consuming and costly, further complicating the adoption process.

Ethical and regulatory concerns represent another critical challenge. AI technologies raise issues related to data privacy, bias in decision-making algorithms, and transparency in AI-driven processes. Non-compliance with data protection regulations can result in legal consequences and damage business reputations. To address these concerns, businesses must stay informed



about evolving regulations, implement robust data protection measures, and engage legal and ethical experts to ensure responsible AI deployment.

In conclusion, while AI offers substantial opportunities for business growth and innovation, overcoming the challenges of expertise, data availability, implementation costs, infrastructure requirements, and regulatory compliance is essential for successful AI adoption. By proactively addressing these challenges, businesses can harness the full potential of AI technologies while mitigating risks and ensuring ethical practices in AI-driven operations.

## FUTURE TRENDS AND DEVELOPMENTS IN AI

The future development and legal trends of AI in India that will be the result of shaping the acquisition of information technology, regulation, and societal influence are likely to become the main drivers of AI in the future.

### • Regulatory Framework Advances

India will most likely come up with a more detailed regulatory framework for AI specifically. There are currently some correspondence and sector-specific rules, and a cohesive approach that incorporates the ethical AI principles, data privacy statutes, and requirement standards is on the horizon. This shipping guide will foster the innovative responsible AI deployment, while it also will make sure that the law is not neglected.

### • Ethical AI Standards

The growing public and regulatory bodies concern about ethical questions that arise in AI implementation process will lead to the necessity of ethical AI in AI design and deployment. The epochs will involve, among other things, ethical AI standards and regulations set and triggered by works and ideas in other parts of the world such as the AI Act from the EU. These requirements will present solutions for problem areas like mitigating bias, revealing transparency in AI decision-making, and they will also ensure the AI systems operate only within the boundaries of ethical conduct.



- **AI in Governance and Public Services**

The Indian government is on the course of adopting artificial intelligence for use in governance and public services. One of the areas covered by this is the use of AI for the prediction of the possible outcomes of policy decisions, improvement of the administration and the providing of better citizen services. Programs therefore will home in on the AI to solve societal problems, such as healthcare delivery, agriculture management, and urban planning.

- **AI-driven Economic Growth**

The innovation and productivity across the industries that AI will enable are expected to galvanize the economy. The development of the artificial intelligence industry in the future may include an increase of investment in research and development of AI. That would in turn give rise to the start of the new companies in technology, infrastructure, and manufacturing. An idea could be an AI and robotics-powered smart city. Other possibilities also include the use of AI in Digital India and Make in India, together with the traffic lights system implementation. This might appear as something far from AI, but at least it is a step in that direction.

- **Skills Development and Workforce**

The major focus will be on preparing employees not only for the AI-related skills to be developed but also for the readiness to face the change that AI-driven technology will introduce in the workforce. To effectively utilize AI, educational reformers and administrators may adopt the inclusion of AI and data science into the curricular design, set up retraining courses for the labor force, and foster dialogues across disciplines among AI practitioners and ethicists.

- **International Collaboration and Standards**

India is likely to engage in international collaborations to set global standards for AI technologies. This involves participating in forums like the Global Partnership on AI (GPAI) and aligning with international norms to facilitate interoperability and ethical use of AI on a global scale.

## COMPANY SECRETARIES AND ARTIFICIAL INTELLIGENCE

Due to advancements in AI technology and the governance ecosystem, the role of Company Secretaries is undergoing significant transformation. In the near future, their responsibilities and functions may evolve in this AI-driven era. Rather than feeling discouraged by AI's introduction into the corporate and legal sectors, Company Secretaries should view it as an opportunity for growth and adaptation.

Company Secretaries play a crucial role as Key Managerial Personnel in the corporate world, responsible for making strategic decisions, guiding Boards on governance practices,

and ensuring compliance with regulatory frameworks. AI's integration can streamline routine administrative tasks that traditionally occupy a substantial portion of a Company Secretary's workload. This automation allows Company Secretaries to concentrate on more complex and challenging responsibilities within their roles, ensuring the accuracy and integrity of critical documents and processes.

AI's capabilities extend to expediting research tasks, such as conducting extensive background checks on potential Directors across various platforms and automating the filing and distribution of documents like annual financial statements. Moreover, AI can assist in drafting and reviewing standard clauses in contracts and company policies with heightened accuracy, though complex legal interpretations still necessitate human oversight to mitigate liabilities.

While AI facilitates the automation of tasks like drafting meeting agendas and providing data during meetings, certain aspects of the Company Secretary's role remain distinctly human-driven. For instance, recording meeting minutes requires judgment in determining relevant details. Similarly, conducting director interviews and induction processes involves human elements that AI cannot replicate.

In essence, AI's integration into the Company Secretary's workflow offers efficiency gains and enhances compliance procedures. Embracing AI empowers Company Secretaries to focus on strategic initiatives and higher-value tasks, contributing to enhanced corporate governance and operational effectiveness in the AI-driven corporate landscape.

## CONCLUSION

Bringing AI into India's corporate governance and compliance frameworks could make processes more efficient, spur innovation, and ensure adherence to regulatory regimes. AI could help organizations automate tasks, boost decision-making, and match up with compliance requirements. To take advantage of what AI can offer while navigating the legal framework in India, it will be crucial to thoughtful, considerate, and practical about how AI is responsibly deployed. India is evolving its own governance and compliance landscape, and it aims to regulate AI, as well. To take advantage of AI's promise, India must also establish ethical standards for using AI sustainably in formal corporate settings. Any regulation of AI will need to be balanced against a desire to promote and respect human experience and decision-making.

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- i. [www.wikipedia.com](http://www.wikipedia.com)
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- vii. *National Strategy for Artificial Intelligence PPT.*



# Downstream Investments under FEMA – Regulatory and Practical Considerations

With the growth of foreign investments in India, the Government of India has framed structured foreign exchange regulations which aim to achieve the twin goals of (a) ease of doing business in India by liberalizing certain policies; and (b) ensuring promotion, and orderly development and maintenance of foreign exchange market in India.



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## INTRODUCTION

Any direct or indirect foreign investments in India are regulated by the Foreign Exchange Management Act, 1999 (“FEMA”) read with the rules/regulations made thereunder. Under FEMA, the Reserve Bank of India has been granted power to formulate ‘regulations’ whereas the Central Government is empowered to frame ‘rules’<sup>1</sup>.

This article aims to provide a detailed overview of the regulatory framework for downstream investments in India with practical considerations. As per the Consolidated FDI Policy Circular of 2020 (“FDI Policy”), ‘Downstream investment’ means indirect foreign investment, by an eligible Indian entity, into another Indian Company/LLP, by way of subscription or acquisition<sup>2</sup>.

The regulatory framework for downstream investments in an Indian company comprises of the following:

- (a) FEMA;
- (b) Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“NDI Rules”);
- (c) Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 (“Foreign Investment Reporting Regulations”);
- (d) FDI Policy; and
- (e) Master Direction – Foreign Investment in India.

## WHICH INVESTMENTS ARE COVERED UNDER ‘DOWNSTREAM INVESTMENT’/ ‘INDIRECT FOREIGN INVESTMENTS’?

In terms of the NDI Rules, ‘Downstream investment’ means the investment made by an Indian entity which has total foreign investment in it, or a specified investment vehicle, in the capital instruments or the capital, as the case may be, of another Indian entity<sup>3</sup>.

However, the term ‘indirect foreign investment’ is defined to mean downstream investment received by an Indian entity from -

- (A) another Indian entity which has received foreign investment; and (i) the Indian Entity is not owned and not controlled by resident Indian citizens; or (ii) is owned or controlled by persons resident outside India; or
- (B) an investment vehicle whose sponsor or manager or investment manager (i) is not owned and not controlled by resident Indian citizens or (ii) is owned or controlled by persons resident outside India<sup>4</sup>.

Accordingly, the meaning of the term ‘Downstream investment’ seems to be broader than the term ‘indirect foreign investment’ under the NDI Rules, as downstream investment covers further investments by another Indian entity that has received foreign investment in India (without specifying any threshold or quantum), whereas, indirect foreign investment covers only those further investments which are made by Indian entities that are owned or controlled by persons resident outside India.

It is also pertinent to note that the meaning of the terms ‘owned or controlled by persons resident outside India’ which are explained below.

## AMBIT OF FOREIGN OWNED AND/OR CONTROLLED (“FOCC”)

The following terms are relevant to be noted:

- (i) “company owned by persons resident outside India” shall mean an Indian company that is owned by persons resident outside India and ‘LLP owned by persons resident outside India’ shall mean an LLP that is owned by persons resident outside India<sup>5</sup>.

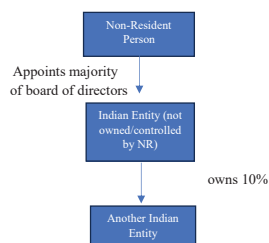
In the said regard, it is to be noted that ‘ownership of an Indian company’ means the beneficial holding of more than 50% (fifty percent) of the equity instruments of such company and ‘ownership of an LLP’ means the contribution of more than 50% (fifty percent) in its capital and having majority profit share<sup>6</sup>.

- (ii) “company **controlled** by persons resident outside India” shall mean an Indian company that is controlled by persons resident outside India and “LLP controlled by persons resident outside India” shall mean an LLP that is controlled by persons resident outside India<sup>7</sup>.

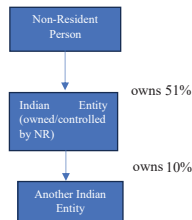
In the said regard, it is to be noted that ‘control’ means the right to appoint majority of the Directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreement or voting agreement and for the purpose of LLP, “control” shall mean the right to appoint majority of the designated partners, where such designated partners, with specific exclusion to others, have control over all the policies of an LLP<sup>8</sup>. The said definition is akin to the definition of ‘control’ as provided under the Companies Act, 2013. The Hon’ble Supreme Court of India<sup>9</sup> while interpreting the meaning of control under the Companies Act, 2013 has stated that the said definition of control envisages (a) de-jure control (*i.e., right to majority of directors*); and (b) de-facto control (*i.e., control management rights or policy decisions*) and the same has to be positive control only. It further stated that ‘management decision’ is a decision to be taken as to how the corporate body is to be run in its day-to-day affairs whereas a ‘policy decision’ would be a decision that would be beyond running day to day affairs, *i.e., long term decisions*.

Identifying whether an entity can be classified as foreign owned/controlled entity becomes critical to ascertain the applicability of downstream investment norms in case such an entity is contemplating to make further investments in an Indian Entity.

#### a) Indirect Foreign Investment (foreign controlled)



#### b) Indirect Foreign Investment (foreign owned)



In the aforesaid illustrations, the entire 10% (ten percent) of investment in another Indian Entity will be considered as ‘downstream investment’ and ‘indirect foreign investment’.

## KEY CONSIDERATIONS FOR DOWNSTREAM INVESTMENTS/INDIRECT FOREIGN INVESTMENTS

### 1. Applicability of foreign direct investments norms to indirect foreign investments:

It is specified that an Indian entity which has received indirect foreign investment shall comply with the entry route, sectoral caps, pricing guidelines and other attendant conditions as applicable for foreign investment<sup>10</sup>. The underlying principle of the downstream investment guidelines is that ‘*what cannot be done directly shall not be done indirectly*’<sup>11</sup>. Accordingly, it can be stated that all the provisions applicable to a direct foreign investment in India would apply to indirect foreign investments.

In the said regard, it can be inferred that any downstream investment will also have to comply with Press Note 3 of 2020<sup>12</sup> issued by the Reserve Bank of India. Further, it may also be contended that the norms for deferred purchase consideration under the NDI Rules<sup>13</sup> may also apply for an investment by a foreign owned/controlled entity in another entity (*the said issue is detailed below*).

### 2. Additional conditionalities for indirect foreign investment<sup>14</sup>:

- The downstream investment shall have the approval of the Board of Directors and also compliance with the shareholders’ Agreement, if any, of the FOCC. Even Section 179 of the Companies Act, 2013, statutorily mandates a prior board approval for making any further investments by any Indian entity.
- The Indian entity making the downstream investment shall bring in requisite funds from abroad and not use funds borrowed in the domestic markets<sup>15</sup> and the downstream investments may be made through internal accruals<sup>16</sup>. Further raising of debt and its utilisation shall be in compliance with the FEMA, rules or regulations made thereunder.

Many of the authorized dealer banks in Indian require a declaration from the FOCC stating the investment complies with these sourcing norms.

- Indirect foreign investment by an LLP is allowed in an Indian company operating in sectors where foreign investment up to 100% is permitted under automatic route and there are no FDI linked performance conditions. Further, an indirect foreign investment is permitted in an LLP in sectors where foreign investment is allowed 100% under automatic route and there are no FDI linked performance conditions<sup>17</sup>. Accordingly, any downstream investment by, or in, the LLP engaged in a sector which is not under 100% automatic route would require prior approval of the Reserve Bank of India.



### 3. Responsibility for compliance:

It is prescribed that the first level Indian company making downstream investment shall be responsible for ensuring compliance with the provisions of the NDI Rules for the downstream investment made by it at second level (investee company) and so on and so forth and such first level company shall obtain a certificate to this effect from its statutory auditor on an annual basis and such compliance of the NDI Rules shall be mentioned in the Director's report in the annual report of the Indian company. In case the statutory auditor has given a qualified report, it is also mandated that the same shall be immediately brought to the notice of the regional office of the RBI in whose jurisdiction the registered office of the company is located and shall also obtain acknowledgement from the registered office.

### 4. Investments in capital instruments:

It is pertinent to note the NDI Rules specify that downstream investments can be made by way of investment in capital instruments or capital of another Indian entity. The term '*capital instrument*' has not been defined under the NDI Rules, however, the term '*equity instruments*' is defined which includes equity shares and compulsorily convertible instruments under its ambit. Accordingly, it can be interpreted that '*capital instruments*' cover those instruments as enumerated under the definition of the term '*equity instruments*'. In the event, any optionally convertible instruments are issued to FOCC, then the same would not be construed as downstream investment until such instruments are converted to equity, as optionally convertible instruments are considered as '*debt*' instruments under FEMA.

## WHETHER DISCHARGE OF CONSIDERATION BY NON-CASH CONSIDERATION IS PERMISSIBLE?

Investments in a share of a company can be made either in cash or by way of a non-cash consideration. Non-cash consideration would typically involve consideration other than cash such as intellectual property, any movable or immovable asset, goodwill, shares or other securities, services etc. However, as far as downstream investments by an FOCC under FEMA are concerned, the NDI Rules contemplate that FOCC can make further downstream investment in an Indian entity only by way of (a) funds brought from abroad (i.e., by not using funds borrowed in the domestic markets); and (b) internal accruals (i.e., amount transferred to reserve account after payment of taxes)<sup>18</sup>. Accordingly, it can be stated that the NDI Rules contemplate cash investment by way of internal accruals but non-cash consideration is not permitted. Therefore, in such a case, the no-objection/approval of Reserve Bank of India should be sought for transactions involving discharge of consideration by way non-cash consideration.

Such a restriction under FEMA would be problematic in cases involving business/asset transfer transactions wherein an FOCC is selling its business/asset and the consideration by the buyer is being discharged by way of issuance of shares or other securities rather than cash.

## WHETHER DEFERRED CONSIDERATION IS PERMITTED IN CASE OF A DOWNSTREAM INVESTMENT?

Under the NDI Rules, there are specific provisions for an investment by a non-resident person in an Indian entity wherein deferred consideration is involved. The said provisions stipulate that an amount not exceeding 25% (twenty five percent) of the total consideration may be paid by the buyer on a deferred basis within a period not exceeding 18 (eighteen) months from the date of the transfer agreement<sup>19</sup>.

In the context of downstream investment by an FOCC, the NDI Rules do not provide for any such requirements. Accordingly, it can be contended that an FOCC is an Indian entity and an investment on deferred consideration by an Indian company with another Indian company would be outside the purview of FEMA as there is no express stipulation in this regard. Therefore, it can be argued that an FOCC can make downstream investment by way of a deferred consideration.

However, before undertaking such transactions, it is relevant to obtain the views of the authorised dealer bank who will process the reporting of downstream investment, as a contrary view can be taken that what is directly not permitted under FEMA is also not indirectly permitted and therefore, one may contend that the downstream investment on a deferred consideration basis is not permitted under FEMA.

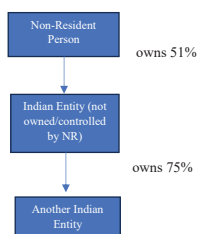
## COMPUTATION OF DOWNSTREAM INVESTMENT<sup>20</sup>

With respect to the computation of the indirect foreign investment, the FDI Policy prescribes that:

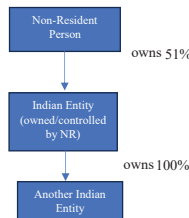
- (a) the foreign investment through the investing Indian company/LLP would not be considered for calculation of the indirect foreign investment in case of Indian companies/LLPs which are '*owned and controlled*' by resident Indian citizens and/or Indian Companies/LLPs which are owned and controlled by resident Indian citizens;
- (b) downstream investment by an Investment Vehicle (*as defined under the NDI Rules*) shall be regarded as foreign investment if either the Sponsor or the Manager or the Investment Manager is not Indian '*owned and controlled*' as defined in Regulation 14 of the principal Regulations as defined in RBI Notification No.362/2015-RB dated February 15, 2016<sup>21</sup>;

- (c) for cases where condition (a) above is not satisfied or if the investing company is owned or controlled by 'non-resident entities', the entire investment by the investing company/LLP into the subject Indian Company would be considered as indirect foreign investment, provided that, as an exception, the indirect foreign investment in only the wholly-owned subsidiaries of operating-cum-investing/investing companies, will be limited to the foreign investment in the operating-cum-investing/ investing company. The same is explained with an illustration below:

**a) Indirect Foreign Investment (other than WOS)**



**b) Indirect Foreign Investment (WOS)**



In the aforesaid illustration under (a), the entire 75% of the further investment will be reckoned as downstream investment, whereas under (b), only 51% of the further investment will be reckoned as downstream investment.

This exception is made since the downstream investment of a 100% owned subsidiary of the holding company is akin to investment made by the holding company and the downstream investment should be a mirror image of the holding company. This exception, however, is strictly for those cases where the entire capital of the downstream subsidiary is owned by the holding company.

## REPORTING FRAMEWORK

The Foreign Investment Reporting Regulations prescribe the following reporting norms for downstream investments to be made:

- (a) Intimation of downstream investment:** An Indian entity or an investment vehicle making downstream investment in another Indian entity which is considered as indirect foreign investment for the investee Indian entity in terms of the NDI Rules, shall notify the Secretariat for Industrial Assistance, DPIIT within 30 (thirty) days of such investment, even if equity instruments have not been allotted, along with the modality of investment in new / existing ventures (with / without expansion programme).

The filing of the intimation is to be made on the Foreign Investment Facilitation Portal (FIFP) (<https://fifp.gov.in/Public/ApplicantRegister.aspx>) wherein for each downstream investment an FOCC requires a separate registration on the portal. The intimation

This exception, however, is strictly for those cases where the entire capital of the downstream subsidiary is owned by the holding company. Entities entering into transactions have to be mindful of the downstream investment compliances as any non-compliance thereof can attract penalties prescribed under FEMA.

should mention the details of the investor and investee company (such as nature of business, automatic/ approval route, date of incorporation, registered office details etc.), shareholding pattern of the investor and investee company, details of the investment (such as nature of investment (rights issue, share transfer etc.), date of passing board resolutions etc.) and the intimation should be annexed with the charter documents and shareholding pattern of the entities, diagrammatic flow of investment, copies of board resolution etc. The intimation may also be physically filed with DPIIT and the regional offices of the RBI.

- (b) Form DI filing with AD Banker:** An Indian entity or an investment Vehicle making downstream investment in another Indian entity which is considered as indirect foreign investment for the investee Indian entity in terms the NDI Rules shall file Form DI with the RBI within 30 (thirty) days from the date of allotment of equity instruments.

The filing of Form DI is required to be made on the FIRMS Portal of RBI (<https://firms.rbi.org.in/firms/faces/pages/login.xhtml>). The filing can only be made once the acknowledgement of downstream investment intimation with Secretariat for Industrial Assistance, DPIIT is generated on the FIFP as the authorised dealer banks request such intimation prior to approving the Form DI. Further, few authorised dealer bankers also request a declaration confirming compliance with the (a) Press Note 3 of 2020 (explained above); and (b) Prevention of Money Laundering Act, 2002, and Unlawful Activities (Prevention) Act, 1967 with respect to the end usage of funds.

The NDI Rules further specify the pricing and reporting norms for any transfers by FOCC<sup>22</sup>:

Transferor	Transferee	Pricing norms	Reporting norms
FOCC	Person resident outside India	No	Form FC-TRS
FOCC	Person resident in India	Yes	No
FOCC	FOCC	No	Form DI



## ROLE OF COMPANY SECRETARIES

The further investment by an FOCC requires adherence to downstream investment norms and any non-compliance thereof can attract significant penalties under FEMA which can go up to 3 (three) times of the sum involved in the contravention (in case of a quantifiable amount). Accordingly, Company Secretaries can play an important role in advising the investor companies with respect to downstream investment norms and appropriately structure the transaction to avoid any violations of FEMA. Any downstream investment also requires timely reporting with the regulators wherein the Company Secretaries can undertake such tasks for the investor companies. The same also involves interaction with the authorized dealer banks in India and accordingly, a professional like a Company Secretary having requisite knowledge can undertake such task efficiently and achieve the desired results.

## CONCLUSION

The downstream investment norms aim to ensure that the foreign investment norms are not flouted indirectly by using different entity structures. It also brings transparency by mandating disclosure of the indirect foreign investment and the applicability of pricing guidelines ensure development and maintenance of foreign exchange. Entities entering into transactions have to be mindful of the downstream investment compliances as any non-compliance thereof can attract penalties prescribed under FEMA.

## REFERENCES:

- i. Section 46 and 47 of FEMA
- ii. Para 3.8.2 of the Consolidated FDI Policy Circular of 2020
- iii. Rule 23(7)(g) of the NDI Rules
- iv. Rule 23(7)(i) of the NDI Rules.
- v. Rule 23(7)(c) of the NDI Rules.
- vi. Rule 23(7)(a) of the NDI Rules.
- vii. Rule 23(7)(f) of the NDI Rules.
- viii. Rule 23(7)(d) of the NDI Rules.
- ix. *In the matter of Arcelormittal India Private Limited v. Satish Kumar Gupta & Ors.* [Civil Appeal Nos.9402-9405 OF 2018]
- x. Rule 23(1) of the NDI Rules.
- xi. Paragraph 9 of the Master Directions - Foreign Investment in India.
- xii. Press Note 3 of 2020 specifies that, an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only with the prior approval of the Government of India. Further, any transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/purview specified for a land border country, then such subsequent change in beneficial ownership will also require prior Government approval.
- xiii. Rule 9 (6) of the NDI Rules states that in case of transfer of equity instruments between a person resident in India and a person resident outside India, an amount not exceeding twenty five percent of the total consideration,-
  - (i) may be paid by the buyer on a deferred basis within a period not exceeding eighteen months from the date of the transfer agreement; or
  - (ii) may be settled through an escrow arrangement between the buyer and the seller for a period not exceeding eighteen months from the date of the transfer agreement; or
  - (iii) may be indemnified by the seller for a period not exceeding eighteen months from the date of the payment of the full consideration, if the total consideration has been paid by the buyer to the seller:

*Provided that the total consideration finally paid for the shares shall be compliant with the applicable pricing guidelines.*
- xiv. Rule 23 of the NDI Rules.
- xv. Master Directions - Foreign Investment in India have clarified that subscription by persons resident outside India to non-convertible debentures issued by an Indian company will not be construed as funds borrowed/leveraged in the domestic market.
- xvi. 'Internal accruals' shall mean profits transferred to reserve account after payment of taxes.
- xvii. Paragraph 9.3.3. of the Master Directions - Foreign Investment in India.
- xviii. Rule 23(4) of the NDI Rules.
- xix. Rule 9(6) of the NDI Rules.
- xx. Paragraph 1.2.(ii) of Annexure-4 of the FDI Policy. Other guidelines, other than mentioned herein, are prescribed under Annexure 4 of the FDI Policy read with Rule 23 of the NDI Rules.
- xxi. However, it is to be noted that for sponsors or managers or investment managers organized in a form other than companies or LLPs, SEBI shall determine whether the sponsor or manager or investment manager is foreign owned and controlled.
- xxii. Rule 23(5) of the NDI Rules.



# Role of Social Stock Exchange in Achieving Viksit Bharat - A Comprehensive Review

Viksit Bharat aims to foster sustainable development in India, aligning with global goals. This article explores the concept of SSE, its evolution, and regulatory framework, juxtaposed with Viksit Bharat's objectives. Through analysis of challenges, opportunities, and policy recommendations, it delineates SSE's potential impact on sustainable development and its alignment with Viksit Bharat's aspirations. In this backdrop, the present article makes an attempt to analyse and show the role and significance of SSE in mobilizing capital for social enterprises and driving inclusive growth, offering insights for policymakers and stakeholders.



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## INTRODUCTION

India, with its ambitious goals of sustainable development encapsulated in Viksit Bharat, stands at a critical juncture where innovative financial mechanisms like Social Stock Exchanges (SSEs) could play a pivotal role. Viksit Bharat, translating to “Developed India,” embodies the nation’s aspirations for inclusive growth, environmental sustainability, and social equity. In this comprehensive review, we examine into the symbiotic relationship between SSEs and Viksit Bharat, aiming to elucidate how SSEs can serve as catalysts in realizing these ambitious objectives. SSEs represent a novel paradigm in capital markets, where investments are channeled towards enterprises committed to social and environmental impact alongside financial returns. The emergence of SSEs globally has sparked interest in leveraging financial markets to address societal challenges, a notion deeply resonant with the ethos of Viksit Bharat. Understanding the nuances of SSEs, their regulatory landscape, and operational dynamics is crucial in discerning their potential contribution to Viksit Bharat’s objectives.

## THE DAWN OF AN SSE IN INDIA

In July 2019, during the presentation of the Union Budget 2019-20, India’s Finance Minister Smt. Nirmala Sitharaman introduced the concept of a social stock exchange aimed at facilitating enterprises and voluntary organizations

dedicated to social welfare in raising capital through avenues such as debt, equity, or mutual funds. Smt. Nirmala Sitharaman emphasized the necessity to bridge the gap between capital markets and the masses, aligning financial objectives with inclusive growth and broader financial inclusion goals. The proposal envisaged the establishment of the social stock exchange under the regulatory purview of the Securities Exchange Board of India (SEBI), signaling a significant step towards fostering inclusive growth and bolstering support for social enterprises across the nation. Subsequent to the announcement, SEBI constituted an expert panel in September 2019 to deliberate on the implementation of the proposed social stock exchange. Chaired by Mr. Ishaat Hussain, Director at SBI Foundation and former Finance Director at Tata Sons, the committee was tasked with formulating a practical framework and offering recommendations for the establishment of the SSE mechanism in India. Comprising representatives from diverse sectors including social impact investing, the Finance Ministry, stock exchanges, and non-governmental organizations (NGOs), the panel undertook extensive consultations with key stakeholders such as voluntary organizations, social enterprises, and philanthropic entities to gather valuable insights and perspectives.

## STRATEGIC IMPORTANCE OF SUSTAINABLE DEVELOPMENT IN INDIA – WHY?

As already stated, the importance of sustainable development in India cannot be overstated, given the nation’s vast population, diverse ecosystems, and rapidly expanding economy. Some of the key reasons/motives why sustainable development is crucial for India, which are clear from the following figure (figure – 1) and followed by a brief analysis of the same.

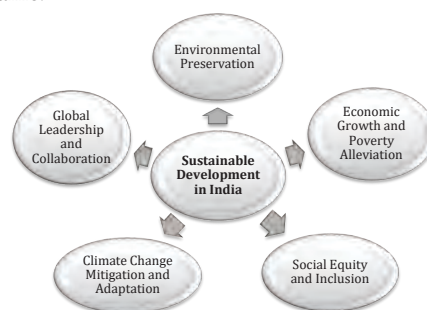


Figure – 1: Strategic Importance of Sustainable Development in India – Why?



- 1) **Environmental Preservation:** India is home to diverse ecosystems, including forests, rivers, mountains, and coastlines, which provide essential services such as clean air, water, and biodiversity. Sustainable development practices are essential to preserve these natural resources, mitigate environmental degradation, and combat climate change.
- 2) **Economic Growth and Poverty Alleviation:** Sustainable development strategies promote economic growth while ensuring social equity and environmental protection. By investing in renewable energy, green infrastructure, and sustainable agriculture, India can create employment opportunities, enhance productivity, and lift people out of poverty.
- 3) **Social Equity and Inclusion:** Sustainable development aims to address social inequalities and ensure that development benefits are equitably distributed among all segments of society, including marginalized communities, women, and rural populations. By providing access to education, healthcare, and basic amenities, sustainable development can enhance social inclusion and improve the quality of life for all citizens.
- 4) **Climate Change Mitigation and Adaptation:** India is vulnerable to the impacts of climate change, including extreme weather events, water scarcity, and sea-level rise. Sustainable development strategies focus on reducing greenhouse gas emissions, enhancing

resilience to climate impacts, and transitioning to low-carbon economies to mitigate the effects of climate change and protect vulnerable communities.

- 5) **Global Leadership and Collaboration:** As a rapidly growing economy and populous nation, India has a significant role to play in global efforts to achieve sustainable development. By adopting sustainable practices, investing in renewable energy, and participating in international collaborations, India can demonstrate leadership in addressing global challenges and contribute to a more sustainable and prosperous world.

### POTENTIAL IMPACT OF SSE ON ACHIEVING SUSTAINABLE DEVELOPMENT GOALS – HOW?

The potential impact of Social Stock Exchanges (SSEs) on achieving sustainable development goals (SDGs) is substantial and multifaceted. A key ways in which SSEs can contribute to advancing SDGs.

- 1) **Mobilizing Capital for Social Enterprises:** SSEs provide a dedicated platform for raising capital from impact investors who prioritize social and environmental outcomes alongside financial returns. By facilitating investment in social enterprises, SSEs can channel funding towards initiatives that address critical societal challenges, such as poverty alleviation, healthcare access, education, and environmental conservation.

- 2) **Fostering Inclusive Economic Growth:** SSEs offer opportunities for small and medium-sized enterprises (SMEs) and social enterprises to access capital markets, which may otherwise be inaccessible to them. By providing financing options tailored to the needs of these businesses, SSEs can stimulate entrepreneurship, job creation, and economic development, particularly in underserved communities and marginalized regions.
- 3) **Promoting Transparency and Accountability:** SSEs typically require listed companies to adhere to rigorous social and environmental reporting standards, promoting transparency and accountability in corporate practices. By encouraging companies to disclose their impact metrics and sustainability initiatives, SSEs enable investors to make informed decisions and hold companies accountable for their social and environmental performance.
- 4) **Catalyzing Innovation and Collaboration:** SSEs serve as hubs for innovation and collaboration, bringing together investors, entrepreneurs, policymakers, and civil society organizations to address complex societal challenges. By fostering cross-sector partnerships and knowledge-sharing, SSEs can catalyze the development and scaling of innovative solutions that contribute to SDGs, such as renewable energy technologies, sustainable agriculture practices, and affordable healthcare solutions.
- 5) **Driving Market Transformation:** SSEs can play a pivotal role in driving market transformation towards more sustainable and responsible business practices. By incentivizing companies to integrate environmental, social, and governance (ESG) considerations into their operations, SSEs can influence industry standards, consumer preferences, and regulatory frameworks, thereby accelerating progress towards SDGs.

## IMPLEMENTING SOCIAL STOCK EXCHANGES (SSEs) IN INDIA – A FEW CHALLENGES AND OPPORTUNITIES

### Challenges

- 1) The lack of a clear regulatory framework for SSEs in India poses a significant challenge. Ambiguity regarding listing requirements, disclosure standards, and investor protections can hinder investor confidence and inhibit the growth of SSEs.
- 2) Many investors in India may be unfamiliar with the concept of impact investing or the potential of SSEs to generate both financial returns and social impact. Educating investors about SSEs and their potential benefits is crucial to mobilizing capital towards social enterprises.
- 3) Social enterprises, particularly those operating in underserved areas or addressing niche social issues,

The government plays a key role in formulating policies and regulations that support the establishment and operation of SSEs. This includes developing a dedicated regulatory framework, setting listing requirements, and providing incentives to promote SSEs and impact investing. Investors, including institutional investors, high-net-worth individuals, and retail investors, are key stakeholders in SSEs.

may face challenges in accessing capital markets. SSEs need to develop mechanisms to support these enterprises and ensure their inclusion in the exchange.

- 4) Defining and measuring social and environmental impact remains a complex and subjective process. Establishing standardized metrics and evaluation methodologies for impact assessment is essential but challenging due to the diversity of social enterprises and impact areas.
- 5) While SSEs can provide initial capital to social enterprises, scaling their impact beyond the initial investment remains a challenge. SSEs need to facilitate partnerships, mentorship programs, and capacity-building initiatives to help social enterprises grow sustainably.

### Opportunities

- 1) SSEs can serve as platforms to connect impact investors with social enterprises, providing a dedicated marketplace for impact investing. By offering investment opportunities that align with investors' values and impact objectives, SSEs can mobilize capital towards social and environmental causes.
- 2) By stimulate innovation by providing financing options tailored to the needs of social enterprises. By channeling capital towards innovative solutions to social and environmental challenges, SSEs can drive positive change and promote sustainable development.
- 3) Another one is promote transparency and accountability in the impact investing ecosystem by requiring listed companies to adhere to rigorous reporting standards. By disclosing their social and environmental performance, companies can build trust with investors and stakeholders.
- 4) They have the potential to attract mainstream investors to impact investing by demonstrating the financial viability of social enterprises. By showcasing



successful examples of social enterprises generating both financial returns and social impact, SSEs can expand the pool of impact investors.

- 5) They can serve as catalysts for policy innovation by demonstrating the potential of impact investing to address social and environmental challenges. By advocating for supportive regulatory frameworks and incentives, SSEs can create an enabling environment for social entrepreneurship and impact investing to thrive.

## ROLE OF POLICY MAKERS IN PROMOTING GROWING OF SSEs

The role of government, regulatory bodies, and stakeholders is crucial in promoting the development and success of Social Stock Exchanges (SSEs) in India.

### I. Government

- 1) The government plays a key role in formulating policies and regulations that support the establishment and operation of SSEs. This includes developing a dedicated regulatory framework, setting listing requirements, and providing incentives to promote SSEs and impact investing.
- 2) They can promote SSEs as part of its broader investment promotion strategy, highlighting the potential of impact investing to drive social, environmental, and economic development.
- 3) The government can invest in capacity-building initiatives to enhance the skills, knowledge, and expertise of social enterprises, investors, regulators, and other stakeholders involved in SSEs.

### II. Regulatory Bodies

- 1) Regulatory bodies, such as the Securities and Exchange Board of India (SEBI), play a critical role in regulating and overseeing SSEs. They are responsible for setting listing requirements, monitoring compliance, and enforcing regulations to ensure the integrity and transparency of SSE operations.
- 2) These are tasked with protecting investors' interests and ensuring that SSEs operate in a fair, transparent, and orderly manner. This includes implementing investor protection measures, such as disclosure requirements, investor education initiatives, and grievance redressal mechanisms.
- 3) These bodies can support the development of SSEs by facilitating market infrastructure, such as trading platforms, clearing and settlement systems, and regulatory frameworks.

### III. Stakeholders

- 1) Social enterprises play a central role in SSEs as issuers of impact-focused securities.

- 2) Investors, including institutional investors, high-net-worth individuals, and retail investors, are key stakeholders in SSEs.
- 3) Civil society organizations play a vital role in promoting SSEs and impact investing by raising awareness, conducting research, and advocating for supportive policies and regulations.
- 4) Financial institutions, such as banks, investment funds, and insurance companies, can contribute to the development of SSEs by providing capital, investment products, and advisory services tailored to impact investing.

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## ELIGIBILITY

All Companies having prescribed CSR spend of  
₹50 lakh and above for the FY 2023-24

## AWARD CATEGORIES

One award each to Best Corporate in the following categories:

Category	Prescribed CSR Spending
Large	≥ ₹25 Crores
Medium	< ₹25 Crores and > ₹10 Crores
Small and Emerging	≥ ₹50 Lakhs and ≤ ₹10 Crores

NO  
PARTICIPATION  
FEE



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# 24<sup>TH</sup> ICSI NATIONAL AWARDS FOR EXCELLENCE IN CORPORATE GOVERNANCE

## ELIGIBILITY

All Listed Entities and Unlisted Companies  
(Companies applying should be ACTIVE Compliant)

## AWARD CATEGORIES

NO  
PARTICIPATION  
FEE



LISTED SEGMENT	
Category	Market Capitalisation
Large-Cap	Top 100
Mid-Cap	101-250
Emerging (Small-Cap)	251 onwards
Listed SME's	All Listed SME's

UNLISTED SEGMENT	
Category	Turnover
Large	≥ ₹5,000 Cr.
Medium	< ₹5,000 Cr. and > ₹1,000 Cr.
Emerging	≤ ₹1,000 Cr.

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Nominations invited for

## 24<sup>TH</sup> ICSI LIFETIME ACHIEVEMENT AWARD FOR TRANSLATING EXCELLENCE IN CORPORATE GOVERNANCE INTO REALITY

An award to the individual who has demonstrated outstanding leadership  
and contribution in corporate governance

### Criteria & Eligibility

- Any Listed Entity/ Unlisted Company may nominate one individual
- The nominated individual shall be of at least 60 years of age
- Self-nominations are not accepted



NO  
PARTICIPATION  
FEE

Last date for Nomination  
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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.

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- ❖ The article/research papers should be original and exclusive for Chartered Secretary.
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The length of the research paper should ordinarily be between 2,500 - 4,000 words. The research paper should be forwarded in MS Word format.

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

Regards,  
**Team ICSI**



# 2

## RESEARCH CORNER



- ESG - REDEFINING THE ROUTES: THE ROLE OF THE COMPANY SECRETARY AS THE ELIXIR IN ESG
-

# ESG - Redefining the Routes: The Role of the Company Secretary as the Elixir in ESG

In today's rapidly evolving business landscape, Environmental, Social, and Governance (ESG) considerations have moved from the periphery to the core of corporate strategy. As stakeholders—ranging from investors to consumers—demand greater accountability and sustainability, companies are rethinking their approaches to integrate ESG principles effectively. At the heart of this transformation is the Company Secretary, who plays a pivotal role in redefining the routes to ESG excellence.



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## INTRODUCTION

In today's rapidly evolving business landscape, Environmental, Social, and Governance (ESG) considerations have moved from the periphery to the core of corporate strategy. As stakeholders—ranging from investors to consumers—demand greater accountability and sustainability, companies are rethinking their approaches to integrate ESG principles effectively. At the heart of this transformation is the Company Secretary, who plays a pivotal role in redefining the routes to ESG excellence.

From a global perspective, ESG policies are being formed through a combination of international frameworks, regional regulations, and industry-specific guidelines. Major global initiatives such as the United Nations' Sustainable Development Goals (SDGs), the Paris Agreement on climate change, and the Task Force on Climate-related Financial Disclosures (TCFD) are providing blueprints for companies to align their strategies with broader sustainability targets. These frameworks are encouraging businesses to adopt practices that promote environmental stewardship, social responsibility, and strong governance.

Regionally, the European Union has been at the forefront of developing comprehensive ESG regulations, such as the EU Taxonomy for sustainable activities, the Non-Financial Reporting Directive (NFRD), and the upcoming Corporate Sustainability Reporting Directive (CSRD).

These regulations mandate companies to disclose their sustainability practices and impacts, thus driving greater transparency and accountability. Similarly, in Asia, countries like Japan and Singapore are enhancing their ESG reporting requirements and promoting green finance initiatives to encourage sustainable business practices.

In India, the integration of ESG principles is gaining significant momentum. The Securities and Exchange Board of India (SEBI) has introduced the Business Responsibility and Sustainability Report (BRSR), which requires the top 1,000 listed companies by market capitalization to disclose their ESG initiatives and performance. This move is aimed at enhancing transparency and enabling investors to make more informed decisions based on a company's sustainability practices. Additionally, India's Companies Act mandates Corporate Social Responsibility (CSR) spending for certain companies, further embedding social and environmental considerations into corporate strategies.

In the corporate world, the integration of ESG principles is reshaping how companies operate and compete. Businesses are increasingly recognizing that strong ESG performance can lead to enhanced brand reputation, improved risk management, and access to new markets and capital. Investors are prioritizing ESG factors in their decision-making processes, leveraging tools like the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) to assess the sustainability performance of their portfolios.

The Company Secretary plays a crucial role in this transition by ensuring that ESG considerations are embedded into the governance framework of the organization. They are responsible for advising the Board on ESG risks and opportunities, overseeing ESG reporting and disclosure, and ensuring compliance with relevant regulations. Moreover, the Company Secretary facilitates stakeholder engagement, helping to align the company's ESG strategy with the expectations of investors, customers, employees, and the wider community.

By championing ESG excellence, the Company Secretary not only contributes to the sustainable success of the organization but also supports the broader goal of creating a more equitable and resilient global economy.



## THE EVOLVING ROLE OF THE COMPANY SECRETARY

Traditionally, the Company Secretary's role has been seen as administrative and compliance-focused, ensuring adherence to legal and regulatory requirements. However, as ESG becomes a central component of corporate governance, the Company Secretary's responsibilities are expanding. They are now seen as the custodians of corporate governance, tasked with embedding ESG considerations into the fabric of the company's strategy and operations.

The Company Secretary is uniquely positioned to drive ESG integration across the organization. By leveraging their expertise in governance and compliance, they can ensure that ESG principles are not just add-ons but integral to the company's DNA. This involves working closely with the Board of Directors to develop and implement ESG policies, ensuring these policies are aligned with the company's long-term objectives and stakeholder expectations. One of the critical roles of the Company Secretary is to facilitate communication between the Board and various stakeholders. This includes shareholders, employees, customers, suppliers, and the wider community. By maintaining transparent and effective communication channels, the Company Secretary can help the Board understand stakeholder concerns and priorities, ensuring these are reflected in the company's ESG strategies.

## ENVIRONMENTAL: PIONEERING A GREEN FUTURE

Environmental responsibility has become a cornerstone of corporate strategy. Companies are actively pursuing initiatives to reduce their carbon footprints, aiming for net-zero emissions through renewable energy adoption, energy efficiency improvements, and innovative waste management practices. This proactive stance not only helps to mitigate the risks associated with climate

change but also opens new avenues for growth in green technologies and sustainable products.

For instance, tech giants like Google and Apple are investing heavily in renewable energy projects, ensuring their operations are powered by clean energy. This commitment not only enhances their environmental credentials but also appeals to a growing base of eco-conscious consumers and investors. By implementing these strategies, companies can significantly reduce their environmental impact and align themselves with global sustainability goals.

The Company Secretary plays a crucial role in overseeing and reporting on these environmental initiatives. They ensure that environmental goals are integrated into the company's overall strategy and that progress is transparently communicated to stakeholders. This includes the preparation of sustainability reports and other disclosures that highlight the company's environmental performance and future commitments.

## SOCIAL: FOSTERING INCLUSIVE AND ETHICAL PRACTICES

The social component of ESG emphasizes the importance of fair labor practices, human rights, and community engagement. Companies are increasingly held accountable for their impact on employees, customers, and communities. This involves promoting diversity and inclusion, ensuring workplace safety, and engaging in fair trade practices.

Leading corporations like Microsoft and Unilever are setting benchmarks by implementing comprehensive diversity and inclusion programs, fostering a culture where all employees feel valued and respected. Moreover, businesses are now more inclined to support local communities through corporate social responsibility (CSR) initiatives, further solidifying their social license to operate.



The Company Secretary is instrumental in promoting these social initiatives within the organization. They work to ensure that the company's policies and practices reflect a commitment to social responsibility and ethical conduct. This includes developing and enforcing policies related to labour practices, human rights, and community engagement. By fostering a culture of inclusivity and ethical behaviour, the Company Secretary helps to build a positive reputation and strengthens the company's relationships with key stakeholders.

### GOVERNANCE: ENSURING ETHICAL LEADERSHIP AND ACCOUNTABILITY

Governance underpins the entire ESG framework by promoting transparency, accountability, and ethical behaviour in corporate leadership. Effective governance structures ensure that companies adhere to legal standards, maintain robust risk management practices, and operate with integrity.

The Company Secretary ensures that the company's ESG efforts are reported accurately and comprehensively. This involves overseeing the preparation of sustainability reports and other disclosures, ensuring they meet the highest standards of accuracy and transparency. By doing so, the Company Secretary helps in build trust with stakeholders, demonstrating the company's commitment to responsible business practices.

For example, Tesla has faced scrutiny over its governance practices, prompting the company to enhance its Board oversight and transparency measures. Such steps are crucial in building investor confidence and ensuring long-term sustainability. The Company Secretary plays a vital role in promoting ethical behaviour across the organization. This includes developing and enforcing codes of conduct, anti-corruption policies, and other ethical guidelines. By fostering a culture of integrity, the Company Secretary helps to mitigate risks related to unethical behaviour and strengthens the company's reputation.

### PROMOTING ETHICAL PRACTICES AND COMPLIANCE

ESG is not just about environmental sustainability and social responsibility; it also encompasses governance—ensuring ethical practices and robust compliance frameworks. The Company Secretary plays a vital role in promoting ethical behaviour across the organization. This includes developing and enforcing codes of conduct, anti-corruption policies, and other ethical guidelines. By fostering a culture of integrity, the Company Secretary helps to mitigate risks related to unethical behaviour and strengthens the company's reputation.

As ESG considerations evolve, it is crucial for board members to stay informed and engaged. The Company Secretary is responsible for facilitating Board education on ESG issues, ensuring Directors have the knowledge and insights needed to make informed decisions. This involves

The Company Secretary plays a pivotal role in redefining the routes to ESG excellence. By driving ESG integration, enhancing accountability and transparency, promoting ethical practices, facilitating board education, and supporting long-term strategic planning, the Company Secretary serves as the elixir in ESG.

organizing training sessions, providing access to relevant research and resources, and keeping the Board updated on emerging ESG trends and best practices.

The Company Secretary supports the board in integrating ESG into the company's long-term strategic planning. By aligning ESG goals with the company's overall strategy, the Company Secretary ensures that sustainability and responsibility are embedded in the company's growth trajectory. This helps the company anticipate and adapt to future challenges, ensuring resilience and sustainability.

### ESG AND SDGS: INTERCONNECTED PATHWAYS TO A SUSTAINABLE FUTURE

The United Nations' Sustainable Development Goals (SDGs) are increasingly seen as a chance to advance affirmative action through responsible investing. Using SDGs as a practical framework for mapping investors' existing ESG considerations can help in mainstream ESG acceptance and promote responsible corporate behaviour. Although SDGs are more thematic than corporate-centric, they can align sector and company-specific ESG factors with broader societal and environmental goals.



While the SDGs, part of the 2030 Agenda for Sustainable Development, need no introduction, their successful implementation requires a systematic assessment of strategies by investors and corporations. Since 2015, when the SDGs entered the global lexicon, investors have focused on

Socially Responsible Investments, initially based on social screening to exclude harmful business models. The UN Principles of Responsible Investment (UN PRI), introduced in 2006, further aligned investor strategies with societal goals, leading to mainstream ESG investing. Today, over 1,600 signatories representing more than USD 70 trillion in assets are part of this global initiative.

Despite this positive response, many corporations struggle to integrate sustainable practices into their strategies, causing gaps between potential and realized

investment opportunities. The SDGs, with their flexibility and universality, help investors and private sector players address sustainability challenges while meeting fiduciary duties. However, many stakeholders still question the investment case for SDGs and how they impact strategies, corporate responses, and policy actions.

SDGs provide a practical framework to support ESG considerations, helping mainstream ESG decisions and anchor their wider acceptance in corporate circles. They offer universal acceptance and scalability, allowing investors to map SDGs to their ESG considerations and direct capital towards positive impacts. Examples include Dutch pension funds and the Swedish International Development Cooperation Agency (SIDA) forming partnerships to explore SDG investment opportunities.

However, large and small investors face challenges in integrating SDGs into their strategies due to a lack of clarity on financial consequences and progress measurability. A well-managed ESG engagement can help align investments with SDG aims and channel finances to relevant areas. The SDGs also help align sector and company-specific ESG factors with broader goals, promoting sustainable business practices.

Data transparency is crucial for achieving SDGs, and the lack of data often hampers impactful investment decisions. Connecting ESG to SDGs can facilitate data sharing and public reporting, addressing the challenge of quantifying qualitative targets. Mapping ESG considerations to SDGs can create long-term value for businesses and society, promoting shared value and sustainable growth.

In conclusion, the UN's 17 SDGs represent an opportunity to advance affirmative action through responsible investing, an opportunity that investors and corporates should not miss.

## GLOBAL OVERVIEW OF THE ESG FRAMEWORK

Despite numerous reporting requirements and the lack of a uniform framework for company disclosures, the ESG reporting environment remains fragmented. Investors contend that the significant variation in companies' ESG disclosures prevents them from obtaining consistent, decision-useful information necessary to incorporate ESG issues into their investment choices. As the ESG reporting landscape evolves, reporting frameworks have also developed and changed globally.

A 2019 study by the European Corporate Governance Institute (ECGI) found that 25 countries mandated social responsibility and sustainability reporting for their corporations between 2007 and 2019. These ESG disclosures are required in major regions including the United Kingdom, European Union, United States, China, India, Australia, Japan, and South Africa. The study also reveals that mandatory sustainability reporting is limited to certain large corporations, listed companies, and some state-owned enterprises.

The following outlines the ESG disclosure requirements and regulations in different countries:

- **United Kingdom (UK)**

ESG reporting in the UK encompasses various critical areas such as greenhouse gas emissions, workplace diversity, inclusive corporate culture, and human rights. The implementation of the Corporate Governance Code in 2018 emphasized accountability, leadership, remuneration, effectiveness, and shareholders' relationships. Companies listed on the London Stock Exchange are required to publish ESG reports in accordance with the 2020 ESG reporting guidelines. This mandatory reporting includes disclosures on greenhouse gas emissions, energy use, gender pay gaps, and modern slavery.

- **European Union (EU)**

Since 2018, EU member states have implemented non-financial reporting directives mandating companies to report on environmental, social, and human resource management issues. Additionally, separate disclosures are required concerning anti-bribery, corruption, and human rights performance. The Sustainable Finance Disclosure Regulation (SFDR) extends ESG disclosure requirements to financial service providers. Moreover, all corporations must integrate the recommendations of the Task Force on Climate-related Financial Disclosures into their reporting frameworks.

- **United States of America (USA)**

The U.S. Securities and Exchange Commission (SEC) mandates that all publicly traded companies disclose material matters, including ESG-related risks, transparency, and accountability regarding Directors' appointments and human capital management. Additionally, companies listed on the New York Stock Exchange (NYSE) are required to implement and publicly disclose a code of corporate behaviour and ethics. For NASDAQ-listed companies, disclosure requirements include detailing the composition of the Board of Directors, including characteristics such as gender, racial diversity, and LGBTQ status.

- **China**

Chinese corporations are obligated to disclose and publish their environmental performance and contributions to social improvement under the Environmental Information Disclosure requirements. Companies listed on the Shanghai Stock Exchange are mandated to report environmental disclosures as part of their regulatory obligations. Since June 28, 2021, the China Securities Regulatory Commission (CSRC) has revised the ESG disclosure framework to enhance transparency and accountability in reporting practices. Annual reports from these companies must include parameters such as annual resource consumption, pollution levels, carbon emissions, waste generation, and disposal methods. Compliance with these requirements enables companies to qualify for additional grants and public support rights.

## • Japan

In June 2021, the Corporate Governance Code of Japan implemented mandatory ESG reporting requirements. All companies in Japan are required to adhere to the guidelines set forth by the Task Force on Climate-related Financial Disclosures (TCFD). Specific companies must report on measures to counter global warming, while large energy-consuming companies are obligated to disclose their energy usage. Additionally, companies with more than 300 employees must report on female participation in management roles and the career advancement opportunities available to them.

## INDIA'S APPROACH TO ESG COMPLIANCE

India views ESG compliance as a crucial aspect of corporate responsibility and sustainable development. The journey began with the Companies Act of 2013, making India the first country to mandate corporate social responsibility (CSR). This mandate was based on the earlier National Voluntary Guidelines (NVGs) on Social, Environmental, and Economic Responsibilities of Business released in 2011.

The Securities and Exchange Board of India (SEBI) has played a significant role in promoting ESG compliance. It required the top 500 listed companies by market capitalization to disclose their business responsibility and sustainability practices through Business Responsibility Reporting (BRR).

In 2021, SEBI introduced the Business Responsibility and Sustainability Report (BRSR), which aligns India's sustainability reporting with global standards, marking a significant shift from the previous BRR format. This initiative aims to enhance transparency and accountability in ESG practices among Indian companies.

## THE NEW ESG DISCLOSURE REQUIREMENTS IN INDIA

On May 10, 2021, SEBI introduced the Business Responsibility and Sustainability Report (BRSR), which will replace the Business Responsibility Reporting (BRR). The BRSR will be mandatory for the top 1,000 listed companies by market capitalization starting from the fiscal year 2022-23, with voluntary adoption encouraged for the fiscal year 2021-22. This new reporting format is based on the nine principles outlined in the "National Guidelines on Responsible Business Conduct" (RBC Guidelines), which are influenced by international standards like the UN Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals, the Paris Agreement, and the International Labour Organisation (ILO) Core Conventions.

The RBC Guidelines cover key areas such as business ethics, transparency, human rights, environmental safety, and fair labour practices. The BRSR aims to provide transparent and standardized ESG and sustainability-related disclosures, helping companies demonstrate their sustainability goals and performance to the market. This,

in turn, will enable investors to make more informed ESG-related decisions, ultimately supporting long-term value creation.

## SIX EMERGING ESG POLICY THEMES IN THE APAC REGION

ESG regulations are rapidly advancing in the Asia Pacific, driven by the need for transparency and clear standards in sustainable investments. Over the past five years, the region has seen a significant increase in ESG policies, leading to widespread corporate ESG disclosures that now rival or exceed those in the US. These regulatory developments are poised to reshape asset ownership patterns for both ESG-focused and traditional asset managers, and they are expected to influence equity valuations across Asia Pacific markets.

This article examines significant ESG regulations across the region, highlighting six emerging themes: Green Taxonomies, TCFD-aligned climate reporting, Carbon pricing schemes, Supply chain due diligence and transparency requirements, Corporate ESG disclosures, and ESG fund requirements.

- **Green Taxonomy:** While Green Taxonomy development in APAC is less advanced, globally the trend is positive. Many jurisdictions are learning from the EU Taxonomy rollout to develop their frameworks, focusing on harmonizing standards to minimize compliance costs and expanding their use beyond bonds and loans.



- **TCFD (Task Force on Climate-related Financial Disclosures)- aligned Reporting:** APAC is making significant progress in mandating TCFD-aligned reporting, positioning itself as a global leader. Singapore, Hong Kong, and New Zealand lead in requiring both investors and corporates to comply. Japan, Taiwan, and Malaysia also mandate reporting for corporates or certain financial institutions, with more jurisdictions expected to follow suit.
- **Carbon Pricing Schemes:** Various carbon pricing schemes are emerging in APAC, but their impact is limited due to factors like free carbon allowances to high-emission companies, low prices, and limited sector coverage. These schemes are still in early stages of development across the region.



- **Corporate ESG Disclosure:** Requirements for corporate ESG disclosures in APAC focus on emissions, energy, and diversity metrics, but implementation varies. Companies should prepare for upcoming global standards from the ISSB.
- **Supply Chain Management:** APAC needs stronger supply chain risk management policies to meet international standards. Current requirements lack detailed due diligence practices and enforcement measures, which are crucial for corporate compliance.
- **ESG Fund Requirements:** Policies mandating ESG fund requirements are expected to increase to combat greenwashing and meet rising demands for transparency. While Hong Kong, Malaysia, Taiwan, and Australia are leading with new requirements, other markets like India, Japan, Singapore, and ASEAN are also developing policies for ESG fund disclosures and processes.

## ENHANCING SUSTAINABILITY: THE HOLISTIC ROLE OF THE COMPANY SECRETARY

ESG is inherently long-term in nature, focusing on sustainable growth and value creation. The role of the Company Secretary is pivotal in integrating Environmental, Social, and Governance (ESG) principles into the long-term strategic planning of an organization. Serving as a key liaison between the Board of Directors, management, and stakeholders, the Company Secretary plays a crucial role in ensuring that ESG considerations are embedded throughout the company's operations and decision-making processes.

One of the primary responsibilities of the Company Secretary is to support the Board in understanding and prioritizing ESG issues that align with the company's values and strategic direction. This involves conducting thorough assessments of ESG risks and opportunities, and recommending strategies to mitigate risks and capitalize on opportunities.

Moreover, the Company Secretary facilitates transparent communication and reporting on ESG matters to stakeholders. This includes preparing ESG-related disclosures, reports, and presentations that provide clear insights into the company's ESG performance and initiatives. By ensuring transparency and accountability, the Company Secretary helps in build trust and credibility with investors, customers, employees, and regulatory bodies.

In addition to reporting, the Company Secretary plays a proactive role in advocating for sustainable practices within the organization. This includes championing initiatives that promote environmental stewardship, social responsibility, and ethical governance practices. By fostering a culture of sustainability, the Company Secretary helps in create a framework where ESG considerations are integrated into everyday business operations and decision-making.

Furthermore, the Company Secretary collaborates with management to implement ESG-related policies and programs that align with regulatory requirements and industry best practices. This proactive approach not only enhances the company's compliance with evolving ESG regulations but also positions it as a leader in sustainable business practices.

Overall, the Company Secretary's involvement in ESG integration goes beyond regulatory compliance to drive long-term value creation and resilience. By aligning ESG goals with the company's strategic objectives, the Company Secretary ensures that sustainability and responsibility are integral to its growth trajectory, enhancing stakeholder trust and supporting the company's overall success in a competitive and increasingly ESG-conscious market landscape.

## THE ROLE OF ESG IN RISK MANAGEMENT

A key aspect of the Company Secretary's role in ESG is the integration of ESG considerations into the company's risk management framework. This involves identifying and assessing ESG-related risks and developing strategies to mitigate these risks. Environmental risks, such as climate change and resource scarcity, can have significant financial implications for companies. Similarly, social risks, including labour disputes and community opposition, can impact a company's reputation and operational efficiency. Governance risks, such as regulatory non-compliance and unethical behaviour, can lead to legal penalties and loss of stakeholder trust.

Types of ESG Risks can be categorized into three main areas, each presenting distinct challenges for companies in India:

1. **Environmental Risks:** These risks involve how a company affects the environment. They include issues like carbon emissions, water usage, waste management, and impacts on biodiversity. Managing environmental risks means adhering to strict regulations to avoid hefty fines and penalties. For instance, companies that fail to comply with environmental laws may face significant financial consequences, as seen in cases involving illegal waste disposal or pollution.
2. **Social Risks:** Social risks encompass a wide range of issues that impact communities and employees. These include concerns such as workplace safety, human rights violations, diversity and inclusion, and data privacy. Managing social risks in India requires ensuring fair treatment of employees, ethical supplier practices, and maintaining customer trust. Failures in these areas can tarnish a company's reputation and lead to customer dissatisfaction, as demonstrated by studies linking consumer loyalty to how businesses treat their workers.
3. **Governance Risks:** Governance risks pertain to how a company is managed and governed. They include aspects like transparency in communication, ESG disclosures, Board diversity, and measures to prevent corruption and fraud. In India, companies must

adhere to industry-specific regulations and uphold ethical standards to avoid governance scandals. For instance, governance failures like those seen in corporate scandals can result in substantial financial losses and damage to a company's integrity.

Addressing these ESG risks effectively in India requires proactive management strategies that promote sustainability, ethical practices, and regulatory compliance.

By incorporating ESG factors into risk assessments, the Company Secretary ensures that the company is better prepared to manage these risks. This proactive approach to risk management helps to safeguard the company's long-term sustainability and enhances its ability to create value for stakeholders.

## ENHANCING STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement is a critical component of successful ESG implementation. The Company Secretary plays a key role in facilitating this engagement by ensuring that the company maintains open and transparent communication with its stakeholders. This includes engaging with shareholders, employees, customers, suppliers, and the wider community to understand their concerns and expectations regarding ESG issues.

The Company Secretary ensures that stakeholder feedback is integrated into the company's ESG strategies and decision-making processes. By doing so, they help in build trust and strengthen relationships with stakeholders, which is essential for the company's long-term success. Moreover, effective stakeholder engagement can provide valuable insights that help the company identify emerging ESG trends and opportunities.

## REPORTING AND DISCLOSURE

Transparent and comprehensive reporting is essential for demonstrating the company's commitment to ESG principles. The Company Secretary oversees the preparation of sustainability reports and other ESG-related disclosures, ensuring they meet the highest standards of accuracy and transparency. This involves reporting on the company's environmental performance, social initiatives, and governance practices, as well as outlining future commitments and goals.

Accurate and transparent reporting helps in build trust with stakeholders and enhances the company's reputation. It also enables investors and other stakeholders to make informed decisions based on the company's ESG performance. The Company Secretary ensures that the company's reporting aligns with established frameworks and standards, such as the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD).

## THE FUTURE OF ESG AND THE COMPANY SECRETARY'S ROLE

As ESG considerations continue to gain prominence, the role of the Company Secretary will become increasingly

important. The Company Secretary will be at the forefront of driving ESG integration, ensuring that the company's strategies and operations are aligned with sustainability principles. This will involve staying abreast of emerging ESG trends and best practices, as well as continuously enhancing the company's ESG frameworks and policies.

In the future, the Company Secretary's role in ESG will likely expand to include greater involvement in innovation and transformation initiatives. This could involve exploring new technologies and business models that support sustainability, as well as fostering a culture of innovation within the organization. By embracing these opportunities, the company secretary can help the company stay ahead of the curve and drive long-term value creation.

## CONCLUSION

In conclusion, the Company Secretary plays a pivotal role in redefining the routes to ESG excellence. By driving ESG integration, enhancing accountability and transparency, promoting ethical practices, facilitating Board education, and supporting long-term strategic planning, the Company Secretary serves as the elixir in ESG. They are the linchpin that ensures ESG principles are not just theoretical concepts but practical, actionable strategies that drive sustainable value creation. In this transformative journey, the Company Secretary's leadership and expertise are indispensable, guiding companies towards a future where business success and societal well-being go hand in hand.

As ESG considerations reshape the corporate landscape, the role of the Company Secretary will continue to evolve and expand. By embracing this opportunity, Company Secretaries can help their organizations to navigate the complexities of ESG and achieve long-term sustainability. In doing so, they will play a crucial role in building a more sustainable and equitable future for.

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November 8-9-10, 2024 | Hotel Sahara Star, Mumbai

Theme : India@2047: Expanding Horizons for Professionals



### Delegate Registration Fee\* (Non – Residential)

Delegate Category	Early Bird Registration Block-I (From July 19, 2024 to August 31, 2024)	Early Bird Registration Block-II (From September 1, 2024 to October 31, 2024)	Delegate Fee (From November 1, 2024 including on the spot registration)
Member of ICSI/ ICAI/ ICMAI	Rs. 8,000	Rs. 9,000	Rs. 10,000
Accompanying Spouse / Child (5 years and above) / Sr. Member (60 years and above)	Rs. 6,500	Rs. 7,500	Rs. 8,500
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Non-Member/Guest	Rs. 10,000	Rs. 11,000	Rs. 12,000
Foreign Delegate	USD 175	USD 225	USD 275

\*Exclusive of GST @18% on non-residential basis. GST is not applicable for foreign delegates.

• The above fee includes Lunch (3), Dinner (2), Morning / Evening Conference Tea, Coffee, Conference Kit and Souvenir. The Delegate Fee is payable in advance and is non-refundable.  
• Registration for the Convention shall be through Online Mode only. Please note that payments will not be accepted through demand draft, cheque, cash, etc.

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# eCSin®

## Employee Company Secretary Identification Number (eCSin)

### Applicability

Mandatory for members in employment w.e.f. October 1, 2019, to generate the eCSin at the time of employment as well as at the time of cessation of employment except those exempted in the ICSI (ECSIN) Guidelines, 2019.

### Major Requirements

- eCSin shall be generated not later than 30 days from issuing the consent letter/acceptance letter or date of appointment /relieving.
- eCSin to be quoted on the consent letter and resignation/cessation letter attached with e-form DIR 12.
- Any change in employment details, including designation, required to be updated within 15 days from such change.
- Required at the time of renewal of membership of a member who is in employment.



### Second eCSin

A second eCSin shall be generated in accordance with Clause 6 of the ICSI (ECSIN) Guidelines, 2019. Request to be sent within 15 days of appointment in Subsidiary Company.

## Members in employment are advised to ensure compliance with the ICSI (ECSIN) Guidelines, 2019

For eCSin Generation, Guidelines and FAQs please visit: <https://stimulate.icsi.edu/ecsin>

For queries, member may write at: [ecsin@icsi.edu](mailto:ecsin@icsi.edu)

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**UDIN**

Unique Document Identification Number (UDIN)

# UNIQUE DOCUMENT IDENTIFICATION NUMBER (UDIN)

## Mandatory generation of UDIN for following services rendered by Company Secretary in Practice

### REPORTS

Secretarial Audit Report* [15 per FY**]
Annual Secretarial Compliance Report* [10 per FY**]
Internal Audit of Depository Participants*
Quarterly Reconciliation of Share Capital Audit Report*
Diligence Report for Banks*
Due Diligence Report under SEBI (Delisting of Equity Shares) Regulations, 2021*
Internal Audit of stock brokers/sub brokers
Scrutinizers' Report
Compliance Audit Report under Third Party Certification/ Audit Scheme in the state of Haryana

### CERTIFICATES

Certification of Annual Return in Form MGT-8* [80 per FY**]
Corporate Governance Compliance Certificate*
Certificate regarding Transfer of Securities under SEBI (LODR) Regulations, 2015*
Certificate relating to shares held by inactive shareholders under SEBI (Delisting of Equity Shares) Regulations, 2021*
Signing of Annual Return in Form MGT-7
Certificate of Non-Disqualification of Directors
Certificate in case of Indian company accepting the investment from foreign investor
Compliance Certificates under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

## Mandatory for all other Reports, Returns and Certificates prescribed to be certified or issued under any applicable law

\*These services are reserved for Peer Reviewed Company Secretary in Practice

\*\*Ceiling on Certification as made applicable by the Institute

**UDIN shall be generated at the time of signing of Certificate/Report/Form/Other documents  
or seven days in advance to the date of such signing**

For the ICSI (UDIN) Guidelines, 2019 & FAQs, visit: <https://stimulate.icsi.edu/udin>

For queries, contact: [udin@icsi.edu](mailto:udin@icsi.edu)

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# ICSI BOARD MENTORSHIP PROGRAMME

September 12-13-14, 2024 | Hotel Gem Park, Ooty, Tamil Nadu







# PRESIDENT'S

## message

**“Knowledge is power.  
Knowledge shared is power multiplied.”**

– Robert Boyce

The learned Scholar Socrates once said, “*The only true wisdom is in knowing you know nothing*”. For a nation which has taken the centre stage with its multi-directional attempt to thrive and raise its global status, a focused approach towards each economic component is the need of the moment.

If GDP numbers are driven by corporate contribution, their governance garners a place of inevitability and with that another aspect that hogs limelight is the quality of their decision makers. If an organization is as good as its team members, a company is as good as its Board – a fact that has led to the development of concepts like Board Independence, Succession Planning, Board Diversity and so on.

Add to that the altering dynamics of the economic scenario, and a need is felt to build a much stronger, more immune and much more sustainability-driven and sustainable Boards. A key to achieving the same is proper training and development of all those manning the Board posts.

The Institute of Company Secretaries of India having developed a keen understanding of the fact is delighted to launch the ICSI Board Mentorship Programme through its section 8 Company – The Institute of Governance Professionals of India.

The intent of the Programme is to share an experiential thought process, the individual challenges faced in the line of decision making, all while developing financial acumen and ESG capabilities and making the participants future ready.

We are sure that the 3-day Development Programme will quench many an issue and strengthen the abilities of the leading decision makers of the country.

Regards,

**(CS B. Narasimhan)**  
**President, The Institute of Company Secretaries of India**  
**Chairperson, Institute of Governance Professionals of India (IGPI)**

# Programme Modules

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<ul style="list-style-type: none"> <li>◆ Secretarial Standard on Meetings of the Board of Directors (SS-1)</li> <li>◆ Secretarial Standard on General Meetings (SS-2)</li> </ul>	<ul style="list-style-type: none"> <li>◆ ESG: Emergence, Relevance, Concept &amp; Framework</li> <li>◆ Ecosystem for Business Sustainability in India</li> <li>◆ Board's role in developing Corporate Strategy based on ESG</li> <li>◆ BRSR Reporting and its applicability</li> <li>◆ CSR - Applicability and Impact</li> </ul>

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- ➡ Handbook on Business Responsibility and Sustainability
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- ➡ SS-2 (Secretarial Standard on General Meetings)
- ➡ Guidance Note on Meeting of the Board of Directors
- ➡ Guidance Note on Report of the Board of Directors
- ➡ Guidance Note on Independent Directors
- ➡ Guidance Note on Related Party Transactions
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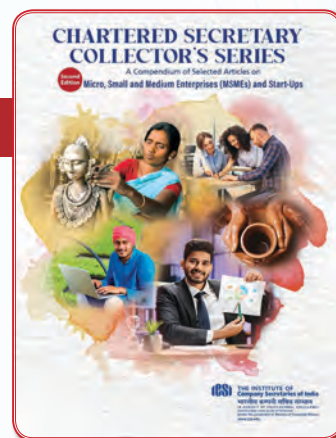
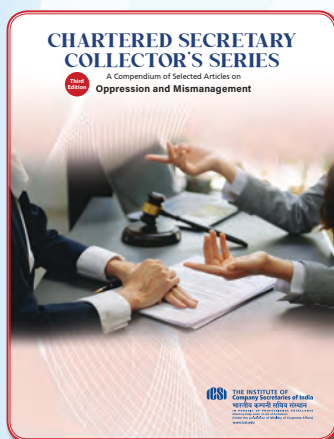
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# 3

## LEGAL WORLD



- ELECTRICAL CABLE DEVELOPMENT ASSOCIATION v. ARUN COMMERCIAL PREMISES COOPERATIVE HOUSING SOCIETY LTD & ANR [SC]
- BANK OF INDIA v. PRADEEP KUMAR GOENKA & ORS [NCLAT]
- M/S NEW WIN EXPORT& ANR v. A.SUBRAMANIAM [SC]
- SHANKAR VITHOBA DESAI & ORS v. GAURI ASSOCIATES& ANR [BOM]
- MUKESH UDESHI v. JINDAL STEEL POWER LTD [DEL]
- DHARAMPAL SATYAPAL LTD & ANR v. UNION OF INDIA [DEL]
- INFORMATICA BUSINESS SOLUTIONS PVT LTD v. ASSISTANT COMMISSIONER OF INCOME TAX [KNT]
- XYZ v. SAINT GOBAIN GLASS PVT.LTD & ANR [CCI]
- UNKNOWN v. THE PCMM, INTEGRAL COACH FACTORY & ORS[CCI]



## Corporate Laws

### Landmark Judgement

**LMJ 08:08:2024**

#### **ELECTRICAL CABLE DEVELOPMENT ASSOCIATION v. ARUN COMMERCIAL PREMISES COOPERATIVE HOUSING SOCIETY LTD& ANR [SC]**

**Civil Appeal No. 4260 of 1992**

**A.S.Anand & S. Rajednra Babu,JJ. [Decided on 06/05/1998]**

**Equivalent citations: AIR 1998 SC 1998; 1998 (5) SCC 396; (1998) 3 JT 738; (1998) 94 Comp Cas 53.**

**Companies Act,1956 – successorship – unregistered organisation converted into company- whether the company becomes the successor to the said unregistered organisation- Held,No.**

#### **Brief facts:**

This appeal, though deals with issues relating to eviction of tenant in a cooperative society, raised an interesting question whether an incorporated company becomes the successor to unregistered organisation by converting it into a company.

Two unincorporated associations were the tenant of a premises and upon converting into incorporated company, the appellant used to occupy the said premises as tenant. The respondent brought an eviction action against the appellant on the ground that it is not a tenant which was allowed. The appeals preferred by the Appellant were dismissed upholding the eviction. Hence the present appeal before the Supreme Court.

**Decision: Dismissed.**

#### **Reason:**

Plethora of material was placed before the authorities and we were also taken through the same to show that there was in existence an unregistered body known as M/S Electrical Cable Development Association and also M/S Indian Cable Maker's Association, its predecessor. However, there is no material on the record to show that the appellant is the successor to such association. We have also carefully gone through the Memorandum of Association and the Articles of the appellant-Company to find out whether in any form the unregistered body has converted itself into a registered

body as a Company. On the other hand, what is stated in clause 3(a) in regard to membership is as follows:-

“3 (a) Every person who shall be a member of the unregistered association known as “Electrical Cable Development Association” at the date of registration of this Association shall be entitled as of right to be admitted as a member of this Association on his submitting a formal application addressed to the Secretary of the Association agreeing to be bound by the Rules and Regulations and Byelaws made under these presents. Such a fee but shall have to pay deposit as per Rule 5, within the period as may be prescribed and extended by the Executive Committee.”

All that is provided under the said Article is that member of Electrical Cable Development Association as of right be admitted as a member of the appellant Company subject to certain conditions. It does not say that all those members in the unregistered association became members of the association much less any resolution is produced before us of the Electrical Cable Development Association to show that they are converting themselves into an incorporated body. The members of the unregistered body are all incorporated bodies having a high commercial standing in the corporate sector, and therefore, cannot be expected to be so have or ignorant as not to take such steps in the event it was the intention of such body to become an incorporated body in the manner suggested by the appellant. If really such action had been taken, it would not have been difficult for the appellant to produce such material. Therefore, the fact that the appellant is a distinct legal entity as found by the authorities below and affirmed by the High Court, cannot be seriously disputed. Since the appellant is a distinct legal entity other than the unregistered bodies and there is no material to show that it is a successor thereto, it is not understandable as to how it became a tenant in respect of the premises in question, without an agent with the Society or respondent No. 2 who is a member thereof. It baffles us and thus the view taken by the High Court appears to us to be correct. Therefore, the second contention raised by the appellant either has no merit and is rejected.

So far as the third contention urged on behalf of the appellant is concerned in the view we have taken, we may at once state that it is not necessary to examine the evidence adduced before the appellate court and the appreciation of the same by it. Even without deciding the same if we assume the same for the purpose of appreciation of the matter that the findings recorded by the appellate court are not correct and deserve to be answered in favour of the appellant, still the appellant has to fail in view of the finding we have recorded on the second contention raised by the appellants.

Therefore, we hold that the High Court was justified in not interfering with the order made by the appellate court and the appeal deserves to be dismissed. The appeal is dismissed accordingly.



**LW 55:08:2024****BANK OF INDIA v. PRADEEP KUMAR GOENKA & ORS [NCLAT]****Comp. App. (AT) (Ins) No. 342 of 2022 & I.A. No. 890, 891, 892 of 2022****Rakesh Kumar Jain, Naresh Salecha & Indevvar Pandey. [Decided on 12/07/2024]****Insolvency and Bankruptcy Code, 2016- CoC recommended liquidation of corporate debtor- NCLT rejected the recommendation- whether correct- Held, No.****Brief facts:**

The CoC recommended the liquidation of the Corporate Debtor and the adjudicating authority did not concur with the decision of the CoC. The present Appeal has been filed by Bank of India (in short Appellant) against the Impugned Order passed by the National Company Law Tribunal, Guwahati Bench, Guwahati (in short 'Adjudicating Authority'), whereby the Adjudicating Authority rejected the liquidation application filed by the Resolution Professional for liquidation of the Corporate Debtor as recommended by the Committee of Creditors (in short 'CoC').

**Decision: Allowed.****Reason:**

Heard the Counsel for the Parties and perused the records made available including the cited judgements.

The moot question to be decided in present appeal as to whether the Adjudicating Authority can discard the recommendation of the CoC and rather give its own directives overriding the commercial wisdom of the CoC. From reasoning recorded by the Adjudicating Authority, it is seen the Adjudicating Authority was not impressed by the commercial wisdom of the CoC and sought it fit to start fresh process for the resolution of the Corporate Debtor.

We would like to note decision of this Appellate Tribunal's earlier order in case of *Amit Bharana and Ors vs. Gian Chand Narang [Company Appeal (AT) (Insolvency) No. 274 of 2020]* w.r.t. commercial wisdom of CoC. The relevant portion reads as under :-

"24. Based on the above decision of the Committee of Creditors, with 87.30% of vote share, i.e. more than the required threshold 66%, passed the Resolution for Liquidation of the corporate debtor. Thus the decision of liquidation of the Corporate Debtor is a valid order. It is pertinent to mention that in the case of K. Sashidhar (supra) Hon'ble Supreme Court has clearly laid down the law that upon receipt of rejected Resolution Plan the Adjudicating Authority is not expected to do anything more, but is obliged to initiate liquidation process under Section 33(1) of the I&B Code. The legislature has not endowed the Adjudicating Authority with the jurisdiction or authority to evaluate the commercial decision of the CoC. It is further held that NCLT or NCLAT has no jurisdiction to reverse to commercial wisdom of the Committee of Creditors. It is also held in the above case that in terms of Section 30 of the I&B Code, the decision is taken collectively after due negotiations between the Financial Creditors, who are constituents of CoC and they express their opinion on the

proposed Resolution Plan in the form of Votes, as per their voting share. In the Meeting of CoC the proposed Resolution Plan is placed for discussion and after full interaction in the presence of all concerned and Resolution Professional, the constituents of CoC finally proceed to exercise their option (Business/Commercial decision) to approve or not to approve the proposed Resolution Plan. In such a case, non-recording of reasons would not per se vitiate the collective decision of the Financial Creditors.

34. Thus, it is clear the CoC was empowered to decide to liquidate the Corporate Debtor at any time before confirmation of the Resolution Plan, including any time before the preparation of Information Memorandum."

Above order of this Appellate Tribunal is crystal clear and settle the principle of paramount supremacy of the commercial wisdom of the CoC. We also note that in catena of judgements by the Hon'ble Supreme Court of India including K. Sashidhar (Supra) and Kalpraj Dharamshi (Supra), it has been stipulated that there is hardly any scope for judicial interference on the part of the Adjudicating Authority or the Appellate Tribunal except ensuring that the Resolution Plan meets the requirements of the Code and the related regulations. We do not find any of such violation in the present case and therefore find that there were no occasion for judicial interference by the Adjudicating Authority.

Thus, we hold that the Impugned Order is not in consonance of law or in spirit of the Hon'ble Supreme Court of India judgements. It is beyond doubt that the commercial wisdom of the CoC is required to be honoured in letter and spirit. There is no role for Adjudicating Authority to interfere on such unfounded reasoning as recorded in the Impugned Order. The Impugned Order is found to be perverse and illegal. In view of all above, the Impugned Order deserves to be set aside. The Appeal succeeds.

**LW 56:08:2024****M/S NEW WIN EXPORT& ANR v. A.SUBRAMANIAM [SC]****Criminal Appeal No. 2948 of 2024****Sudhanshu Dhulia & Ahsanuddin Amanullah, JJ. [Decided on 11/07/2024]****Negotiable Instruments Act, 1882- Section 147- settlement- accused convicted- during the appeal stage a settlement was entered into and performed- whether conviction to be set aside- Held, Yes.****Brief facts:**

This case arises from a complaint under Section 138 Negotiable Instruments Act filed by the respondent/complainant. In the year 2006, appellant no.2 had borrowed a loan of Rs.5,25,000

from the respondent but did not repay as promised. To discharge the said debt, the appellant no.2 gave a cheque of Rs.5,25,000 which was issued in the name of his partnership firm i.e., appellant no.1 (M/s New Win Export). Since the cheque was dishonoured due to 'insufficient funds', respondent filed a complaint under Section 138 NI Act against the appellants where the Trial Court vide order dated 16.10.2012 convicted the appellants and imposed a sentence of 1 year of simple imprisonment each. The appellants challenged their conviction before the Appellate Court, which reversed the findings of the Trial Court and acquitted the appellants. Finally, when the matter was taken to the High Court at the instance of the respondent/complainant, the High Court in its order dated 01.04.2019 set-aside the order of the Appellate Court and restored the order of the Trial Court, convicting the appellants. Now, the appellants are before this Court.

**Decision:** Allowed.

**Reason:**

We have been appraised at the bar that before filing the present appeal, appellants and respondent-complainant had entered into a settlement agreement dated 27.01.2024. We have perused the settlement document and from the terms of the agreement, it is clear that the parties have settled the dispute among themselves. As per the agreement, the appellants have paid Rs.5,25,000 to the respondent-complainant, who has agreed to settle the present matter for the said amount. Also, the complainant does not have any objection if the conviction of the appellants is set aside.

Section 147 of the Negotiable Instruments Act, 1881 makes all offences under NI Act compoundable offences. In our opinion, this settlement agreement can be treated to be compounding of the offence. All the same, Section 320 (5) of CrPC provides that if compounding has to be done after conviction, then it can only be done with the leave of the Court where appeal against such conviction is pending.

In cases where the accused relies upon some document for compounding the offence at the appellate stage, courts shall try to check the veracity of such document, which can be done in multiple ways. For the same, in the present matter, this Court vide order dated 18.03.2024 had asked the respondent-complainant to file an affidavit to bring on record whether or not any compromise has been reached between the parties. In compliance with the said order, the respondent-complainant has filed before us an affidavit dated 27.03.2024 supporting the case of the appellants wherein it is admitted that the accused have paid the amount to the satisfaction of the complainant and further it is said that he has no objection if conviction of the appellants is set aside. Now, when the accused and complainant have reached a settlement permissible by law and this Court has also satisfied itself regarding the genuineness of the settlement, we think that the conviction of the appellants would not serve any purpose and thus, it is required to be set aside.

At this juncture, we would also like to reiterate a few words regarding the principles of compounding of offences in the context of NI Act. It is to be remembered that dishonour of cheques is a regulatory offence which was made an offence only in view of public interest so that the reliability of these instruments can be ensured. A large number of cases involving dishonour of cheques are pending before courts which is a

serious concern for our judicial system. Keeping in mind that the 'compensatory aspect' of remedy shall have priority over the 'punitive aspect', courts should encourage compounding of offences under the NI Act if parties are willing to do so.

Considering the totality of the circumstances and compromise between the parties, we allow this appeal and acquit the appellants by setting aside the impugned order.

**LW 57:08:2024**

**SHANKAR VITHOBA DESAI & ORS v. GAURI ASSOCIATES& ANR [BOM]**

**Comm. Arbitration Application (L.) No. 21070 of 2023**

**Somasekhar Sundaresan, J. [Decided on 16 /07/2024]**

**Arbitration and Conciliation Act,1996- section 11- appointment arbitrator by court- cooperative society- agreement between cooperative society and developer- dispute arose- some members in their individual capacity sought to appoint eh arbitrator- whether tenable-Held,No.**

**Brief facts:**

This Application has been filed by eleven members of a co-operative housing society, seeking to appoint arbitrator in connection with disputes and differences under an agreement for re-development of a building they reside in. The agreement in question is a Development Agreement executed between the Dahisar Chunabhatti Panchratna Co-operative Housing Society Limited ("Society") and M/s Gauri Associates AOP ("Developer"). The Applicants are among the 40 members of the Society. A notice dated 31<sup>st</sup> March, 2023 from 13 members addressed to both the Society and the Developer, purporting to invoke arbitration, was issued by advocates for these members. The Society has not provided consent to the members on whose behalf the notice was issued, to invoke arbitration on its behalf. The Developer has questioned the authority of those on whose behalf the notice has been issued.

**Decision:** Dismissed.

**Reason:**

Upon hearing the Learned Counsel for the parties and review of the record, in this Court's opinion, arbitration cannot be invoked by individual members or groups of members of the Society for resolving the disputes emanating from the conduct of the Developer, even if such disputes arise out of the import of the Development Agreement. This is for the simple reason that individual members are not parties to the arbitration agreement contained in the Development Agreement.

Even a plain reading of the foregoing would show that the disputes and differences arising out of the Development Agreement can be referred to arbitration by a sole arbitrator to be appointed by consent of the "*parties*". If there is no consent among the parties, an Arbitral Tribunal "*of three Arbitrators*" with "*each party*" appointing one arbitrator and all the arbitrators "*with each other's consent*" appointing the presiding arbitrator.

The very usage of the phrase "each other" and the concept of "an Arbitral Tribunal of three Arbitrators", would point to

the arbitration agreement being a bilateral contract between two parties - the Society and the Developer. The term "all Arbitrators" is a reference to two arbitrators. The Development Agreement itself is between two parties - the Society and the Developer. Indeed, the Development Agreement is signed by only two parties. Every member of the Society is neither an independent party nor an independent signatory to the Development Agreement.

Therefore, the reference to the term "each Party" in the arbitration agreement would never be able to partake the meaning of each of the 42 parties. The position obtaining from having 42 parties cannot co-exist with the position of two arbitrators, (one of which is nominated by each party), appointing the presiding arbitrator to form a three-member Arbitral Tribunal.

It being an admitted position that the individual members are not signatories to the arbitration agreement, the fundamental requirement under Section 7 of the Arbitration Act, that the arbitration agreement has to be in writing among the parties to the arbitration proceedings, has also not been met..

In this view of the matter, to avoid prolix elaboration on a rather short issue, no further discussion is warranted. A near-identical situation emerged in the case of *Ketan Champaklal Divecha vs. DGS Township Pvt Ltd. & Anr* 2024 SCC OnLine Bom 1 in which, a Learned Single Judge of this Court has declared the law on the subject and articulated it threadbare, including facets of how individual members give up their individual desires and identity by submitting to the collective will of a housing society. This Court is in respectful agreement with the position articulated in paragraphs 13, 15, 19 and 21.

Consequently, the Applicants would not be able to invoke the jurisdiction of this Court under Section 11 of the Arbitration Act. Therefore, the Application being incapable of being considered by this Court, stands rejected and disposed of. No costs.

**LW 58:08:2024**

**MUKESH UDESHI v. JINDAL STEEL POWER LTD [DEL]**

**O.M.P. (Comm) 213/2023 and I.A. 11241/2023**

**Prathiba M. Singh, J. [Decided on 02/07/2024]**

**Arbitration and Conciliation Act, 1996- section 34- challenge to award- whether a person not a party to the proceedings can challenge the award-Held, No.**

**Brief facts:**

The present petition, filed by the Petitioner-Mukesh Udeshi under Section 34 of the Arbitration and Conciliation Act, 1996 (hereinafter, '1996 Act'), challenges the impugned award dated 4<sup>th</sup> April, 2023 passed by the Id. Sole Arbitrator appointed by Respondent No. 2-NIXI.

The ground taken by the Petitioner, Mr. Mukesh Udeshi, is that he was the beneficial owner of the impugned domain name and that the award has been passed without hearing him, which is a breach of the principles of natural justice. He submits that the Id. Sole Arbitrator was well aware from the pleadings filed by NSPIRE Solutions that the ultimate beneficial interest was with the Petitioner and, thus, the Petitioner ought to have been impleaded in the matter.

Respondent No. 1-Jindal Steel & Power Ltd. had filed a complaint in terms of the .IN Domain Name Dispute Resolution Policy (hereinafter, 'INDRP') and the INDRP Rules of Procedure, which has been adopted by NIXI. The dispute between the Respondent No. 1 and Respondent No. 3- Nspire Solutions concerns the domain name: 'jsplsteel.in'. The said complaint was filed by Respondent No. 1 against the said domain name.

**Decision: Dismissed.**

**Reason:**

In the present case, the Petitioner - Mr. Mukesh Udeshi, who claims to have the beneficial interest in the domain name, was not reflected in the WHOIS as the Registrant of the said domain name. The entity Nspire Solutions -Respondent No. 3, was listed as the Registrant according to the WHOIS database. The Registrant was duly issued notice and claimed it was only a service provider for the Petitioner. Clearly, if the service provider had informed the Petitioner, the Petitioner ought to have sought impleadment in the INDRP proceeding, which he did not. NIXI or the panellist cannot be faulted for not issuing notice to the Petitioner, as the domain owner was Nspire Solutions, not the Petitioner. Thus, the Petitioner, not having been a party to the arbitral proceedings, would not have locus to file a petition under Section 34 of the 1996 Act.

In *Mukesh Nanji Gala & Ors. v. M/s. Heritage Enterprises, Mumbai and Anr.* [(2015) 5 Mah LJ 620], a Id. Single Judge of the Bombay High Court held that 1996 Act and its scheme make it clear that only parties to an arbitration agreement can exercise rights and invoke arbitration for dispute adjudication, not outsiders. Section 34 of the 1996 Act allows only parties to the arbitration agreement (as defined under Section 2(1) (h) of the 1996 Act) to challenge an arbitral award. Further, the Court opined that outsiders cannot challenge an award under Section 34 of the 1996 Act unless they are wrongly impleaded and aggrieved by the award. The grounds for challenge under Section 34 of the 1996 Act, and other relevant provisions are not available to those who are not parties to the arbitration agreement or proceedings. The above decision of the Bombay High Court has also been followed by this Court in *M/s. Tara Logitech Pvt. Ltd. v. Religare Finvest Ltd.* (2014:DHC:7410).

In view of the above settled legal position, the present petition under Section 34 of the 1996 is not maintainable. It is, however, made clear that the Court has not examined the merits of the impugned award which is under challenge. The Petitioner is free to avail of his remedies, if any, available, in accordance with law.

**LW 59:08:2024**

**DHARAMPAL SATYAPAL LTD & ANR v. UNION OF INDIA [DEL]**

**W.P.(C) 4470/2023 & CM APPL. 17145/2023**

**Manmohan & Manmeet Pritam Singh Arora, JJ. [Decided on 09/07/2024]**

**Food Safety and Standards (Labelling and Display) Second Amendment Regulations, 2022- pan masala packages- enhancement of size of statutory**



**warning- warnings to be given on the package- font size increased by 50%-whether unconstitutional – Held,No.**

### **Brief facts:**

This writ petition seeks a declaration that Regulation 2(i) ('impugned Regulation') of the Food Safety and Standards (Labelling and Display) Second Amendment Regulations, 2022 ('Second Amendment Regulations') published on 11<sup>th</sup> October, 2022 be declared as illegal and violative of Articles 14, 19(1)(a) and 19(1)(g) of the Constitution of India. Petitioners also seek a declaration that the impugned Regulation is ultra vires the Food Safety and Standards Act, 2006 ('FSS Act').

Petitioners herein are aggrieved by the impugned Regulation inasmuch as vide the said Regulation, the Respondent No.2 i.e., the Food Safety and Standards Authority of India ('FSSAI'), has enhanced the size of statutory warning on Pan Masala packages to the extent of 50% of front-of- pack of the label from the erstwhile warning size of 3mm.

**Decision: Dismissed.**

### **Reason:**

The Statement of Objects and Reasons of the FSS Act indicates that the Food Authority had been established to fix food standards and regulate the manufacturing, import, distribution and sale of food, to ensure safe and wholesome food for the people and to meet the changing needs of the Indian food industry and international trade, as well as to guarantee improved consumer safety through the use of Food Safety Management Systems and standards that are based on transparency and science.

MoHFW in its Meeting held on 06<sup>th</sup> December, 2018 discussed issues relating to Areca nut and formulated guidelines for its prevention and control. The meeting was attended by experts and senior medical officials wherein it was recommended that warning label of bigger size similar to tobacco may be required on Areca nut containing packets. It was recommended that suitable changes be made in the labelling regulations to ensure that the pack warning is distinct and covers a substantial portion of the pack. Pertinently, at this point of time the warning size as per the then existing Regulation was 3mm; however, the members attending this meeting opined that there was an urgent need to change the pack warning. Since, the minutes refer to (and recommend) warning size similar to tobacco it would be relevant to note that under the Cigarettes and Other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014, the law mandates that the specified health warning shall cover at least 85% of the principal display area of the package of which 60% shall cover pictorial health warning and 25% shall cover textual health warning.

We have referred to Article 11 of WHO FCTC and the Guidelines issued for its implementation, to highlight the established practice followed for issuing large size warnings of carcinogenic products to ensure effective communication of the health risks to the consumers. In the case of tobacco products as noted above the Government has elected to prescribe a warning size of 85% on the package and has, therefore, recognised that large size warnings are necessary for communicating the health risks to the consumer. In contrast, the Food Authority has prescribed a warning size of 50% on the Pan Masala packet and the prescription of this size is not

disproportionate and is in fact, appropriate considering the object sought to be achieved by the Regulator and for instructive purposes;

In our view, the Petitioners herein therefore were granted sufficient time by Respondent No. 2 itself between 01<sup>st</sup> May, 2023 until 30<sup>th</sup> April, 2024 to change the packaging of its product and comply with the impugned Regulation w.e.f. 01<sup>st</sup> May, 2024. Moreover, the present writ petition was filed on 06<sup>th</sup> April, 2023 and there was no interim stay granted in favour of the Petitioners and, therefore, they have no justification for not complying with the impugned Regulation upon its coming into effect as on 01<sup>st</sup> May, 2024. In view of our findings on the vires of the impugned Regulation, we are not inclined to grant any further time to the Petitioner for permitting transition of the packaging of its product.

In view of the foregoing discussion, the present writ petition stands dismissed along with pending application. No order as to the cost.



**LW 60:08:2024**

**INFORMATICA BUSINESS SOLUTIONS PVT LTD  
v. ASSISTANT COMMISSIONER OF INCOME TAX  
[KNT]**

**Writ Petition No. 17300 of 2024 (T-IT)**

**S Sunil Dutt Yadav, J. [Decided on 03/07/2024]**

**Income tax Act,1961- notice issued to merged company- whether tenable-Held,No.**

### **Brief facts:**

The petitioner has called in question the validity of the order at Annexure-'E' passed under Section 148A (d) of the Income Tax Act, 1961 (for short 'the Act') as well as the notice under Section 148 of the Act at Annexure-'F' and the notices at Annexures-C and G.

It is the case made out by the learned counsel appearing on behalf of the petitioner that the notice under Section 148A (b) of the Act has been issued in the name of M/s. Allsight Software India Private Limited by notice dated 28.02.2024 relating to the assessment year 2020-21. While the said entity has ceased to exist by virtue of confirmation of the order of scheme of amalgamation dated 28.10.2019 showing the appointed date from which the scheme would be effective as 01.04.2019. Accordingly, reliance is placed on the order of the Apex Court in the case of *Principal Commissioner of Income Tax, New Delhi v. Maruti Suzuki India Ltd., reported in (2019) 107 taxmann.com 375 (SC)*. It is submitted that notice to a non-existing entity is not legally tenable.

**Decision: Allowed.**

**Reason:**

It is noticed that the notice under Section 148A b) of the Act is issued on 28.02.2024 with respect to the assessment year 2020-21. The scheme of amalgamation has fixed the appointed date as 01.04.2019 and accordingly after such date, the entity to which notice is issued is deemed not to be in existence. If that were to be so, issuance of notice to M/s. Allsight Software India Pvt. Ltd., requires to be set aside on such sole ground of entity not being in existence on the relevant date of issuance of notice.

The Court has also taken note of the submission made on behalf of the petitioner that by virtue of the scheme of amalgamation, there would be a transfer of liability and even otherwise returns have been filed as regards the new entity, taking note of the income of M/s. Allsight Software India Pvt. Ltd., as well, and accordingly there no prejudice is caused.

It is further submitted that as regards such income of M/s. Allsight Software India Pvt. Ltd., return filed in the name of the petitioner has also been the subject matter for consideration as is evidenced in the assessment order at Annexure-'B'.

Accordingly, the notices under Section 148A (b) at Annexures-'C' and 'G' are set aside and consequently, the notice at Annexure-'F' as well as the order at Annexure-'E' are set aside.

The authorities may examine contentions raised on merits as well, including that the income of M/s. Allsight Software India Pvt. Ltd., which has been subsequently declared in the return of income filed in the name of the petitioner after approval of the scheme of amalgamation and that assessment orders have already been passed.



**LW 61:08:2024**

**XYZ v. SAINT GOBAIN GLASS PVT.LTD & ANR [CCI]**

**Case No. 16 of 2023**

**Ravneet Kaur, Sweta Kakkad& Deepak Anurag. [Decided on 22/07/ 2024]**

**Competition Act,2002- Sections 3 and 4- propel agreement- imposition of conditions- whether anti-competitive and abuse of dominance-Held,No.**

**Brief facts:**

An Information was filed under Section 19(1)(a) of the Competition Act, 2002 (hereinafter, 'Act') alleging certain anti-competitive practices in violation of Section 3(4) and Section 4 of the Act by Saint Gobain India Pvt. Ltd. ('OP-1') and Compagnie De Saint- Gobain ('OP-2').

The primary concern of the Informant was imposition of conditions through the Propel Agreement in the form of:

(i) exclusive supply obligation, (ii) force co-branding (iii) refusal to deal, and (iv) resale price maintenance in case of bulk orders. These were alleged to have violated provisions of section 3(4) and 4 of the Act. Further, it appears that the allegation of the Informant was based on a document that is yet to be signed by OP-1.

**Decision: Dismissed.**

**Reason:**

The Commission notes that the Informant has primarily relied upon an undated and unsigned document titled 'Propel Agreement' to allege 'exclusive supply obligation' and 'forced co-branding'. The Commission also notes that other two allegations i.e., 'refusal to deal' and 'resale price maintenance' are stated to be imposed through oral directions. Accordingly, the Commission directed the Informant to furnish a copy of an actual agreement signed between the OP-1 and a processor. The Informant, in its response dated 07.02.2024, stated that it does not have access/ possession of a signed agreement.

The Informant has submitted an unsigned and undated agreement whose authenticity could not be established. Nevertheless, keeping in view the contention of the Informant that the furnished copy of the Propel Agreement is the final version proposed to be signed between OP-1 and processor, the Commission examined the terms/ clauses of the same under the framework of competition law. A bare perusal of the said Propel Agreement reveals that it is only an agreement to meet the requirements of the end consumers through the assistance imparted by the manufacturers to the processors by way of supply of raw materials, imparting technical and marketing training, rendering services to the customers as per the requirements, among others.

With regard to the allegation of exclusive supply obligation, the Commission observes that exclusive purchase obligation is said to be imposed on processors only in respect of 'High Performance Glass & Allied Products' and 'Clear Tempered Glass'. However, no such imposition of exclusivity is observed from the submitted Propel Agreement, in respect of clear float glass/other glass, thereby implying that the processor has a choice to procure clear float glass from other glass manufacturers.

With regard to allegation of forced co-branding, the Commission has perused clause 3.3 of the said Propel Agreement which reveals that the OP-1 would facilitate the processor to use its own trademark/brand name alongside trademark/brand name of OP- 1 under certain terms and conditions. Thus, the Commission is of the view that co-branding, in itself, does not raise competition issue.

As regards allegations of refusal to deal, it has been submitted by the Informant that processors/ distributors are being offered significant discounts on products of OP-1, if they purchase exclusively from OP-1. Additionally, the processors who are dealing with competitors of OP-1 will not be sold products of OP-1. The Commission is of the view that the Informant has merely alleged the conduct to be carried out through oral directions and has not substantiated the same with any evidence. It may be noted that offering discounts on the basis of volume of purchase may not be anti-competitive, per se.

In relation to allegation of resale price maintenance ('RPM') being practiced through oral direction, the Informant has claimed that in certain cases, OP-1 is stated to have directly

approached the large bulk customers and negotiated prices directly with them. The processors and distributors are then forced to issue invoices at such prices. In this regard, the relevant clause of the submitted Propel Agreement reads as under:

“The Processor acknowledges that SGIPL (OP-1) shall have full rights to determine its product pricing as payable by the Processor to SGIPL. Any charges for the processing etc., undertaken by the Processor shall be charged by the Processor from the end-user over and above the price of the Products. SGIPL shall not be liable for any charges for processing of the Products to the Processor. It is clarified that SGIPL has no control over the final prices charged to the end-user by the Processor.”

From the above, the Commission notes that OP-1 would have no control over the price charged by the processors from the end consumers for the services provided by it. It is clear that the processors are free to charge the price from the end users for the value addition/ enhancement they carry out in the glass received from OP-1 and OP-1 does not control it. This nowhere shows that the price of end product is being controlled by the OP-1 as OP-1 only charges for the products it sells to the processor.

The Commission reiterates that allegation of ‘refusal to deal’ and ‘RPM’ are stated to be originating from oral directions and are not corroborated by any evidence, thus not supporting the case of the Informant. Hence, the Commission is of the view that there is no case of RPM or refusal to deal as defined under Section 3(4) of the Act.

In view of the material placed on record and analysis carried out in preceding paragraphs, the Commission is of the view that no prima facie case is made out against OP-1 in respect of either Section 3(4) or 4 of the Act. Accordingly, the Information filed is directed to be closed forthwith under Section 26(2) of the Act.

**LW 62:08:2024**

### **UNKNOWN v. THE PCMM, INTEGRAL COACH FACTORY & ORS[CCI]**

**Case No. 18 of 2023**

**Ravneet Kaur, Anil Agrawal & Sweta Kakkad.  
[Decided on 12/07/ 2024]**

**Competition Act, 2002- Section 4- tender bidding- minor difference in pricing between bidders- whether cartelisation- Held, No.**

#### **Brief facts:**

The allegations made by the Informant against the Respondents are that OP-2 [Super Steels] and OP-3 [Alvind Industries] are vendors of OP-1 [Integral Coach Factory] and they involved in cartelisation in bidding process to win tenders from OP-1 and that OP-1 is abusing its dominant position.

**Decision: Dismissed.**

#### **Reason:**

The Commission at the outset notes that tender-wise details of various bidders in different categories viz. approved, developmental, bulk, regular etc. has not been provided by the Informant. The Informant has however, furnished a tabulation

of previous year tenders mentioning their tender numbers, PO, quantity ordered, price per unit and vendor name on whom the order has been placed to the extent available with him. The Informant has also stated that “There had not been any reverse auction in these tenders.”

It is noted from the above tables that in the Impugned Tender, there was a significant difference of more than INR 2000/- between bids quoted by OP-2 and OP-3; in the remaining two tenders viz. Tender Nos. 03221028 and 03211577, there seems to be a minor difference of around INR 10 in the bid amounts of OP-2 and OP-3. However, there is no evidence on record that any part of the remaining two tenders were awarded to OP-2 and/ or OP-3. Further, it is noted that the bids quoted by several remaining bidders (approved or un-approved sources) were in the same range or higher than the bids quoted by OP-2 and OP-3. Specifically, it is noted that in all three tenders, the approved source Nanda Engineering Works, quoted rates higher than the OPs.

Therefore, in light of the above, the Commission observes that apart from the bid quotations made by OP-2 and OP-3 in two tenders with minor difference in their prices, there is no other evidence on record, which may support the allegations of the Informant regarding cartelisation between them.

In any case, it is no longer res integra that mere price parallelism is not sufficient to arrive at a finding of cartelisation without there being evidence of any plus factors in support of parallel pricing.

In the present matter, there are no plus factors averred by the Informant indicating meeting of minds or collusion between OP-2 and OP-3 or among OPs. Accordingly, in view of the Commission, neither case of cartelisation in contravention of the provisions of Section 3 of the Act is made out in the present matter against OP-2 and OP-3 nor there arises any question of violation of the provisions of Section 3 of the Act by OP-1.

Now coming to the allegations of contravention of the provisions of Section 4 of the Act by OP-1, the Commission observes that the Informant’s allegation that vis-à-vis the Railway Board guidelines of minimum of five active vendors for tenders, only two sources were active, does not hold true as another active vendor Nanda Engineering Works is seen to be regularly bidding in the Railway tenders. From other data submitted by the Informant, it is also seen that another approved vendor EC Blade and Tools Pvt. Ltd also bid for certain Railway tenders earlier.

Further, the Informant has also not submitted as to in what relevant market, is OP-1 alleged to be abusing dominant position. It has merely alleged that OP-1 is abusing its dominance in procurement of the impugned item.

In view of the aforesaid, the Commission is of the view that OP-1 being a consumer/ procurer of the impugned item has freedom to specify its requirements/ conditions/ EC and the said requirements/ conditions/ EC themselves cannot be deemed to be anti- competitive. Thus, the Commission does not find OP-1 to be in violation of the provisions of Section 4 of the Act also.

Accordingly, the Commission finds that no prima facie case of contravention of provisions of the Act is made out against any of the OPs in the present matter and decides to close the matter forthwith in terms of the provisions of Section 26(2) of the Act.



# 4

## FROM THE GOVERNMENT



- NOTICE IN THE MATTER OF SECTION 75 OF THE LIMITED LIABILITY PARTNERSHIP ACT, 2008 READ WITH RULE 37 (2) OF LIMITED LIABILITY PARTNERSHIP RULES, 2009
- FILINGS UNDER SECTION 124 AND SECTION 125 OF THE COMPANIES ACT 2013 READ WITH IEPFA (ACCOUNTING, AUDIT, TRANSFER AND REFUND) RULES 2016 IN VIEW OF TRANSITION FROM MCA 21 VERSION 2 TO VERSION 3
- NOTICE IN THE MATTER OF SECTION 75 OF THE LIMITED LIABILITY PARTNERSHIP ACT, 2008 READ WITH RULE 37(2) OF LIMITED LIABILITY PARTNERSHIP RULES, 2009
- MERGER OF FORMS IEPF-3 WITH IEPF-4 AND IEPF-7 WITH IEPF-1 ALONG WITH CHANGE IN PAYMENT PROCESS THEREOF IN MCA VERSION 3-REG
- THE COMPANIES (INCORPORATION) AMENDMENT RULES, 2024
- THE NIDHI (AMENDMENT) RULES, 2024
- THE COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) (AMENDMENT) RULES, 2024
- THE INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (ACCOUNTING, AUDIT, TRANSFER AND REFUND) AMENDMENT RULES, 2024
- THE SPECIFIED COMPANIES (FURNISHING OF INFORMATION ABOUT PAYMENT TO MICRO AND SMALL ENTERPRISE SUPPLIERS) AMENDMENT ORDER, 2024
- THE COMPANIES (MANAGEMENT AND ADMINISTRATION) AMENDMENT RULES, 2024
- THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERS) AMENDMENT RULES, 2024
- EXTENSION OF TIME FOR FILING OF PAS-7-RAG
- ENABLING ESG RATING PROVIDERS (ERPs) TO UNDERTAKE ESG RATING ACTIVITIES UNDER IFSCA

- ENABLING CREDIT RATING AGENCIES (CRAs) TO UNDERTAKE RATING ACTIVITIES UNDER IFSCA
- RECOGNITION OF BSE LIMITED AS RESEARCH ANALYST ADMINISTRATION AND SUPERVISORY BODY (RAASB) AND INVESTMENT ADVISER ADMINISTRATION AND SUPERVISORY BODY (IAASB)
- INFORMATION TO BE FILED BY SCHEMES OF AIFs AVAILING DISSOLUTION PERIOD/ADDITIONAL LIQUIDATION PERIOD AND CONDITIONS FOR IN-SPECIE DISTRIBUTION OF ASSETS OF AIFs
- EASE OF DOING BUSINESS - STREAMLINING OF PRUDENTIAL NORM FOR PASSIVE SCHEMES REGARDING EXPOSURE TO SECURITIES OF GROUP COMPANIES OF THE SPONSOR OF MUTUAL FUNDS
- MEASURES FOR EASE OF DOING BUSINESS FOR CREDIT RATING AGENCIES (CRAs) – TIMELINES AND DISCLOSURES
- MODIFICATION TO ENHANCED SUPERVISION OF STOCK BROKERS AND DEPOSITORY PARTICIPANTS
- MEASURES TO INSTIL CONFIDENCE IN SECURITIES MARKET – BROKERS' INSTITUTIONAL MECHANISM FOR PREVENTION AND DETECTION OF FRAUD OR MARKET ABUSE
- REDUCTION IN DENOMINATION OF DEBT SECURITIES AND NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES
- DISPATCH OF CONSOLIDATED ACCOUNT STATEMENT (CAS) FOR ALL SECURITIES ASSETS
- CHARGES LEVIED BY MARKET INFRASTRUCTURE INSTITUTIONS – TRUE TO LABEL
- MASTER DIRECTIONS ON CYBER RESILIENCE AND DIGITAL PAYMENT SECURITY CONTROLS FOR NONBANK PAYMENT SYSTEM OPERATORS
- GUIDELINES ON TREATMENT OF DIVIDEND EQUALISATION FUND (DEF)- PRIMARY (URBAN) CO-OPERATIVE BANKS (UCBs)
- MASTER DIRECTION ON TREATMENT OF WILFUL DEFAULTERS AND LARGE DEFAULTERS
- 'FULLY ACCESSIBLE ROUTE' FOR INVESTMENT BY NON-RESIDENTS IN GOVERNMENT SECURITIES – EXCLUSION OF NEW ISSUANCES IN 14-YEAR AND 30-YEAR TENOR SECURITIES
- PROMPT CORRECTIVE ACTION (PCA) FRAMEWORK FOR PRIMARY (URBAN) CO-OPERATIVE BANKS (UCBs)
- SMALL VALUE LOANS – PRIMARY (URBAN) CO-OPERATIVE BANKS (UCBs)
- BANK FINANCE AGAINST SHARES AND DEBENTURES
- DOMESTIC MONEY TRANSFER – REVIEW OF FRAMEWORK
- MASTER DIRECTION - OVERSEAS INVESTMENT
- MASTER DIRECTIONS ON FRAUD RISK MANAGEMENT IN NON-BANKING FINANCIAL COMPANIES (NBFCs) (INCLUDING HOUSING FINANCE COMPANIES)
- MASTER DIRECTIONS ON FRAUD RISK MANAGEMENT IN URBAN COOPERATIVE BANKS (UCBs) / STATE COOPERATIVE BANKS (STCBs) / CENTRAL COOPERATIVE BANKS (CCBs)
- MASTER DIRECTIONS ON FRAUD RISK MANAGEMENT IN COMMERCIAL BANKS (INCLUDING REGIONAL RURAL BANKS) AND ALL INDIA FINANCIAL INSTITUTIONS
- WITHDRAWAL OF CIRCULARS – INTERNAL REVIEW
- BASEL III CAPITAL REGULATIONS - ELIGIBLE CREDIT RATING AGENCIES (ECAI)
- REMITTANCES TO INTERNATIONAL FINANCIAL SERVICES CENTRES (IFSCs) UNDER THE LIBERALISED REMITTANCE SCHEME (LRS)
- EXPORT-IMPORT BANK OF INDIA'S GOI-SUPPORTED LINE OF CREDIT OF USD 2.50 MN TO THE GOVERNMENT OF CO-OPERATIVE REPUBLIC OF GUYANA, FOR INSTALLATION OF SOLAR PHOTO VOLTAIC POWER PLANT AT CHEDDI JAGAN INTERNATIONAL AIRPORT
- ONLINE SUBMISSION OF FORM A2: REMOVAL OF LIMITS ON AMOUNT OF REMITTANCE
- RELEASE OF FOREIGN EXCHANGE FOR MISCELLANEOUS REMITTANCES



## Corporate Laws

### 01 Notice In the matter of Section 75 of the Limited Liability Partnership Act, 2008 read with Rule 37 (2) of Limited Liability Partnership Rules, 2009

[Issued by the Ministry of Corporate Affairs No. ROC/LLP-24/web publication/2025/1625 dated 26.07.2024.]

List of the LLPs which have made an application in Form LLP-24 for striking off their respective names from the Register of LLP in pursuance to Rule 37(l)(b) of the Limited Liability Partnership Rules, 2009.

**ANU VIVEK**

Asst. Registrar of Companies

Complete details are not published here for want of space. For complete notification readers may log on to [www.mca.gov.in](http://www.mca.gov.in)

### 02 Filings under Section 124 and Section 125 of the Companies Act 2013 read with IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 in view of transition from MCA 21 version 2 to version 3

[Issued by the Ministry of Corporate Affairs File No.05/04/2020-IEPF dated 16.07.2024.]

In view of the transition of form from MCA 21 V2 to MCA 21 V3 and in order to provide opportunity to make compliances thereof, additional fee on filing of various IEPF e- forms (IEPF -1, IEPF-1A, IEPF-2, IEPF-4) and e- verification of claims filed in e-form IEPF-5 has been waived till 16<sup>th</sup> August, 2024.

2. Similarly, one time relaxation for filing of e-verification under third proviso to sub rule (3) of rule 7 of IEPFA (Accounting, Audit, Transfer and Refund) Rules has also been provided till 16<sup>th</sup> August, 2024.
3. Therefore, the stakeholders may plan accordingly.
4. This issues with the approval of Competent Authority.

**ANIL C KANDPAL**

Under Secretary to the Govt. of India

### 03 Notice In the matter of Section 75 of the Limited Liability Partnership Act, 2008 read with Rule 37(2) of Limited Liability Partnership Rules, 2009

[Issued by the Ministry of Corporate Affairs No. ROC(M)/LLP-24/Web Publication/Strike Off/871/2023-2024 dated 16.07.2024.]

List of the LLPs which have made an application in Form 24 for striking off their respective names from the Register in pursuance of Rule 37(l)(b) of the Limited Liability Partnership Rules, 2009.

**B.MISHRA (I.C.L.S)**

Registrar of Companies

Complete details are not published here for want of space. For complete notification readers may log on to [www.mca.gov.in](http://www.mca.gov.in)

### 04 Merger of Forms IEPF-3 With IEPF-4 and IEPF-7 with IEPF-1 along with change in payment process thereof in MCA Version 3-reg

[Issued by the Ministry of Corporate Affairs File No.05/04/2020-IEPF dated 17.07.2024.]

Pursuant to sub- rule (10), (11), (11A) & sub- rule (12) of rule 6 and sub-rule (9), (10) & (11) of rule 6A of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, various amounts needs to be transferred to the Authority as due on the shares transferred by the Companies to it under sub- section (6) of section 124 of the Companies Act, 2013 and Form No IEPF-7 was required to be filed accordingly under sub- rule (13) &(13A) of rule 6 and sub-rule (12) of rule (6A) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules.

2. Similarly for shares and unpaid dividend not transferred to the Authority, the company was required to file Form No IEPF-3 under proviso to sub-rule (3(8)) of rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules.
3. To ease compliance burden and simplify filings, it has been decided to merge form IEPF-3 with Form IEPF-4 & IEPF-7 with IEPF-1 in MCA Version 3. The revised forms will be made STP (Straight through process).
4. Therefore, in supersession of General Circular No.12/2017, the amount required to be transferred under the provisions mentioned in para 1 will be required to be transferred online through MCA 21 through "Pay Miscellaneous Fee" service after selecting option "Investor Education and Protection Fund". The stakeholders are requested to plan accordingly.
5. This issues with the approval of the Competent Authority.

**ANIL C KANDPAL**

Under Secretary to the Govt. of India

### 05 The Companies (Incorporation) Amendment Rules, 2024

[Issued by the Ministry of Corporate Affairs File No. 1/13/2013-CL-V, Vol. IV dated 16.07.2024.]

In exercise of the powers conferred by sub-sections (1) and (2) of Section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Incorporation) Rules, 2014, namely: -

1. (1) These rules may be called the Companies (Incorporation) Amendment Rules, 2024.



- (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Incorporation) Rules, 2014, in rule 8A, in sub-rule (1),-
  - (i.) in clause (p), the word “Nidhi”, shall be omitted;
  - (ii.) clause (v) shall be omitted.

**MANOJ PANDEY**

Additional secretary

## 06

### The Nidhi (Amendment) Rules, 2024

**[Issued by the Ministry of Corporate Affairs File No. 5/62/2023-CL-VII-MCA dated 16.07.2024.]**

In exercise of the powers conferred by sub-section (1) of Section 406 read with sub-sections (1) and (2) of Section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, further to amend the Nidhi Rules, 2014, namely:-

- 1 (1) These rules may be called the Nidhi (Amendment) Rules, 2024.
- (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Nidhi Rules, 2014, in rule 4, in sub-rule (5), the following proviso shall be inserted, namely: -
 

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

**MANOJ PANDEY**

Additional secretary

## 07

### The Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2024

**[Issued by the Ministry of Corporate Affairs F. No. 8/4/2018-CL-I dated 16.07.2024.]**

In exercise of the powers conferred under second proviso to sub-section(1), sub-section (4), clause (f) of sub-section (6) of section 149, sub-sections (3) and (4) of section 150, section 151, sub-section (5) of section 152, section 153, section 154, section 157, section 160, sub-section (1) of section 168 and section 170 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Appointment and Qualification of Directors) Rules, 2014, namely: -

1. These rules may be called the Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2024.
2. They shall come into force from the 01<sup>st</sup> day of August, 2024.

3. In the Companies (Appointment and Qualification of Directors) Rules, 2014, in rule 12A, —
  - (a) in the third proviso, after the word “only”, the words and figures “on or before 30<sup>th</sup> September of the financial year” shall be inserted;
  - (b) after the third proviso, the following proviso shall be inserted, namely: —

“Provided also that if an individual intends to update his personal mobile number or the email address again at any time during the financial year in addition to the up-dation allowed under the third proviso, he shall update the same by submitting e-form DIR-3 KYC on payment of fees of five hundred rupees.”.

**MANOJ PANDEY**

Additional secretary

## 08

### The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024

**[Issued by the Ministry of Corporate Affairs File No. 05/04/2020-IEPF dated 16.07.2024.]**

In exercise of the powers conferred by sub-sections (1), (2), (3), (4), (8), (9), (10) and (11) of section 125 and sub-section (6) of section 124 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, namely:-

1. (1) These rules may be called the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024.
- (2) These rules shall come into force on the date of their publication in Official Gazette.
2. In the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as the said rules),—
  - (a) for the letters and figures, “IEPF-3”, wherever they occur, the letters and figures, “IEPF- 4”, shall be substituted;
  - (b) for the letters and figures, “IEPF-7”, wherever they occur, the letters and figures, “IEPF- 1”, shall be substituted.
3. In rule 6 of the said rules, —
  - (a) in sub- rule (13), —
    - (i) for the words, “into the specified account of the IEPF Authority maintained in the Punjab National Bank”, the words “online to the Authority within a period of thirty days from the date such amount becomes due” shall be substituted;

- (ii) the words, “within thirty days from the date of remittance or within thirty days from the date of enforcement of these Rules, as the case may be” shall be omitted.

(b) in sub-rule (13A), –

- (i) for the words, “into the specified account of the IEPF Authority maintained in the Punjab National Bank”, the words “online to the Authority within a period of thirty days from the date such amount becomes due” shall be substituted;
- (ii) the words, “within thirty days from the date of remittance or within thirty days from the date of commencement of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Third Amendment, Rules, 2021, as the case may be” shall be omitted.

4. In rule 6A, in sub-rule (12) –

- (a) for the words, “into the specified account of the IEPF Authority maintained in the Punjab National Bank”, the words “online to the Authority” shall be substituted;
- (b) for the words, “from the date of remittance”, the words “of such amount becoming due to be credited to the Fund” shall be substituted.

5. For the Forms IEPF-1, IEPF-1A, IEPF-2 of the said rules the following forms shall respectively be substituted, namely:

**ANITA SHAH AKELLA**  
Joint secretary

*Complete details are not published here for want of space. For complete notification readers may log on to [www.mca.gov.in](http://www.mca.gov.in)*

## 09 The Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Amendment Order, 2024

**[Issued by the Ministry of Corporate Affairs File No. 17/6/2017-CL-V dated 15.07.2024]**

In exercise of the powers conferred by Section 405 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following Order to amend the Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019 namely:

- (1) This Order may be called the Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Amendment Order, 2024.
  - (2) It shall come into force on the date of its publication in the Official Gazette.
2. In the Specified Companies (Furnishing of information about payment to micro and small enterprise

suppliers) Order, 2019 (herein after referred to as the said order),-

- (i) in paragraph 3, the following proviso shall be inserted, namely:-

“Provided that only those specified companies which are having payments pending to any micro or small enterprises for more than 45 days from the date of acceptance or the date of deemed acceptance of the goods or services under section 9 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) shall furnish the information in MSME Form-1.”

- (ii) in Annexure, for MSME Form-1, the following form shall be substituted, namely: -

**MANOJ PANDEY**  
Additional secretary

*Complete details are not published here for want of space. For complete notification readers may log on to [www.mca.gov.in](http://www.mca.gov.in)*

## 10 The Companies (Management and Administration) Amendment Rules, 2024

**[Issued by the Ministry of Corporate Affairs File No. 01/34/2013 CL-V (Pt-II)] dated 15.07.2024]**

In exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Management and Administration) Rules, 2014, namely:-

- Short title and commencement. - (1) These rules may be called the Companies (Management and Administration) Amendment Rules, 2024.
  - (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Management and Administration) Rules, 2014, in annexure, for form number MGT-6, the following form shall be substituted, namely:-

**MANOJ PANDEY**  
Additional secretary

*Complete details are not published here for want of space. For complete notification readers may log on to [www.mca.gov.in](http://www.mca.gov.in)*

## 11 The Companies (Significant Beneficial Owners) Amendment Rules, 2024

**[Issued by the Ministry of Corporate Affairs File No. 1/1/2018 CL-V dated 15.07.2024.]**

In exercise of the powers conferred by Section 90 read with sub-sections (1) and (2) of Section 469 read with Section 90 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Significant Beneficial Owners) Rules, 2018, namely:-

- (1) These rules may be called the Companies (Significant Beneficial Owners) Amendment Rules, 2024.
- (2) They shall come into force on the date of their publication in the Official Gazette.
- In the Companies (Significant Beneficial Owners) Rules, 2018, in Annexure, for Form No. BEN-2, the following Form shall be substituted, namely:

**MANOJ PANDEY**

Additional secretary

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## 12 Extension of time for Filing of PAS-7-rag

**[Issued by the Ministry of Corporate Affairs File No. Policy-17/61/2024-CL-V-MCA dated 06.07.2024.]**

In accordance with Rule 9(2)(a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, every public company which had issued share warrants prior to commencement of the Companies Act, 2013 (18 of 2013) and not converted such warrants into shares should have informed the Registrar about the details of such share warrants in Form PAS-7 within a period of three months of the commencement of the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023. In terms of the said rule, Ministry of Corporate Affairs has prescribed Web-form PAS-7 for submitting the details of share warrants to the Registrar.

- Web-Form PAS-7 Form has now been deployed on MCA-21 Portal. Stakeholders may file requisite details in terms of Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023 through this Web-Form without payment of additional fees up to 05.08.2024.
- This issues with the approval of the Competent Authority.

**DR. AMIT KUMAR**

Deputy Director

## 13 Enabling ESG Rating Providers (ERPs) to undertake ESG rating activities under IFSCA

**[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/103 dated 19.07.2024]**

- In terms of Regulation 28E(d) of SEBI (Credit Rating Agencies) Regulations, 1999 ('CRA Regulations'), Para 7.1 of the Master Circular for ERPs dated May 16, 2024 provides that ERPs may undertake or offer ESG rating of any product or issuer, as may be required by another financial sector regulator or authority, under the guidelines of such regulator or authority. To enable ERPs to undertake ESG rating activities in the International Financial Services Centre - Gujarat

International Finance Tech-city (IFSC-GIFT City), International Financial Services Centres Authority (IFSCA) is hereby added to the list of financial sector regulators/ authorities as specified in Annexure 4 of the aforesaid Master Circular for ERPs.

- In line with the above provision, it is specified that the ESG ratings undertaken by an ERP under the guidelines of IFSCA shall be under the purview of IFSCA. Accordingly:

2.1. Any issue arising from the activities of such SEBI registered ERPs in the IFSC shall be dealt with by IFSCA under the powers exercisable under Section 12 and 13 of IFSCA Act and regulations and subsidiary instructions made thereunder.

2.2. IFSCA shall be responsible for dealing with complaints, enforcement actions and furnishing information to third parties, including statutory or judicial bodies, in respect to the services provided by the ERPs in the IFSC.

- The circular shall be applicable with immediate effect.
- This circular is issued with the approval of competent authority, in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 28H of CRA Regulations to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

**SARIKA KATARIA**

Deputy General Manager

## 14 Enabling Credit Rating Agencies (CRAs) to undertake rating activities under IFSCA

**[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/102 dated 19.07.2024]**

- In terms of Regulation 9(f) of SEBI (Credit Rating Agencies) Regulations, 1999 ('CRA Regulations'), Para 25 of the Master Circular for CRAs dated May 16, 2024 provides that CRAs may undertake the rating of financial instruments under the respective guidelines of the financial sector regulators/ authorities. To enable CRAs to undertake rating activities in the International Financial Services Centre - Gujarat International Finance Tech-city (IFSC-GIFT City), International Financial Services Centres Authority (IFSCA) is hereby added to the list of financial sector regulators/ authorities as specified in Annexure 19 of the aforesaid Master circular.
- In line with the above provision, it is specified that the ratings undertaken by a CRA under the guidelines of IFSCA shall be under the purview of IFSCA. Accordingly:



- 2.1. Any issue arising from the activities of such SEBI registered CRAs in the IFSC shall be dealt with by IFSCA under the powers exercisable under Section 12 and 13 of IFSCA Act and regulations and subsidiary instructions made thereunder.
- 2.2. IFSCA shall be responsible for dealing with complaints, enforcement actions and furnishing information to third parties, including statutory or judicial bodies, in respect to the services provided by the CRAs in the IFSC.
3. The circular shall be applicable with immediate effect.
4. This circular is issued with the approval of competent authority, in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 20 of CRA Regulations to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

**SARIKA KATARIA**  
Deputy General Manager

## 15 **Recognition of BSE Limited as Research Analyst Administration and Supervisory Body (RAASB) and Investment Adviser Administration and Supervisory Body (IAASB)**

**[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2024/101 date 12.07.2024]**

1. In pursuance of SEBI circular no. SEBI/HO/MIRSD/MIRSD-SEC-3/P/CIR/2024/34, dated May 2, 2024, BSE Limited<sup>1</sup>, has been granted recognition under Regulation 14 of the 'RA Regulations'<sup>2</sup> and 'IA Regulations'<sup>3</sup> for administration and supervision of Research Analysts ('RAs') and Investment Advisers ('IAs') respectively as RAASB<sup>4</sup> and IAASB<sup>5</sup> for a period of five years starting from July 25, 2024.

### **Formulation of bye-laws, SOPs, FAQs etc. by RAASB/IAASB**

2. BSE shall formulate bye-laws with respect to its activities as RAASB and IAASB and shall issue circulars, Standard Operating Procedures (SOPs), Frequently Asked Questions (FAQs), etc. to provide guidance and ensure smooth adoption of the RAASB and IAASB framework by RAs and IAs.

### **Administrative fees payable to RAASB/IAASB**

3. Applicants seeking registration/renewal as RA/IA shall be liable to pay administrative fees, as specified by RAASB/IAASB.
4. The fees payable to SEBI by RAs/applicants seeking registration as RA have been revised by way of amendment to the RA Regulations, coming into effect from July 25, 2024. Details of the same are available at [https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi\\_data/attachdocs/apr-2024/1714381081645.pdf#page=1&zoom=page-width,-16,842](https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/apr-2024/1714381081645.pdf#page=1&zoom=page-width,-16,842).

5. The total fees payable by an applicant/RA towards application, registration and renewal to SEBI and administrative fees to RAASB for the respective period shall not exceed the total fees payable prior to abovementioned amendment. The fee structure shall thus be fee neutral to the applicants/RAs.
6. In respect of grant of registration as RA for applications received before July 25, 2024, the registration fee shall be received by SEBI as per the erstwhile fee structure.
7. The other terms and conditions as specified in the SEBI circular SEBI/HO/MIRSD/MIRSD-SEC-3/P/CIR/2024/34 dated May 2, 2024 shall continue to apply.
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 14 of RA Regulations and IA Regulations to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.
9. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal > Circulars", "Info For > Investment Advisers" and "Info For > Research Analysts".

**ARADHANA VERMA**  
General Manager

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

**[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/100 dated 09.07.2024]**

### **A. Information Memorandum for schemes of AIFs entering into Dissolution Period –**

1. Vide Securities and Exchange Board of India (Alternative Investment Funds) (Second Amendment) Regulations 2024, notified on April 25, 2024, flexibility has been provided to schemes of AIFs to opt for dissolution period to deal with their unliquidated investments that are not sold due to lack of liquidity.
2. Subsequently, SEBI circular no. SEBI/HO/AFD/PoD1/CIR/2024/026 dated April 26, 2024, inter-alia, specified the modalities for schemes of AIFs entering into dissolution period.
3. In terms of Regulation 29B(2) of SEBI (Alternative Investment Funds) Regulations, 2012 ('AIF Regulations'), scheme of an AIF entering into dissolution period shall file an information memorandum with SEBI through a merchant banker in the manner as may be specified by SEBI.

4. In this regard, the following is specified –

- 4.1. The information memorandum for a scheme of an AIF entering into dissolution period shall be submitted to SEBI before expiry of the liquidation period or additional liquidation period of the scheme, as the case may be.
- 4.2. The format for information memorandum to be submitted by the scheme of AIF entering into dissolution period is given at Annexure I.
- 4.3. The format for Due Diligence Certificate by Merchant Banker to be submitted along with the aforesaid information memorandum to SEBI is given at Annexure II.

**B. Information to be submitted by schemes of AIFs availing additional liquidation period –**

5. In terms of regulation 29(9A) of AIF Regulations, if the liquidation period for a scheme of an AIF has expired or is expiring within three months from the date of notification of the Securities and Exchange Board of India (Alternative Investment Funds) (Second Amendment) Regulations, 2024 (i.e., on or before July 24, 2024), such schemes may be granted an additional liquidation period, subject to conditions and in the manner as may be specified by SEBI. The conditions in this regard have been specified in Para 4 of SEBI circular no. SEBI/HO/AFD/PoD1/CIR/2024/026 dated April 26, 2024.

**SANJAY SINGH BHATI**  
Deputy General Manager

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## 17 Ease of doing business - Streamlining of prudential norm for passive schemes regarding exposure to securities of group companies of the sponsor of Mutual Funds

**[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/IMD/IMD-PoD-2/P/CIR/2024/098 dated 08.07.2024]**

1. A working group was constituted by SEBI to review the present regulatory framework under SEBI (Mutual Fund) Regulations, 1996 ("MF Regulations") and recommend measures to promote ease of doing business for Mutual Funds.
2. Pursuant to public consultation on the recommendations of the working group and deliberations in the Mutual Funds Advisory Committee (MFAC), it was decided to streamline the extant prudential norm applicable to investments by passively managed Mutual Fund schemes in the group companies of their sponsors. Accordingly, the MF Regulations have been amended vide notification No. SEBI/LAD-NRO/GN/2024/188 dated July 02, 2024.

3. Pursuant to the said amendment, clause 9 of Seventh Schedule of the MF Regulations, inter alia mandates that no Mutual Fund scheme shall make any investment in the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets of the scheme, except for investments by equity oriented exchange traded funds (ETFs) and Index Funds and subject to such conditions as may be specified by SEBI. Accordingly, it has been decided as under:

- 3.1. Equity oriented ETFs and Index Funds, based on widely tracked and non-bespoke indices, can make investments in accordance with the weightage of the constituents of the underlying index. However, such investments shall be subject to an overall cap of 35% of net asset value of the scheme, in the group companies of the sponsor.
- 3.2. Widely tracked and non-bespoke indices shall be indices that are tracked by passive funds or act as primary benchmark for actively managed funds with collective Assets under Management (AUM) of INR 20,000 Cr. and above.
- 3.3. The list of indices based on the criteria specified at paragraph 3.2 above, shall be determined on half yearly basis as per the above specified AUM threshold as on March 31<sup>st</sup> and September 30<sup>th</sup> respectively. The list of such indices shall be updated by AMFI and published on its website by April 15<sup>th</sup> and October 15<sup>th</sup> respectively every year, after seeking SEBI's approval.
- 3.4. Based on the criteria specified at paragraph 3.2 above, the list of indices as on June 30, 2024 is provided at Annexure A.
- 3.5. Passive schemes based on underlying indices, other than those indices mentioned at Annexure A of this circular, shall be rebalanced within 30 business days from the date of issuance of this circular.
- 3.6. In case the portfolios of such schemes are not rebalanced within the period of 30 business days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee of the AMC. The Investment Committee, if so desires, can extend the timeline for rebalancing up to 60 business days from the date of completion of mandated rebalancing period.
- 3.7. In case the portfolios of schemes are not rebalanced within the aforementioned mandated plus extended timelines, AMCs shall not be permitted to launch any new scheme till the time the portfolio is rebalanced and not levy exit load, if any, on the exiting investors of such scheme(s).

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

Regulation 44 (1), clause 9(c) of Seventh Schedule and Regulation 77 of the MF Regulations 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](http://www.sebi.gov.in) under the link “Legal ->Circulars”.

**LAKSHAYA CHAWLA**

Deputy General Manager

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## 18 Measures for Ease of Doing Business for Credit Rating Agencies (CRAs) – Timelines and Disclosures

*(Modification to Chapter III of the Master Circular for Credit Rating Agencies dated May 16, 2024)*

**[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2024/97 dated 04.07.2024]**

- Para 28.3.3 of the Master Circular for CRAs - SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/47 dated May 16, 2024 (“Master Circular”), prescribes the timeline to be followed by CRAs for dissemination of Press Release on CRA’s website and intimation of the same to Stock Exchanges/ Debenture Trustees, pursuant to rating committee meeting in respect of periodic surveillance of ratings.
- In order to promote Ease of Doing Business and bring about uniformity in dealing with appeals, based on consultation with stakeholders including CRAs, it has been decided to provide specific timelines for dealing with appeals made by the issuer in respect of rating actions carried out pursuant to periodic surveillance of ratings. Accordingly, Para 28.3.3 shall stand modified as follows:

### Periodic surveillance

Scenario	Timeline - immediately but not later than
Communication of the rating to the issuer	1 working day* of the Rating Committee meeting
Request for review/ appeal of rating by the Issuer	3 working days of the Rating Committee meeting
Dissemination of Press Release on CRA’s website and intimation of the same to Stock Exchange/ Debenture Trustee	7 working days of the Rating Committee meeting

3. Para 31.1.2 of the Master Circular is as under:

“An archive of all disclosures should be maintained by CRAs on their website, for at least 10 years. This also includes ratings press releases by CRAs”.

However, the disclosures mentioned below shall be made as per the period/ frequency specified for the respective disclosure in the Master Circular:

- 3.1. Disclosure of list of non-cooperative issuers – Daily (Para 11.6 of the Master Circular)
- 3.2. Disclosures in case of rating not accepted by an issuer – 12 months (Para 28.5.2 of the Master Circular)
- 3.3. Disclosure in case of delay in periodic review – 12 months (Para 28.6 of the Master Circular)
4. CRAs shall continue to maintain records in respect of the said disclosures for a period of 10 years, which may be shared with Debenture Trustees upon request. Further, disclosures in respect of the said aspects shall continue to be made available by the CRAs on their website under the issuer-specific Press Releases/ Rating Rationale section of the respective issuer, wherever applicable.
5. Applicability: The circular shall be applicable with effect from August 01, 2024.
6. Monitoring: Monitoring of this circular shall be done in terms of the half-yearly internal audit for CRAs, mandated under Regulation 22 of the CRA Regulations and circulars issued thereunder.
7. This circular is issued with the approval of competent authority, in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 20 of CRA Regulations to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

**SARIKA KATARIA**

Deputy General Manager

## 19 Modification to Enhanced Supervision of Stock Brokers and Depository Participants

**[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/95 dated 04.07.2024]**

1. SEBI, vide Circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 (hereinafter mentioned as ‘circular’) and Master Circular for Stock Brokers dated May 22, 2024 (hereinafter mentioned as ‘Master Circular’), inter alia, specified timelines for submission of annual audited accounts/net worth certificate by Stock Brokers/Depository Participants as part of monitoring criteria, the details of which are as follows:

Relevant clauses	Existing provision
Para 6.1.1.c (Monitoring criteria for Stock Brokers) of Annexure to Circular and Para 15.8.1.1.c of Master Circular	Failure to furnish Annual Audited Accounts by September 30 <sup>th</sup> of the relevant year
Para 6.1.2.a (Monitoring criteria for DPs) of Annexure to Circular and Para 15.8.1.2.a of Master Circular	Failure to furnish Net worth certificate to Depository for year ending March 31 <sup>st</sup> by September 30 <sup>th</sup>



2. As a step towards ease of doing business, it has been decided to revise the timeline to October 31<sup>st</sup> of the relevant year. Accordingly, the said paras shall be read as under:

Relevant clauses	Modified provision
Para 6.1.1.c (Monitoring criteria for Stock Brokers) of Annexure to Circular and Para 15.8.1.1.c of Master Circular	Failure to furnish Annual Audited Accounts by October 31 <sup>st</sup> of the relevant year
Para 6.1.2.a (Monitoring criteria for DPs) of Annexure to Circular and Para 15.8.1.2.a of Master Circular	Failure to furnish Net worth certificate to Depository for year ending March 31 <sup>st</sup> by October 31 <sup>st</sup>

3. The provisions of this circular shall come into force with immediate effect.
4. The Stock Exchanges/Depositories are directed to:
- 4.1. bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites;
  - 4.2. make necessary amendments to the relevant Bye-laws, Rules and Regulations for the implementation of the above decision;
  - 4.3. communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.
5. The circular is issued with the approval of competent authority.
6. This circular is issued in exercise of powers conferred under Section 11(1) of Chapter IV of the Securities and Exchange Board of India Act, 1992, and Section 19 of Chapter IV of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
7. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the category: 'Legal → Circulars'.

**ARADHANA VERMA**  
General Manager

## 20 Measures to instil confidence in securities market – Brokers' Institutional mechanism for prevention and detection of fraud or market abuse

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/96 dated 04.07.2024]

1. Chapter IVA of the Securities and Exchange Board of India (Stock Brokers) (Amendment) Regulations, 2024 (hereinafter referred to as the "Broker Regulations") requires stock brokers to put in place an institutional mechanism for prevention and detection of fraud or market abuse. Accordingly, it has been decided

that stock brokers shall comply with the following obligations / mechanisms as laid down in Chapter IVA of the Broker Regulations:

- 1.1. Systems for surveillance of trading activities and internal controls.
  - 1.2. Obligations of the stock broker and its employees.
  - 1.3. Escalation and reporting mechanisms.
  - 1.4. Whistle Blower Policy.
2. The standards for implementation of the same including operational modalities shall be formulated by the Broker's Industry Standards Forum (ISF), in consultation with SEBI.
3. **Applicability:**
- 3.1. The provisions of this circular shall come into force in a risk-based, staggered manner to ensure smooth adoption and effective implementation for all the stock brokers by providing enough time for stock brokers, based on their size, for making necessary changes.

**ARADHANA VERMA**  
General Manager

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## 21 Reduction in denomination of debt securities and non-convertible redeemable preference shares (Modification to Chapter V of the Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024)

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/94 dated 03.07.2024]

1. Chapter V (Denomination of issuance and trading of Non-convertible Securities) of the Master Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024, (hereinafter referred as 'Master Circular') issued by SEBI, prescribes provisions pertaining to denomination of issuance and trading of non-convertible securities.
2. Market participants have expressed that lower ticket size of debt securities may encourage more non-institutional investors to participate in the corporate bond market which in turn may also enhance liquidity.
3. In view of the above, the following amendments are being made in Chapter V (Denomination of issuance and trading of Non-convertible Securities) of the Master Circular:

**RISHI BARUA**  
Deputy General Manager

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## 22 Dispatch of Consolidated Account Statement (CAS) for all securities assets

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD-PoD2/CIR/P/2024/93 dated 01.07.2024]

1. Considering the increasing reach of digital technology, electronic mode now being the preferred mode of communication and as a green initiative measure and to streamline the regulatory guidelines on mode of dispatch of account statements, it has been decided to revisit the regulatory provisions and provide for email as default mode of dispatch for Consolidated Account Statement (CAS) by Depositories, Mutual Fund –Registrar and Transfer Agents (MF-RTAs) and holding statement by Depositories Participant (DP).
2. Accordingly, para 1.24.6, para 1.24.12, para 1.8.5, para 1.8.6 and Para 14 & 15 under the head ‘Statement of Account’ in Annexure 3 of SEBI Master Circular on Depositories dated October 06, 2023 stands modified as given in Annexure-A.
3. The circular shall be effective from August 01, 2024.
4. The Depositories are directed to:
  - i. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision, as may be applicable/necessary;
  - ii. to carry out system changes, if any, to implement the above;
  - iii. disseminate the provisions of this circular on their website;
  - iv. communicate to SEBI, the status of implementation of the provisions of this circular in their Monthly Development Report.
5. 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 Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
6. This circular is issued with the approval of competent authority.
7. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the category “Circulars”.

**VISHAL SHUKLA**  
General Manager

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## 23 Charges levied by Market Infrastructure Institutions – True to Label

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/TPD-1/P/CIR/2024/92 dated 01.07.2024]

1. Market Infrastructure Institutions (MIIs) being public utility institutions act as first level Regulator and are entrusted with the responsibility of providing equal, unrestricted, transparent and fair access to all market participants. The principle of equal, fair and transparent access by MIIs is highlighted in Regulation 39 (3) of Securities Contracts (Regulations) (Stock Exchange and Clearing Corporations) Regulations, 2018 and Regulation 82 of SEBI (Depositories and Participants) Regulations, 2018.
2. Upon examination of existing processes related to charges levied by MIIs on their members (i.e. stock brokers, depository participants, clearing members), it was observed that a volume based slab-wise charge structure is followed by some MIIs. These charges are levied in lieu of various services offered by MIIs and are recovered from the end clients by members. It has also been observed that members generally recover such charges from the end clients on daily basis whereas MIIs receive aggregate charges from the members on monthly basis.
3. The aforesaid process can result in a situation wherein the aggregated charges collected by the members from the end clients is higher than the end of month charges paid to the MII (due to slab benefit). This can also result in an incorrect or misleading disclosure to the end client about the charges levied by MIIs.
4. The aforesaid matter was deliberated with the Secondary Market Advisory Committee (SMAC) of SEBI, wherein it was observed that in addition to impacting transparency, the existing slab-wise charge structure of MIIs can also create a hindrance for the MIIs in ensuring equal and fair access to all market participants by impacting level playing field between members owing to their size differentials.
5. In view of the aforesaid concerns and as per deliberations with SMAC, it has been decided that the MIIs would comply with following additional principles while designing the processes for charges levied on their members which are to be recovered from the end clients:
  - a. The MII charges which are to be recovered from the end client should be True to Label i.e. if certain MII charge is levied on the end client by members (i.e. stock brokers, depository participants, clearing members), it should be ensured by MIIs that the same amount is received by them.

- b. The charge structure of the MII should be uniform and equal for all its members instead of slab-wise viz. dependent on volume/activity of members.
- c. To begin with, the new charge structure designed by MIIs should give due consideration to the existing per unit charges realized by MIIs so that the end clients are benefitted with the reduction of charges.

**ANSUMAN DEV PRADHAN**

Deputy General Manager

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## 24 Master Directions on Cyber Resilience and Digital Payment Security Controls for nonbank Payment System Operators

**[Issued by the Reserve Bank of India vide RBI/DPSS/2024-25/123 CO.DPSS. OVRST.No.S447/06-26-002/2024-25 dated 30.07.2024]**

The safety and security of payment systems is a key objective of the Reserve Bank of India (RBI). To ensure that the authorised non-bank Payment System Operators (PSOs) are resilient to existing and emerging information systems and cyber security risks, it was announced in the Statement on Developmental and Regulatory Policies issued as part of Monetary Policy Statement dated April 08, 2022 that RBI will issue directions on Cyber Resilience and Payment Security Controls for Payment System Operators (PSOs).

2. Accordingly, a draft Master Direction was published on June 02, 2023 seeking comments / feedback from stakeholders. Based on the feedback received, it has been decided to issue the final Directions, covering robust governance mechanisms for identification, assessment, monitoring and management of these risks. The Directions also cover baseline security measures for ensuring system resiliency as well as safe and secure digital payment transactions. However, they shall endeavour to migrate to latest security standards. The existing instructions on security and risk mitigation measures for payments done using cards, Prepaid Payment Instruments (PPIs) and mobile banking continue to be applicable as hitherto. In case of any discrepancy in applicability of guidelines, the instructions provided in this Master Direction shall prevail.
3. These Directions are issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

**SUDHANSHU PRASAD**

Chief General Manager

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## 25 Guidelines on treatment of Dividend Equalisation Fund (DEF)- Primary (Urban) Co-operative Banks (UCBs)

**[Issued by the Reserve Bank of India vide RBI/2024-25/57 DOR.CAPREC. No.30/09.18.201/2024-25 dated 30.07.2024]**

Please refer to Master Circular DOR.CAP.REC.5/09.18.201/2024-25 dated April 01, 2024 on "Prudential Norms on Capital Adequacy - Primary (Urban) Co-operative Banks (UCBs)", Master Circular DoR.CRE.REC.71/07.10.002/2023-24 dated January 16, 2024 on "Exposure Norms and Statutory / Other Restrictions - UCBs", and circular UBD.BPD.(PCB). Cir.No.4/12.05.001/2012-13 dated July 05, 2012 on "Declaration of Dividend by the UCBs".

2. It is observed that some UCBs have created the Dividend Equalisation Fund (DEF) through appropriation of profits, with an intent to utilise these balances to pay dividend in future years, when profits are not sufficient or where the bank has posted a net loss. However, extant guidelines on "Declaration of Dividends by UCBs" dated July 05, 2012 ibid prohibit dividend payments from previously accumulated profits or reserves and mandate that dividend can only be paid by the banks from net profit of the current year after making all statutory and other provisions and after adjustment for accumulated losses in full. It is also observed that UCBs have been considering the balances in DEF as part of Tier-II capital.
3. In order to provide a better treatment of these balances for regulatory capital purposes, it has been decided, as a onetime measure, to permit UCBs to transfer the balances in the DEF to general reserves/free reserves. The credit balances in general reserves/free reserves, shall qualify as Tier-I capital as per our Master Circular ibid.
4. Suitable disclosures shall be made of such transfers in the 'Notes on Accounts' to the Balance Sheet in terms of Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 dated August 30, 2021.
5. UCBs shall comply with the provisions of applicable State/ Central Co-operative Acts & bye-laws, and other applicable laws, statutes and regulations.

### Applicability

6. This circular is applicable to all Primary (Urban) Co-operative Banks. The instructions shall come into force with immediate effect.

**USHA JANAKIRAMAN**

Chief General Manager



## 26 Master Direction on Treatment of Wilful Defaulters and Large Defaulters

**[Issued by the Reserve Bank of India vide RBI/DoR/2024-25/122 DoR. FIN.REC.No.31/20.16.003/2024-25 dated 30.07.2024]**

This Master Direction on wilful defaulters serves as a comprehensive guideline delineating the regulatory framework and procedures for classification of borrowers as wilful defaulters. This directive plays a crucial role in maintaining the integrity of the financial system by outlining the measures and consequences for those borrowers who deliberately default on their financial obligations.

2. The Master Direction was released for comments from stakeholders and members of the public in September 2023. Based on feedback received, the final Reserve Bank of India (Treatment of Wilful Defaulters and Large Defaulters) Directions, 2024 are enclosed herewith.

**J.P. SHARMA**

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](http://www.rbi.org.in)*

## 27 'Fully Accessible Route' for Investment by Non-residents in Government Securities – Exclusion of new issuances in 14-year and 30-year tenor securities

**[Issued by the Reserve Bank of India vide RBI/2024-25/56 FMRD.FMID. No.03/14.01.006/2024-25 dated 29.07.2024]**

A reference is invited to the Fully Accessible Route introduced by the Reserve Bank, vide A.P. (DIR Series) Circular No. 25 dated March 30, 2020, wherein certain specified categories of Central Government securities were opened fully for non-resident investors without any restrictions, apart from being available to domestic investors as well.

2. The Government Securities that are eligible for investment under the Fully Accessible Route ('specified securities') were notified by the Bank, vide circular no. FMRD.FMSD.No.25/14.01.006/2019-20 dated March 30, 2020, circular no. FMRD.FMID.No.04/14.01.006/2022-23 dated July 07, 2022, circular no. FMRD.FMID. No. 07/14.01.006/2022-23 dated January 23, 2023 and FMRD.FMID.No.04/14.01.006/2023-24 dated November 08, 2023.
3. On a review and in consultation with the Government, it has been decided to exclude all new securities of 14-year and 30-year tenors from the Fully Accessible Route. Consequently, future issuances of Government Securities in these tenors shall not be available for investment under the Fully Accessible Route. Existing stocks of Government Securities in 14-year and 30-year tenors already included as 'specified securities' under the Fully Accessible Route shall, however, continue to be available under the Fully Accessible Route for investments by non-residents in the secondary market.
4. Investments by Foreign Portfolio Investors in new Government Securities in 14-year and 30-year tenors issued henceforth shall be either reckoned under the investment limits prescribed in A.P. (DIR Series) Circular

No. 03 dated April 26, 2024, as amended from time to time, and subject to conditions stipulated in A.P. (DIR Series) Circular No.31 dated June 15, 2018, as amended from time to time or reckoned under investment limits and subject to conditions stipulated in A.P. (DIR Series) Circular No.22 dated February 10, 2022, as amended from time to time, as the case may be.

5. The Directions contained in this circular have been issued under Section 45W of Chapter IIID of the Reserve Bank of India Act, 1934 and are without prejudice to permissions/approvals, if any, required under any other law.
6. These Directions shall be applicable with immediate effect.

**DIMPLE BHANDIA**

Chief General Manager

## 28 Prompt Corrective Action (PCA) Framework for Primary (Urban) Co-operative Banks (UCBs)

**[Issued by the Reserve Bank of India vide RBI/2024-25/55 DOS.CO.PPG. SEC.No.8/11.01.005/2024-25 dated 26.07.2024]**

Please refer to the circular DOR (PCB).BPD. Cir No. 9/12.05.001/2019-20 dated January 6, 2020 on the Supervisory Action Framework for Primary (Urban) Co-operative Banks (UCBs).

2. The existing Supervisory Action Framework (SAF) for UCBs has since been reviewed. Accordingly, the revised framework replacing the SAF, under the nomenclature Prompt Corrective Action (PCA) Framework is contained in the enclosed Annex.
3. The PCA Framework shall be applicable to all UCBs under Tier 2, Tier 3 and Tier 4 categories except UCBs under All Inclusive Directions<sup>1</sup>. Tier 1 UCBs, though not covered under the PCA Framework as of now, shall be subject to enhanced monitoring under the extant supervisory framework. The exemption of Tier 1 UCBs from the PCA Framework shall be reviewed in due course.
4. The objective of the PCA Framework is to enable supervisory intervention at an appropriate time and require the UCBs to initiate and implement remedial measures in a timely manner, to restore their financial health. The PCA Framework does not preclude RBI from taking any other action as it deems fit at any time, in addition to the corrective actions prescribed in the Framework.
5. The provisions of the PCA Framework will be effective from April 1, 2025.
6. UCBs which are currently subject to supervisory actions on the basis of circular DOR (PCB). BPD. Cir No. 9/12.05.001/2019-20 dated January 6, 2020 referred above will continue to be governed by the restrictions imposed on them. Such UCBs will be considered for an exit from SAF or to be placed under PCA on a case-by-case basis by the Reserve Bank of India.

**TARUN SINGH**

Chief General Manager

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## 29 Small Value Loans – Primary (Urban) Co-operative Banks (UCBs)

[Issued by the Reserve Bank of India vide RBI/2024-25/53 DOR.CRE. REC.28/07.10.002/2024-25 July 25, 2024 dated 07.06.2024]

Please refer to paras 2.2 and 2.2.1 of the circular DOR (PCB).BPD.Cir No.10/13.05.000/2019-20 dated March 13, 2020, in terms of which, UCBs were required, inter alia, to have at least 50 per cent of their aggregate loans and advances comprising of Small Value Loans, i.e., loans of value not more than Rs 25 lakh or 0.2 per cent of their Tier I capital, whichever is higher, subject to a maximum of Rs 1 crore, per borrower. The target date for complying with the above requirement was March 31, 2024.

2. Taking into account the representations received by the Bank citing certain difficulties being faced by the UCBs in this regard, it has been decided to extend the glide path to achieve the aforementioned target by two years as given below:

Target Date →	March 31, 2025	March 31, 2026
Minimum percentage of Small Value Loans in aggregate loans and advances →	40%	50%

3. All other provisions with regard to prudential limits prescribed in the circular dated March 13, 2020 referred to above remain unchanged.

**VAIBHAV CHATURVEDI**  
Chief General Manager

## 30 Bank Finance against Shares and Debentures

[Issued by the Reserve Bank of India vide RBI/2024-25/54 DOR.CRE. REC.29/07.10.002/2024-25 dated 25.07.2024]

Please refer to the circular UBD.No.DS.PCB. CIR.16/13.05.00/2001-02 dated October 22, 2001 and para 6.6.5 of Master Circular - Exposure Norms and Statutory / Other Restrictions – UCBs dated January 16, 2024, in terms of which Primary (Urban) Co-operative Banks (UCBs) were advised that the aggregate of their all loans against the security of shares and debentures should be within the overall ceiling of 20 per cent of their owned funds.

2. On a review, it has been decided that the aforementioned overall ceiling of 20 per cent shall be linked to Tier I capital of the bank as on 31<sup>st</sup> March of the previous financial year, as defined in Master Circular - Prudential Norms on Capital Adequacy - Primary (Urban) Co-operative Banks (UCBs) dated April 1, 2024, as amended from time to time.
3. The change stipulated at paragraph 2 above shall be effective from January 01, 2025. All other related provisions of the aforesaid circulars remain unchanged.

**VAIBHAV CHATURVEDI**  
Chief General Manager

## 31 Domestic Money Transfer – Review of Framework

[Issued by the Reserve Bank of India vide RBI/2024-25/52 CO.DPSS.POLC. No.S415/02.27.019/2024-25 dated 24.07.2024]

The framework for Domestic Money Transfer (DMT) was introduced in 2011, vide RBI circular DPSS.PD.CO. No.622/02.27.019/2011-2012 dated October 5, 2011. There has been significant increase in the availability of banking outlets, developments in payment systems for funds transfers, and ease in fulfilling KYC requirements etc., since then; and now users have multiple digital options for funds transfer. A review was recently undertaken of various services facilitated in the current framework. Based on the review, the following changes are being made:

- a) Cash Pay-out Service
  - i. The remitting bank shall obtain and keep a record of the name and address of the beneficiary.
- b) Cash Pay-in Service
  - i. Remitting banks / Business Correspondents (BCs) shall register the remitter based on a verified cell phone number and a self-certified 'Officially Valid Document (OVD)' as per the Master Direction – Know Your Customer Direction 2016, as amended from time to time.
  - ii. Every transaction by a remitter shall be validated by an Additional Factor of Authentication (AFA).
  - iii. Remitting banks and their BCs shall conform to provisions of the Income Tax Act, 1961 and the rules / regulations framed thereunder (as amended from time to time), pertaining to cash deposits.
  - iv. Remitter bank shall include remitter details as part of the IMPS / NEFT transaction message.
  - v. The transaction message shall include an identifier to identify the fund transfer as a cash-based remittance.
2. The guidelines on Card-to-Card transfer are excluded from the purview of the DMT framework and shall be governed under the guidelines / approvals granted for such instruments.
3. All other instructions in the above circular dated October 5, 2011 including the limits in size of transactions shall continue to be applicable.
4. This circular is issued under Section 18 read with Section 10 (2) of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007), and shall come into effect from November 01, 2024.

**GUNVEER SINGH**  
Chief General Manager-In-Charge

## 32 Master Direction - Overseas Investment

**[Issued by the Reserve Bank of India vide RBI/FED/2024-25/121 FED Master Direction No.15/2024-25 dated 24.07.2024]**

Overseas Investments by persons resident in India are governed by the provisions of Foreign Exchange Management (Overseas Investment) Rules, 2022 (OI Rules) notified by the Central Government vide Notification No. G.S.R. 646(E) dated August 22, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022 (OI Regulations) notified by the Reserve Bank vide Notification No. FEMA 400/2022-RB dated August 22, 2022.

- In terms of Rule 3 of OI Rules, the Reserve Bank is empowered to administer these Rules and to issue regulations and directions/ circulars as it may deem necessary, for the effective implementation of the provisions of these Rules. The Reserve Bank, therefore, issues directions to Authorised Persons under Section 11 of the Foreign Exchange Management Act (FEMA), 1999. These directions lay down the modalities as to how the foreign exchange business has to be conducted by the Authorised Persons with their customers/ constituents with a view to implementing the OI Rules and the OI Regulations.
- Instructions issued on Overseas Investment by persons resident in India have been compiled in this Master Direction. The list of underlying circulars which form the basis of this Master Direction is furnished in the Annex I. Reporting instructions related to Overseas Investment are provided in Part VIII of Master Direction no. 18 on 'Reporting under Foreign Exchange Management Act, 1999' dated January 01, 2016. AD Category-I Banks may bring the contents of these Directions to the notice of their customers / constituents concerned.
- This Master Direction has been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

**N SENTHIL KUMAR**

General Manager

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## 33 Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies)

**[Issued by the Reserve Bank of India vide RBI/DOS/2024-25/120 DOS.CO.FMG.SEC.No.7/23.04.001/2024-25 dated 15.07.2024]**

Please find enclosed as Annex 'Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024' issued in exercise of the powers conferred by Sections 45K, 45L and 45M of the Reserve Bank of India Act, 1934 (Act 2 of 1934) and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987. These Directions shall supersede the earlier Directions

on the subject, namely, the Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016.

**RAJNISH KUMAR**

Chief General Manager

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## 34 Master Directions on Fraud Risk Management in Urban Cooperative Banks (UCBs) / State Cooperative Banks (StCBs) / Central Cooperative Banks (CCBs)

**[Issued by the Reserve Bank of India vide RBI/DOS/2024-25/119 DOS.CO.FMG.SEC.No.6/23.04.001/2024-25 dated 15.07.2024]**

Please find enclosed as Annex 'Reserve Bank of India (Fraud Risk Management in UCBs / StCBs / CCBs) Directions, 2024' issued in exercise of the powers conferred under Section 21 and Section 35A read with Section 56 of the Banking Regulation Act, 1949. These Directions shall supersede the earlier directions on the subject, namely, 'Master Circular– 'Classification and Reporting' (DCBR.CO.BPD.MC.No.1/ 12.05.001/2015-16) dated July 1, 2015.

**RAJNISH KUMAR**

Chief General Manager

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## 35 Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions

**[Issued by the Reserve Bank of India vide RBI/DOS/2024-25/118 DOS.CO.FMG.SEC.No.5/23.04.001/2024-25 dated 15.07.2024]**

Please find enclosed as Annex 'Reserve Bank of India (Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions) Directions, 2024' issued in exercise of the powers conferred under Chapter III-A and Chapter III-B of the Reserve Bank of India Act, 1934, and Section 21 and Section 35A of the Banking Regulation Act, 1949. These Directions shall supersede the earlier Directions on the subject, namely, the Reserve Bank of India (Frauds - Classification and Reporting by commercial banks and select FIs) Directions 2016 (Ref.DBS.CO.CFMC.BC.No.1/23.04.001/2016-17) dated July 01, 2016 (Updated as on July 03, 2017).

**RAJNISH KUMAR**

Chief General Manager

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## 36 Withdrawal of Circulars – Internal Review

**[Issued by the Reserve Bank of India vide RBI/2024-25/51 DoS.CO.PPG/SEC.4/11.01.005/2024-25 dated 12.07.2024]**

An internal review of circulars has been carried out to remove obsolete instructions and to rationalize and simplify the existing guidelines.



- In this context, it has been decided to withdraw the circulars listed in the Annex with effect from close of business today.

**TARUN SINGH**

Chief General Manager

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## 37 Basel III Capital Regulations - Eligible Credit Rating Agencies (ECAI)

**[Issued by the Reserve Bank of India vide RBI/2024-25/50 DOR.STR. REC.26/21.06.008/2024-25 dated 10.07.2024]**

Please refer to paragraph 6.1.2 of the Master Circular DOR. CAP.REC.4/21.06.201/2024-25 dated April 1, 2024 on Basel III Capital Regulations, wherein the list of domestic credit rating agencies accredited for the purpose of risk weighting banks' claims for capital adequacy purposes has been prescribed.

- A reference is also invited to the Press Release: 2022-2023/1033 dated October 12, 2022 in terms of which, regulated entities/market participants were advised that in respect of ratings/credit evaluations required in terms of any guidelines issued by the Reserve Bank, no such fresh ratings/evaluations shall be obtained from Brickwork Ratings India Private Limited (the CRA).
- On a review, banks are hereby permitted to use the ratings of the CRA for risk weighting their claims for capital adequacy purposes, subject to the following:
  - In respect of fresh rating mandates, rating may be obtained from the CRA for bank loans not exceeding Rs.250 crore.
  - In respect of existing ratings, the CRA may undertake rating surveillance irrespective of the rated amount, till the residual tenure of such loans.

Provided that in case of existing ratings assigned to working capital facilities exceeding Rs.250 crore, the CRA shall undertake rating surveillance only till the next renewal of such facility by the banks.

- All other provisions regarding external credit ratings stipulated in the Master Circular *ibid* remain unchanged.

**VAIBHAV CHATURVEDI**

Chief General Manager

## 38 Remittances to International Financial Services Centres (IFSCs) under the Liberalised Remittance Scheme (LRS)

**[Issued by the Reserve Bank of India vide RBI/2024-25/49 A.P. (DIR Series) Circular No.15 dated 10.07.2024]**

Attention of Authorised Persons is invited to A.P. (DIR Series) Circulars, i.e., No.11 dated February 16, 2021, No.03 dated April 26, 2023, and No.06 dated June 22, 2023, on remittances to International Financial Services Centres (IFSCs) in India under the Liberalised Remittance Scheme (LRS) and the Master Direction No. 7/2015-16 on LRS dated January 01, 2016 (as amended from time to time).

- At present, remittances under LRS to IFSCs can be made only for:
  - Making investments in IFSCs in securities except those issued by entities/ companies resident in India (outside IFSC); and
  - Payment of fees for education to foreign universities or foreign institutions in IFSCs for pursuing courses mentioned in the gazette notification no. SO 2374(E) dated May 23, 2022, issued by the Central Government.

For these permissible purposes, resident individuals can open Foreign Currency Account (FCA) in IFSCs.

- On a review, it has been decided that Authorised Persons may facilitate remittances for all permissible purposes under LRS to IFSCs for:
  - Availing financial services or financial products as per the International Financial Services Centres Authority Act, 2019 within IFSCs; and
  - All current or capital account transactions, in any other foreign jurisdiction (other than IFSCs) through an FCA held in IFSCs.

For these permissible purposes, resident individuals can open Foreign Currency Account (FCA) in IFSCs.

- Authorised Persons shall bring the contents of this circular to the notice of their constituents and customers. The Master Direction No.7/2015-16 on LRS is being updated to reflect these changes.
- The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

**DR. ADITYA GAIHA**

Chief General Manager-in-Charge

## 39 Export-Import Bank of India's GOI-supported Line of Credit of USD 2.50 mn to the Government of Co-operative Republic of Guyana, for installation of Solar Photo Voltaic Power Plant at Cheddi Jagan International Airport

**[Issued by the Reserve Bank of India vide RBI/2024-2025/48 A.P. (DIR Series) Circular No. 14 dated 08.07.2024]**

Export-Import Bank of India (Exim Bank) has entered into an agreement dated February 29, 2024 with the Government of the Co-operative Republic of Guyana (GO-GUY), for making available to the latter, Government of India supported Line of Credit (LoC) of USD 2.50 mn (USD Two Million Five Hundred Thousand Only) for installation of Solar Photo Voltaic Power Plant at Cheddi Jagan International Airport in Guyana.

- The export of eligible goods and services from India, as defined under the agreement, would be allowed subject to their eligibility under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this agreement.
- Out of the total credit by Exim Bank under the agreement, goods, works and services of the value of at least 75 per

cent of the contract price shall be supplied by the seller from India, and the remaining 25 per cent of goods and services may be procured by the seller for the purpose of the eligible contract from outside India.

4. The Agreement under the LoC is effective from June 24, 2024. Under the LoC, the last date for disbursement will be 48 months after scheduled completion date of the project.
5. Shipments under the LoC shall be declared in Export Declaration Form/Shipping Bill as per instructions issued by the Reserve Bank from time to time.
6. No agency commission is payable for export under the above LoC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer (AD) Category- I banks may allow such remittance after realization of full eligible value of export subject to compliance with the extant instructions for payment of agency commission.
7. AD Category – I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain complete details of the LoC from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400005 or from their website [www.eximbankindia.in](http://www.eximbankindia.in).
8. The directions contained in this circular have been issued under section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

**N SENTHIL KUMAR**  
General Manager

## 40 Online submission of Form A2: Removal of limits on amount of remittance

**[Issued by the Reserve Bank of India vide RBI/2024-25/46 A.P. (DIR Series) Circular No. 12 dated 03.07.2024]**

Attention of Authorised Dealer (AD) Category-I banks and AD Category-II entities is invited to paragraph 4 of A.P. (DIR Series) Circular No. 50 dated February 11, 2016 (Compilation of R>Returns: Reporting under FETERS) and A.P. (DIR Series) Circular No. 02 dated April 12, 2023 (Authorised Dealers Category-II – Online Submission of Form A2), wherein AD Category-I banks and AD Category-II entities were permitted to allow submission of Form A2 through online mode by their customers, subject to certain conditions and limits.

2. On a review, and to improve ease of doing business, it is now decided to permit all Authorised Dealers (AD Category-I banks and AD Category-II entities) to facilitate remittances on the basis of online / physical submission of Form A2 and other related documents, if and as may be necessary, subject to the conditions laid down in Section 10(5) of FEMA 1999. Accordingly, there shall not be any limit on the amount being remitted on the basis of 'online' Form A2.

3. Authorised Dealers shall frame appropriate guidelines for the purpose, with the approval of their Board within the ambit of extant statutory and regulatory framework. The Authorised Dealers shall continue to comply with the relevant provisions of FEMA 1999 and 'Master Direction – Know Your Customer (KYC) Direction, 2016' as updated from time to time, issued by Department of Regulation, RBI, for all transactions. It may be further noted that reporting of transactions in FETERS shall continue, as hitherto, by the Authorised Dealer banks.
4. Authorised Dealers may bring the contents of this circular to the notice of their constituents.
5. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

**N. SENTHIL KUMAR**  
General Manager

## 41 Release of foreign exchange for Miscellaneous Remittances

**[Issued by the Reserve Bank of India vide RBI/2024-25/47 A.P. (DIR Series) Circular No. 13 dated 03.07.2024]**

In terms of the direction issued under the A.P.(DIR Series) Circular No. 16 dated September 12, 2002, A.P.(DIR Series) Circular No. 55 dated December 23, 2003 and A. P. (DIR Series) Circular No.118 dated May 07, 2012, Authorised Dealers are permitted to release foreign exchange for any current account transaction, on the basis of a simple letter containing basic information and subject to an upper limit of USD 25,000 or its equivalent. It was also advised that Authorised Dealers need not obtain any other documents, including Form A2, and that the payment was to be made by the applicant through Demand Draft or a cheque drawn on his / her bank account.

2. With a view on streamlining the regulatory compliances and operational procedures, it is now decided that Authorised Dealers shall obtain Form A2 in physical or digital form for all cross-border remittances irrespective of the value of transaction. Consequently, the above-mentioned circulars stand withdrawn with immediate effect. Authorised Dealers shall continue to take necessary steps, in terms of Section 10(5) of Foreign Exchange Management Act, 1999, to assure themselves that such transactions do not involve any contravention of the provisions of FEMA.
3. Authorised Dealers may bring the contents of this circular to the notice of their constituents.
4. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

**N. SENTHIL KUMAR**  
General Manager



**THE INSTITUTE OF  
Company Secretaries of India**

**भारतीय कम्पनी सचिव संस्थान**

**IN PURSUIT OF PROFESSIONAL EXCELLENCE**

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(Under the jurisdiction of Ministry of Corporate Affairs)

**Vision**

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

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"To develop high calibre professionals facilitating good corporate governance"

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**Dedicated to  
the Service  
of the Nation**

The ICSI Blood Bank Portal has a huge database of blood donors with information on Blood Groups with their location

To find a donor near you or  
to register as a donor visit  
**<https://www.icsi.in/bloodbank/>**

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[www.icsi.edu](http://www.icsi.edu)



Online helpdesk : <http://support.icsi.edu>



# 5

## NEWS FROM THE INSTITUTE



- MEMBERS RESTORED DURING THE MONTH OF JUNE 2024
- CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF JUNE 2024
- LIST OF PEER REVIEWED UNITS
- NEW ADMISSIONS
- UPLOADING OF PHOTOGRAPH AND SIGNATURE
- CHANGE / UPDATION OF ADDRESS



## Institute News

### MEMBERS RESTORED DURING THE MONTH OF JUNE 2024

SL. NO.	NAME	MEMB NO.	REGION
1	CS NIRAJ JAIN	ACS - 20268	NIRC
2	CS NITHYA R	ACS - 23583	SIRC
3	CS URVI BHARAT VAKIL	ACS - 49334	WIRC
4	CS PIEYUSHA SHARMA	ACS - 63499	NIRC
5	CS PRACHI JAIN	ACS - 66180	NIRC
6	CS PRITI DHANSINGH BHAILYAL	ACS - 69177	WIRC
7	CS NISHA AMIT SAKARIA	FCS - 6947	WIRC
8	CS AMIT SHARMA	ACS - 13688	NIRC
9	CS M BHANU REKHA	ACS - 13999	SIRC
10	CS FORAM PRAVINKUMAR DESAI	ACS - 35036	WIRC
11	CS AMRUTHA BHASKAR	ACS - 51531	SIRC
12	CS NARESH	ACS - 61819	NIRC
13	CS PRIYANKA JAIN	ACS - 27706	NIRC
14	CS BALAJI M	ACS - 46093	SIRC
15	CS MANISH MAHESHWARI	ACS - 13963	NIRC
16	CS OM PRAKASH SHARMA	ACS - 1932	NIRC
17	CS RITIKA GUPTA	ACS - 49220	NIRC
18	CS NANDITA SINGH	ACS - 59351	EIRC
19	CS DEEKSHA BAJAJ	ACS - 18920	NIRC
20	CS BHARATKUMAR KALAGONDA POMAI	ACS - 33397	SIRC
21	CS SONIA MAYUR KULKARNI	ACS - 54960	WIRC
22	CS AASHNA KHANNA	ACS - 58043	NIRC
23	CS DINESH GUPTA	ACS - 6225	NIRC
24	CS MOHD DANISH MUSTAFA KHAN	ACS - 43911	WIRC
25	CS NIKITA HEDA	ACS - 48861	NIRC
26	CS SHILPA SHRIRANG KULKARNI	ACS - 15500	SIRC
27	CS HETAL AMAR BHAGAT	ACS - 27262	WIRC
28	CS RASHI JAIN	ACS - 60391	NIRC
29	CS MAYANK DUDEJA	ACS - 62269	NIRC
30	CS H SRINIVASAN	ACS - 9857	SIRC
31	CS SASHI DEV DURGA	ACS - 48804	EIRC
32	CS SUBHASH CHANDER	ACS - 12643	NIRC
33	CS LAKHMI ALLADI	ACS - 24058	SIRC
34	CS S GANESH	ACS - 29156	SIRC
35	CS PRIYA MADAN	ACS - 43647	NIRC
36	CS DEEPIKA SONI	ACS - 52537	NIRC
37	CS KUSHAL KARNWAL	ACS - 69978	NIRC

38	CS YOGESH R CHHABRA	FCS - 7463	NIRC
39	CS RAKESH PRABHAKARBHAI TOKARKAR	ACS - 24731	WIRC
40	CS YOGESH KRISHNA SHENOY	ACS - 3046	SIRC
41	CS SONALI PARUTHI	ACS - 54748	NIRC
42	CS AJAY AGGARWAL	FCS - 4497	SIRC
43	CS JYOTSANA CHOUDHARY	ACS - 20680	WIRC
44	CS ISHA KALRA	ACS - 24748	NIRC
45	CS VINOD KUMAR SHARMA	ACS - 25497	NIRC
46	CS YOGESH KUMAR	ACS - 40555	NIRC
47	CS GAURAV SURYAPRAKASH CHATURVEDI	ACS - 66121	WIRC
48	CS J C SHARMA	ACS - 6870	SIRC
49	CS KOMAL AGARWAL	ACS - 70519	NIRC
50	CS PANKAJ DAWAR	ACS - 18157	NIRC
51	CS VIKAS VINOD KAPOOR	ACS - 19116	WIRC
52	CS VANSHU GUPTA	ACS - 58647	NIRC
53	CS BHOOMI JAYANTI KAROTRA	ACS - 59677	WIRC
54	CS CHINAR RAJKUMAR JETHWANI	FCS - 10137	WIRC
55	CS KUSHMANJALI SHARMA	ACS - 29483	NIRC
56	CS RAVINDER KUMAR	ACS - 33299	NIRC
57	CS MANALI SITOKE	ACS - 36391	WIRC
58	CS RAJ TULSHIBHAI RAMI	ACS - 42547	WIRC
59	CS PRIYANKA LOHIYA	ACS - 70191	NIRC
60	CS DIVYA TANDON	FCS - 3860	NIRC
61	CS PUSHPA BELLANI	FCS - 8440	NIRC
62	CS HARLEEN KAUR SAHNI	ACS - 23984	WIRC
63	CS PARUL MOLRI	ACS - 32934	SIRC
64	CS ANUMITA SHARMA	ACS - 38109	NIRC
65	CS RITA RAMESH PANCHAL	ACS - 43463	WIRC
66	CS SHIVANI SHARMA	ACS - 47871	NIRC
67	CS RUCHI CHANDRA PRAKASH NAMDHARANI	ACS - 52034	WIRC
68	CS KIRTI SHARAD VYAWAHARE	ACS - 58072	NIRC
69	CS AASHITA JAIN	ACS - 66643	WIRC
70	CS VIDHI SHANTILAL JAIN	ACS - 69538	WIRC
71	CS SANTOSH KUMAR SONI	FCS - 7778	WIRC
72	CS JAINA APOORVA HEMANI	ACS - 22252	WIRC
73	CS NIKUNJ BERLIA	ACS - 30061	EIRC
74	CS VIBHA VISHAL CHOPRA	ACS - 53422	WIRC
75	CS PRIYANKA MODI	ACS - 58256	EIRC
76	CS RAJENDER KAPOOR	FCS - 4723	NIRC
77	CS AMIT ARYA	ACS - 12967	NIRC
78	CS ANAND MISHRA	ACS - 16743	NIRC
79	CS K M C AANANDAN	ACS - 20935	SIRC
80	CS TANAYA VAIBHAV JOSHI	ACS - 26770	WIRC
81	CS KHUSHBOO SACHDEVA	ACS - 36105	NIRC
82	CS NILESH RAMBHADRA DUBEY	ACS - 41698	WIRC
83	CS EKTA MIDDHA	ACS - 45921	NIRC
84	CS ASHUTOSH SHARMA	ACS - 46025	NIRC
85	CS GARIMA AGRAWAL	ACS - 47371	NIRC
86	CS VARINDA SHARMA	ACS - 61036	NIRC
87	CS PRIYANKA GUPTA	ACS - 61680	NIRC
88	CS NIMISHA CHAUHAN	ACS - 64133	WIRC

## CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF JUNE 2024

SL. NO.	NAME	MEMB NO	COP NO.	REGION
1	CS ADITI GUPTA	ACS - 57840	23362	EIRC
2	CS ANCHAL JAIN	ACS - 66650	24890	NIRC
3	CS ANSHUL JAIN	ACS - 46205	18370	WIRC
4	CS BANI GUPTA	ACS - 53976	26250	WIRC
5	CS DEVESH S JOSHI	FCS - 11742	17593	WIRC
6	CS DIGVIJAY SINGH	FCS - 10748	14741	SIRC
7	CS DISHA PRAKASHBHAI BAROT	ACS - 55042	20409	WIRC
8	CS DIVYA SHARMA	ACS - 34641	19924	WIRC
9	CS FORAM BHARAT SONI	ACS - 43800	26166	SIRC
10	CS GARIMA GARG	ACS - 30761	20509	WIRC
11	CS HIMANDRI MAHESHBHAI KEWLANI	ACS - 45144	17751	NIRC
12	CS HIMANI VATSAL SHAH	ACS - 47477	26720	WIRC
13	CS HIMANSHI AGGARWAL	ACS - 59586	23557	WIRC
14	CS HITESH KHERA	ACS - 72272	26854	EIRC
15	CS KISHAN DALAN	ACS - 58496	22028	SIRC
16	CS KOMAL SAHU	ACS - 48223	22079	SIRC
17	CS KRANTHI KUMAR SAILI	ACS - 57820	21823	NIRC
18	CS LAKSHMI RATHNAM	FCS - 8539	26079	NIRC
19	CS LINGAPPA RANGARAJU	FCS - 6263	4487	EIRC
20	CS MAMTA SHAMLAL KABRA	FCS - 11808	17690	NIRC
21	CS MITRA RAMESH RATNANI	ACS - 65355	25354	NIRC
22	CS MUKUL JAIN	ACS - 49408	18243	EIRC

23	CS NITU AGARWAL	ACS - 62330	25993	NIRC
24	CS NUPUR SANGHVI	ACS - 57687	22206	WIRC
25	CS PRACHI AGARWAL	ACS - 66632	25579	NIRC
26	CS PRACHI AGRAWAL	ACS - 62972	23608	NIRC
27	CS PRAJAKTA ASHISH LAPALIKAR	ACS - 51035	20753	EIRC
28	CS PURTIKA DHANESHWAR	ACS - 65864	24664	NIRC
29	CS RACHNA KANWAR PANWAR	ACS - 40035	23975	WIRC
30	CS RAHUL SHARMA	ACS - 71153	27071	WIRC
31	CS Rajesh Thakur	ACS - 71143	26579	NIRC
32	CS RASHMI JOSHI	ACS - 52681	19327	NIRC
33	CS RICHA KACHHAWAHA	ACS - 62495	23522	EIRC
34	CS RICHI SARAF	ACS - 65131	26835	WIRC
35	CS RIDDHI RAVI AGRAWAL	ACS - 69288	25889	WIRC
36	CS RUCHI	ACS - 66095	24635	WIRC
37	CS RUCHITA SUNIL SURYAVANSHI	ACS - 36698	14281	NIRC
38	CS S V RAJU	FCS - 6205	26546	WIRC
39	CS SANJEEV RATHI	ACS - 69430	25896	NIRC
40	CS SHILPA GUPTA	ACS - 41289	25013	WIRC
41	CS SHUBHAM GOEL	ACS - 63641	23827	NIRC
42	CS SHUBHAM LATA	ACS - 65427	24670	NIRC
43	CS SNEHA PRATIK SHAH	ACS - 33920	12647	SIRC
44	CS SONAL ATAL	ACS - 65726	24889	NIRC
45	CS SUJATA	ACS - 62607	23485	NIRC
46	CS SUSHMA GUPTA	FCS - 5449	7066	NIRC
47	CS VIMAL KUMUDCHANDRA DHURVE	ACS - 20009	27153	NIRC
48	CS VISHAL BASTIMAL JAIN	FCS - 12806	17939	SIRC

### LIST OF PEER REVIEWED UNITS

The List of Peer Reviewed Units is updated on ICSI Website from time to time and can be accessed at <https://tinyurl.com/PRList2023>

We request members to visit the list for their reference and records.

Peer Review Secretariat

ICSI

### NEW ADMISSIONS

For latest admission of Associate and Fellow Members, Life Members of Company Secretaries Benevolent Fund (CSBF), Licentiatees and issuance of Certificate of Practice, kindly refer to the link <https://www.icsi.edu/member>



### UPLOADING OF PHOTOGRAPH 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](http://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



## 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](http://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](http://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<sup>#</sup>
  - 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<sup>#</sup>
  - 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.

<sup>#</sup>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)

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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 5<sup>th</sup> 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.



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- Go to <https://digilocker.gov.in> and click on Sign Up
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- Your mobile number is authenticated by an OTP (one-time password).
- Select a username & password. This will create your DigiLocker account.
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- Select the option of ID card / Membership Certificate / Practice Certificate
- For ID Card, enter your membership number e.g. ACS 12345 / FCS 12345.
- For membership certificate, Enter your membership and select ACS / FCS from drop down.
- For COP certificate enter your COP number e.g. 12345 and select COP.
- Click download / generate.
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(With Effect from September 2018)

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- ♦ The Journal is published in the 1<sup>st</sup> week of every month and the advertisement material should be sent in the form of typed manuscript or art pull or open file CD before 20<sup>th</sup> of any month for inclusion in the next month's issue.

For further information  
write to:  
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**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)





# 6

## MISCELLANEOUS CORNER



- GST CORNER
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# NOTIFICATIONS

## CENTRAL TAX NOTIFICATIONS

### NOTIFICATION NO.12/2024-CENTRAL TAX DATED 10<sup>TH</sup> JULY, 2024

This notification seeks to make amendments (Amendment, 2024) to the CGST Rules, 2017.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010097/ENG/Notifications>

### NOTIFICATION NO.13/2024-CENTRAL TAX DATED 10<sup>TH</sup> JULY, 2024

This notification seeks to rescind Notification no. 27/2022-Central Tax dated 26.12.2022.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010098/ENG/Notifications>

### NOTIFICATION NO.14/2024-CENTRAL TAX DATED 10<sup>TH</sup> JULY, 2024

This notification seeks to exempt the registered person whose aggregate turnover in FY 2023-24 is upto Rs. two crores, from filing annual return for the said financial year.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010099/ENG/Notifications>

### NOTIFICATION NO.15/2024-CENTRAL TAX DATED 10<sup>TH</sup> JULY, 2024

This notification seeks to amend Notification No. 52/2018-Central Tax, dated 20.09.2018.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010100/ENG/Notifications>

## CENTRAL TAX (RATE) NOTIFICATIONS

### NOTIFICATION NO.2/2024-CENTRAL TAX (RATE) DATED 12<sup>TH</sup> JULY, 2024

This notification seeks to amend notification No. 1/2017-Central Tax (Rate).

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010106/ENG/Notifications>

### NOTIFICATION NO.3/2024-CENTRAL TAX (RATE) DATED 12<sup>TH</sup> JULY, 2024

This notification seeks to amend notification No. 2/2017-Central Tax (Rate).

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010107/ENG/Notifications>



### NOTIFICATION NO.4/2024-CENTRAL TAX (RATE) DATED 12<sup>TH</sup> JULY, 2024

This notification seeks to amend Notification No 12/2017-Central Tax (Rate) dated 28.06.2017.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010112/ENG/Notifications>

## INTEGRATED TAX NOTIFICATIONS

### NOTIFICATION NO.1/2024-INTEGRATED TAX DATED 10<sup>TH</sup> JULY, 2024

This notification seeks to amend Notification No. 02/2018-Integrated Tax, dated 20.09.2018.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010101/ENG/Notifications>

## INTEGRATED TAX (RATE) NOTIFICATIONS

### NOTIFICATION NO.2/2024-INTEGRATED TAX (RATE) DATED 12<sup>TH</sup> JULY, 2024

This notification seeks to amend notification No. 1/2017-Integrated Tax (Rate).

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010108/ENG/Notifications>

### NOTIFICATION NO.3/2024-INTEGRATED TAX (RATE) DATED 12<sup>TH</sup> JULY, 2024

This notification seeks to amend notification No. 2/2017-Integrated Tax (Rate).

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010109/ENG/Notifications>

## **NOTIFICATION NO.4/2024-INTEGRATED TAX (RATE) DATED 12<sup>TH</sup> JULY, 2024**

This notification seeks to amend Notification No 09/2017-Integrated Tax (Rate) dated 28.06.2017.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010113/ENG/Notifications>

## **UNION TERRITORY TAX NOTIFICATIONS**

### **NOTIFICATION NO.1/2024-UNION TERRITORY TAX DATED 10<sup>TH</sup> JULY, 2024**

This notification seeks to amend Notification No. 12/2018-Union Territory Tax, dated 28.09.2018.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010102/ENG/Notifications>

## **UNION TERRITORY TAX (RATE) NOTIFICATIONS**

### **NOTIFICATION NO.2/2024-UNION TERRITORY TAX (RATE) DATED 12<sup>TH</sup> JULY, 2024**

This notification seeks to amend notification No. 1/2017-Union Territory Tax (Rate).

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010110/ENG/Notifications>

### **NOTIFICATION NO.3/2024-UNION TERRITORY TAX (RATE) DATED 12<sup>TH</sup> JULY, 2024**

This notification seeks to amend notification No. 2/2017-Union Territory Tax (Rate).

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010111/ENG/Notifications>

### **NOTIFICATION NO.4/2024-UNION TERRITORY TAX (RATE) DATED 12<sup>TH</sup> JULY, 2024**

This notification seeks to amend Notification No 12/2017-Union territory Tax (Rate) dated 28.06.2017.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010114/ENG/Notifications>

## **COMPENSATION CESS (RATE) NOTIFICATIONS**

### **NOTIFICATION NO.1/2024-COMPENSATION CESS (RATE) DATED 12<sup>TH</sup> JULY, 2024**

This notification seeks to provide exemption from Compensation Cess on supplies under heading 2202 by URCs to authorised customers.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1010117/ENG/Notifications>

## **CIRCULARS**

### **CIRCULARS CGST**

### **CIRCULAR NO. 223/17/2024-GST DATED THE 10<sup>TH</sup> JULY 2024**

Amendment in circular no. 1/1//2017 in respect of Proper officer for provisions relating to Registration and Composition levy under the Central Goods and Services Tax Act, 2017 or the rules made thereunder.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1003218/ENG/Circulars>

### **CIRCULAR NO. 224/18/2024 -GST DATED THE 11<sup>TH</sup> JULY 2024**

Guidelines for recovery of outstanding dues, in cases wherein first appeal has been disposed of, till Appellate Tribunal comes into operation.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1003219/ENG/Circulars>

### **CIRCULAR NO. 225/19/2024-GST DATED THE 11<sup>TH</sup> JULY 2024**

Clarification on various issues pertaining to taxability and valuation of supply of services of providing corporate guarantee between related persons.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1003220/ENG/Circulars>

### **CIRCULAR NO. 226/20/2024-GST DATED THE 11<sup>TH</sup> JULY 2024**

Mechanism for refund of additional Integrated Tax (IGST) paid on account of upward revision in price of the goods subsequent to export.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1003221/ENG/Circulars>

### **CIRCULAR NO. 227/21/2024-GST DATED THE 11<sup>TH</sup> JULY 2024**

Processing of refund applications filed by Canteen Stores Department (CSD).

Source: <https://taxinformation.cbic.gov.in/view-pdf/1003222/ENG/Circulars>

### **CIRCULAR NO. 228/22/2024-GST DATED THE 15<sup>TH</sup> JULY 2024**

Clarifications regarding applicability of GST on certain services -reg.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1003223/ENG/Circulars>

### **CIRCULAR NO. 229/23/2024-GST DATED THE 15<sup>TH</sup> JULY 2024**

Clarification regarding GST rates & classification (goods) based on the recommendations of the GST Council in its 53<sup>rd</sup> meeting held on 22<sup>nd</sup> June, 2024, at New Delhi –reg.

Source: <https://taxinformation.cbic.gov.in/view-pdf/1003224/ENG/Circulars>



## Due diligence in filling and filing e-forms- Professional Misconduct



Chapter V of the Company Secretaries Act, 1980 deals with the provisions of Misconduct. The procedures to deal with the Misconduct cases are specified under the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

The expression “*professional and other misconduct*” as defined in Section 22 of the Company Secretaries Act, 1980 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.

The two Schedules to the Company Secretaries Act, 1980 viz. First Schedule and Second Schedule provides acts or omissions of professional and other misconduct by the members of the Institute. First Schedule is divided into four parts and Second Schedule is divided into three parts.

Company Secretaries in Practice are expected to exercise due diligence while filling and filing various e-forms and while doing their professional assignments.

A member of the Institute in practice, shall be deemed to be guilty of professional misconduct under Clause

(7) of Part I of the Second Schedule to the Company Secretaries Act, 1980, if he, “does not exercise due diligence, or is grossly negligent in the conduct of his professional duties;”

### CASE STUDY:

1. A complaint of professional or other misconduct was received by a private company ‘C’ against one Practicing Company Secretary (Respondent) *inter-alia* alleging that one private company ‘A’ had invested a sum of Rs. 17,00,000/- in another private company ‘B’ (hereinafter referred to as ‘the company’) by acquiring its 42500 shares and later by virtue of the order passed by Hon’ble High Court, ‘A’ had amalgamated with the Complainant ‘C’.
2. The Complainant ‘C’ has alleged that the Respondent while certifying forms MGT-14 and PAS-3 of ‘B’ failed to note that no Notice of AGM dated 25.09.2018 was served to ‘C’ despite holding 50% of shares of ‘B’. It is further alleged that the Respondent has certified forms MGT-14, PAS-3 and MGT-7 without verifying the requisite documents and the said forms contains information that for the financial year 2017-18, AGM was held on 30.09.2018, whereas in the form PAS-3 and MGT-14, the date of AGM is shown as 25.09.2018. The Respondent failed to verify that the name of ‘A’ has not been updated in the Register of Members

after merger with the Complainant 'C' vide order passed by Hon'ble High Court. in Form MGT-7 'Category of Shareholding of the Complainant 'C' was mentioned as individual instead of Body Corporate.

3. The Respondent has *inter-alia* stated that 'B' has held Extra Ordinary General Meeting on 25.09.2018, and the notice for which was sent to all the shareholders. Notice to 'A' was sent at its registered address vide speed post. The Respondent has further stated that the mistake in form PAS 3 was due to typo error and 'B' had filed revised form MGT-7.
4. The Disciplinary Committee observed that the Respondent while certifying the following forms had failed to note that in the form PAS-3 filed for return of allotment for the issue and allotment of 10000 equity shares of 'B' on preferential allotment basis approved by the shareholders in its meeting dated 25.09.2018 the attached resolution exhibits that the allotment of shares was on preferential basis. However, 'B' in their letter dated 10.1.2020 submitted to the office of ROC had claimed that allotment was on right basis; and the resolution passed at the shareholders' meeting dated 25.09.2018 attached with the form is not on the letterhead of 'B'.
5. The Disciplinary Committee further observed that in form MGT-7 certified by the Respondent for the year 2017-18 - (a) attendance of directors was not mentioned in Part IX(D) for board meetings held before their resignation. Further, no effect of their resignation has been shown in Part VIII(B)(ii) i.e., Particulars of change in director(s) and Key managerial personnel during the year; (b) in Part IX(D) attendance of two directors were mentioned, however, in Part IX(b), it has been shown that there are three directors in the 'B'; (c) wrongly mentioned number of general meetings in column IX A as 1 as their claim of having EoGM on 25.09.2018; (d) attachment of 'shareholder list' of form MGT 7 shows one company as shareholder whereas no such company name is found; (e) wrongly stated number of shareholders entitled to attend meeting as 3, despite of the fact that there are 4 members in the 'B'; (d) form DIR-12 filed for change of designation; it is observed that an extract of minutes of the Annual General Meeting of the 'B' held on 28.09.2017 attached with form DIR-12 provides that designation was changed from Additional Director to Promoter Director of the 'B' w.e.f. 28.09.2017. However, the same is not reflected in column VIII (B)(ii) of Form MGT-7 for the year 2017-18.
6. The Disciplinary Committee also observed that in the form MGT-14 filed for registration of the resolution passed by the shareholders in the meeting dated 25.09.2018 for issue of shares, copy of resolution is not attached.
7. The Disciplinary Committee further observed that the Respondent has admitted error and omissions in certification of the forms.
8. The Disciplinary Committee after considering the material on record, the nature of issues involved in the matter and in the totality of the facts and circumstances of the case, held the Respondent 'Guilty' of Professional Misconduct under Clause (7) of Part I of the Second Schedule to the Company Secretaries Act, 1980. The Disciplinary Committee passed an order of Reprimand and imposed a Fine of ₹35000 (Rupees Twenty-five thousand) against the Respondent.



### YOUR OPINION MATTERS

'Chartered Secretary' has been constantly striving to achieve Excellence in terms of Coverage, Contents, Articles, Legal Cases, Govt. Notification etc. for the purpose of knowledge sharing and constant updation of its readers. However, there is always a scope for new additions, improvement, etc.

The Institute seeks cooperation of all its readers in accomplishing this task for the benefit of all its stakeholders. We solicit your views, opinions and comments which may help us in further improving the varied segments of this journal. Suggestions on areas which may need greater emphasis, new Sections or areas that may be added are also welcome.

You may send in your suggestions to the Editor, Chartered Secretary, The ICSI at [cs.journal@icsi.edu](mailto:cs.journal@icsi.edu)

## Interoperability mapping between the GRI Standards and the TNFD Recommended Disclosures and metrics

Since 2022, the Global Reporting Initiative (GRI) and the Taskforce on Nature-related Financial Disclosures (TNFD) have worked closely together to exchange in the development of the TNFD Recommendations and guidance, and the ongoing updates to the GRI Standards. This strong collaboration has created a high level of consistency in the language, approach and definitions in the GRI Standards and the TNFD Recommendations and guidance.

GRI is one of 20 knowledge partners from leading science, standards, and data bodies who support the work of the TNFD and provided significant input to the development and design of the TNFD Recommendations and additional guidance. The TNFD has provided extensive input, as one of the peer reviewers, into the recently published *GRI 101: Biodiversity 2024*, which increased alignment with the TNFD Recommendations.

In April 2024, the two organizations signalled their strengthened collaboration by announcing plans for further implementation and capability building support. The TNFD-GRI interoperability mapping is the first deliverable, providing a detailed overview of alignment between the TNFD Disclosure Recommendations and metrics and the GRI Standards, including *GRI 101: Biodiversity 2024* and relevant disclosures from the GRI Universal and Topic Standards.

The mapping underscores the high level of alignment achieved between the TNFD Recommendations, metrics and guidance and the GRI Standards, including:

- The use of consistent nature-related concepts and definitions, including the five direct drivers of nature and biodiversity loss, as defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES).
- The reference and incorporation of the GRI materiality approach focusing on impacts in the TNFD Recommendations and guidance, following the TNFD's flexible approach to materiality. The TNFD LEAP approach has been designed to help organizations report in line with both impact materiality (following GRI) and financial materiality (following the International Financial Reporting Standards (IFRS) definition). This reinforces how both the International Sustainability Standards Board (ISSB) and GRI materiality approaches and standards can be used alongside each other, consistently with the TNFD Recommendations.
- *All of the disclosures in GRI 101: Biodiversity 2024* are reflected in the TNFD Recommendations; and all of the TNFD Recommendations are reflected in the GRI Standards, except those exclusively covering

nature-related risk and opportunity identification and assessment.<sup>1</sup>

- There is also strong consistency between the TNFD core global disclosure metrics and the related metrics in the GRI Standards. A first mapping of TNFD sector metrics and the relevant GRI Sector Standards also highlights this consistency at the sector level.
- *The TNFD LEAP approach* – TNFD's suggested approach for identifying and assessing nature-related issues – is referenced in GRI 101: Biodiversity 2024 to identify where impacts on biodiversity are most likely to be present and significant, as well as for guidance on how to measure changes in the state of nature.
- *GRI 101: Biodiversity 2024* uses TNFD definitions and criteria when considering an organization's location in or near ecologically sensitive areas.

The detailed correspondence between the TNFD Disclosure Recommendations and core metrics and the GRI Standards have been provided in the following four sections or tabs:

1. *TNFD Recommendations – GRI*: Assists reporters in understanding how the information reported in line with the GRI Standards can be used to report in line with the TNFD recommended disclosures.
2. *TNFD Core Global Metrics- GRI*: Assists reporters in understanding how the information reported in line with the GRI Standards can be used to report in line with the TNFD disclosure indicators and metrics.
3. *GRI Standards – TNFD*: Assists reporters in understanding how the information reported in line with the TNFD Recommendations and core disclosure metrics can be used to report in line with the GRI Standards.
4. *TNFD Metals & Mining - GRI*: Assists reporters in understanding how the information reported in line with the TNFD core sector metrics for metals and mining can be used to report in line with the GRI Standards.

### Reference:

1. <https://tnfd.global/publication/interoperability-mapping-between-the-gri-standards-and-the-tnfd-recommended-disclosures-and-metrics/#:~:text=All%20of%20the%20TNFD%20Recommendations,metrics%20in%20the%20GRI%20Standards>

<sup>1</sup> Strategy C, Risk and Impact Management C and Metrics and Targets A.



## SUSTAINABILITY INITIATIVES IN UNION BUDGET 2024-25

The Union budget 2024-25 envisages various sustainable initiatives for 'Viksit Bharat' including the following:

- Financial support for shifting of micro and small industries to cleaner forms of energy. Facilitate investment grade energy audit in 60 clusters, next phase expands to 100 clusters.
- Initiatives for improved financing to MSMEs.
- Taxonomy for climate finance for enhancing the availability of capital for climate adaptation and mitigation related investments.
- Policy document on 'Energy Transition Pathways' to balance the imperatives of employment, growth and environmental sustainability to be brought out.
- Government to partner with private sector for R&D of Bharat Small Modular Reactor and newer technologies for nuclear energy, and to set up Bharat Small Reactors.
- Raised the Basic Customs Duty from 10 to 25 percent on PVC flex banners being non-biodegradable and hazardous for environment and health.
- New 109 high-yielding and climate-resilient varieties of 32 field and horticulture crops to be released for cultivation by farmers and 1 crore farmers across the country to be initiated into natural farming.
- 10,000 need-based bio-input resource centres to be established for natural farming.
- Schemes for 'Employment Linked Incentive', skilling of youth and initiatives for higher participation of women in the workforce.
- Socio-economic development of tribal families in tribal-majority villages and aspirational districts.
- Critical Mineral Mission to be set up for domestic production, recycling of critical minerals, and overseas acquisition of critical mineral assets.
- Development of Digital Public Infrastructure (DPI) applications in the areas of credit, e-commerce, education, health, law and justice, logistics, MSME, services delivery, and urban governance.
- Appropriate regulations for transition of 'hard to abate' industries from the current 'Perform, Achieve and Trade' mode to 'Indian Carbon Market' mode to be put in place.

## GREEN IMPACT EXCHANGE (GIX) FILES TO LAUNCH FIRST-EVER SUSTAINABILITY-FOCUSED STOCK EXCHANGE IN U.S.

The Green Impact Exchange (GIX) on 18<sup>th</sup> July, 2024 announced that it has filed an application with the

Securities and Exchange Commission (SEC), aimed at establishing the first sustainability-focused stock exchange in the U.S.

Founded in 2022, GIX aims to be the first national securities exchange in the U.S. dedicated to the emerging global green economy, listing companies that make binding commitments to set, implement, measure, and achieve sustainability goals, and to provide investors with transparency about their progress. According to GIX, the new exchange will help simplify the investment landscape for sustainability-focused investors, while helping companies access a growing pool of capital directed towards sustainable investment.

According to the SEC filing, GIX will require all companies that list on the exchange to comply with its Green Governance Standards, mandating an internal governance structure that provides transparency and accountability for the companies' green and sustainability commitments. The exchange intends to launch within 3-4 months after receiving SEC approval.

**Source:** <https://www.esgtoday.com/green-impact-exchange-files-to-launch-first-ever-sustainability-focused-stock-exchange-in-u-s/>

## WORLD LEADERS PLEDGE TO PROMOTE SUSTAINABLE DEVELOPMENT GOALS IN SPORT

On the eve of the Paris 2024 Olympic Games, the first Sport for Sustainable Development (Sport4SD) Summit gathered 500 leaders, including heads of state, government officials, and athletes, to accelerate sport's role in achieving the UN's Sustainable Development Goals (SDGs) by 2030. The Paris Agreement for Sport and Sustainable Development gained support from over 60 global leaders, including UN Secretary-General António Guterres. This agreement focuses on five priorities: education and employment, health and nutrition, equality and inclusion, financing and impact measurement, and sustainability and legacy.

Paris 2024 Olympic aims to halve its carbon footprint compared to previous games by using existing facilities and offering locally sourced food. The summit's success underscores the global commitment to leveraging sport for sustainable development, setting a precedent for future initiatives.

Key sports organizations such as IOC, FIFA, NBA etc. made significant commitments and announcements during the Paris Summit for Sport and Sustainable Development.

## Financial Announcements

**\$10 Billion Commitment:** Public development banks and institutions within the Sustainable Development through Sport coalition committed to investing in sustainable sports infrastructure globally by 2030.

**AFD Investment:** The French Development Agency will invest €500 million in sport for sustainable development by 2030.

### Future and Impact Measurement

The World Bank Group and AFD will collaborate on a report exploring sport's contribution to sustainable development. An aligned evaluation approach will measure these commitments' impact, supported by the creation of the French Institute for Research on Sport and Sustainable Development.

**Source:** <https://esgnews.com/world-leaders-and-u-s-nba-pledge-10-billion-to-promote-sustainable-development-goals-in-sport/>

### ESMA RECOMMENDS ENHANCEMENTS TO EU SUSTAINABLE FINANCE FRAMEWORK TO COMBAT GREENWASHING AND IMPROVE INVESTMENT CLARITY

The European Securities and Markets Authority (ESMA) has published an opinion on enhancing the Sustainable Finance Regulatory Framework, highlighting potential long-term improvements.

While recognizing the EU Sustainable Finance Framework and its existing safeguards against greenwashing, ESMA envisions further enhancements to facilitate investor access to sustainable investments and improve the Sustainable Investment Value Chain as under:

**EU Taxonomy as the Sole Reference:** The EU Taxonomy should become the sole, common reference point for the assessment of sustainability and should be embedded in all Sustainable Finance legislation. This would standardize sustainability assessments across the board.

**Complete and Develop Taxonomies:** ESMA advises completing the EU Taxonomy for all activities contributing to environmental sustainability and developing a social taxonomy. This comprehensive approach ensures all significant activities are covered.

**Define Transition Investments:** A definition of transition investments should be incorporated into the Framework to provide legal clarity and support the creation of transition-related products. This would foster the development of products aimed at supporting the transition to sustainable practices.

**Enhanced Disclosure Requirements:** All financial products should disclose basic sustainability information, including environmental and social characteristics. This move aims to increase transparency and allow investors to make informed decisions.

**Product Categorization System:** ESMA suggests introducing a system to categorize products based on sustainability and transition criteria. This system would rely on clear eligibility standards and enforce transparency obligations.

**Regulation of ESG Data Products:** ESG data products should be brought into the regulatory perimeter, the consistency of ESG metrics continue to be improved, and the reliability of estimates ensured. Regulating these products would enhance the credibility and consistency of ESG metrics.

**Consumer and Industry Testing:** Prior to policy implementation, ESMA recommends conducting thorough consumer and industry testing to ensure feasibility and appropriateness for retail investors. This approach would help tailor solutions to real-world needs and challenges.

By addressing above issues, ESMA aims to solidify the Sustainable Finance Framework, making sustainable investments more accessible and reliable for all market participants.

**Source:** <https://esgnews.com/esma-recommends-enhancements-to-eu-sustainable-finance-framework-to-combat-greenwashing-and-improve-investment-clarity/>

### US CLIMATE DISCLOSURE ADVANCES AMID ESG PUSHBACK

US climate disclosure is gaining momentum through state-level and federal supplier requirements, even as the SEC's climate rule faces delays.

The Federal Supplier Climate Risks and Resilience Rule, set to be finalized this year, will impose GHG emissions reporting requirements on federal suppliers. This rule, introduced in 2022 under the US Federal Acquisition Regulation (FAR), is pivotal due to the US government's role as the world's largest single buyer of goods and services. The rule mandates GHG emissions inventories and climate-related financial risk disclosures for significant and major contractors.

Significant contractors (those with \$7.5 million to \$50 million in federal contracts) must disclose Scope 1 and 2 emissions, while major contractors (over \$50 million in contracts) must also report Scope 3 emissions and develop science-based GHG reduction targets. The rule exempts small businesses, educational institutions, and certain non-profits.

These new regulations are expected to bring thousands of additional entities under mandatory disclosure requirements. The proposed state and federal rules will have a sweeping impact on corporate disclosure practices.

As individual states and federal regulations advance, companies must adapt to a rapidly evolving landscape of climate disclosure requirements. This movement signifies a substantial shift toward greater transparency and accountability in corporate environmental practices, despite the broader pushback against ESG initiatives.

**Source:** <https://esgnews.com/us-climate-disclosure-advances-amid-esg-pushback/>

# GIST OF RD & ROC ADJUDICATION ORDERS

## Gist of RD Adjudication Orders

### **Adjudication order for violation of Section 89 of the Companies Act, 2013 in the matter of KUDOS FINANCE AND INVESTMENTS PRIVATE LIMITED**

In the matter of *Kudos Finance and Investments Private Limited* the RD (WEST) vide order dated 16<sup>th</sup> July 2024 had "Confirmed" the penalty ₹16,59,000 as imposed by ROC, Pune upon the company and directors in default along with SBO for violation of Section 89 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=m4wCVnxV8269OrK1NgvA3w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=m4wCVnxV8269OrK1NgvA3w%253D%253D&type=open))

### **Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of KUDOS FINANCE AND INVESTMENTS PRIVATE LIMITED**

In the matter of *Kudos Finance and Investments Private Limited* the RD (WEST) vide order dated 16<sup>th</sup> July 2024 had "Confirmed" the penalty ₹5,00,000 as imposed by ROC, Pune upon the company and directors in default for violation of provisions of Section 134 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=Icgvlf%252B00BU7Vyn5OPu%252F2A%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Icgvlf%252B00BU7Vyn5OPu%252F2A%253D%253D&type=open))

### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of KUDOS FINANCE AND INVESTMENTS PRIVATE LIMITED**

In the matter of *Kudos Finance and Investments Private Limited* the RD (WEST) vide order dated 16<sup>th</sup> July 2024 had "Set-Aside" and waived-off the penalty ₹3,14,700 as imposed by ROC, Pune upon the company and directors in default for violation of provisions of Section 137 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=9SbeuZRmQ1e53NhJvyyOmw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=9SbeuZRmQ1e53NhJvyyOmw%253D%253D&type=open))

### **Adjudication order for violation of Section 188 of the Companies Act, 2013 in the matter of KUDOS FINANCE AND INVESTMENTS PRIVATE LIMITED**

In the matter of *Kudos Finance and Investments Private Limited* the RD (WEST) vide order dated 16<sup>th</sup> July 2024 had "Confirmed" the penalty ₹2,00,000 as imposed by ROC, Pune upon the company and directors in default for violation of provisions of Section 188 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=uaJ96tPZ%252F8WdBqubb6CeBA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=uaJ96tPZ%252F8WdBqubb6CeBA%253D%253D&type=open))

### **Adjudication order for violation of Section 178 of the Companies Act, 2013 in the matter of KHED DEVELOPERS LIMITED & ORS**

In the matter of *Khed Developers Limited & Ors* the RD (WEST) vide order dated 8<sup>th</sup> July 2024 had "Confirmed"

the penalty ₹12,00,000 as imposed by ROC, Pune upon the company and directors in default for violation of provisions of Section 178 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=yZqk5AcBEvjRlmUVdC4hjw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=yZqk5AcBEvjRlmUVdC4hjw%253D%253D&type=open))

### **Adjudication order for violation of Section 177 of the Companies Act, 2013 in the matter of KHED DEVELOPERS LIMITED & ORS**

In the matter of *Khed Developers Limited & Ors* the RD (WEST) vide order dated 8<sup>th</sup> July 2024 had "Confirmed" the penalty ₹12,00,000 as imposed by ROC, Pune upon the company and directors in default for violation of provisions of Section 177 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=Igmh7h4mi1fWMAzjrPADvQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Igmh7h4mi1fWMAzjrPADvQ%253D%253D&type=open))

### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of KHED DEVELOPERS LIMITED & ORS**

In the matter of *Khed Developers Limited & Ors* the RD (WEST) vide order dated 11<sup>th</sup> June 2024 had "Confirmed" the penalty ₹17,25,000 as imposed by ROC, Pune upon the company and directors in default for violation of provisions of Section 203 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=uimgh6GICAQ3NhuVS06mA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=uimgh6GICAQ3NhuVS06mA%253D%253D&type=open))

### **Adjudication order for violation of Section 149(4) of the Companies Act, 2013 in the matter of KHED DEVELOPERS LIMITED & ORS**

In the matter of *Khed Developers Limited & Ors* the RD (WEST) vide order dated 11<sup>th</sup> June 2024 had "Confirmed" the penalty ₹9,75,000 as imposed by ROC, Pune upon the company and directors in default for violation of provisions of Section 149(4) of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=MYFB5EJ%252BfNqxm7qAifKBQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=MYFB5EJ%252BfNqxm7qAifKBQ%253D%253D&type=open))

### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of OPTIMATES TEXTILE INDUSTRIES LIMITED**

In the matter of *Optimates Textile Industries Limited* the RD (WEST) vide order dated 28<sup>th</sup> June 2024 had "Confirmed" the penalty ₹25,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violation of provisions of Section 137 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=CJuL%252FSGPeKeYpdKNpFcy5w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=CJuL%252FSGPeKeYpdKNpFcy5w%253D%253D&type=open))



### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of OPTIMATES TEXTILE INDUSTRIES LIMITED**

In the matter of *Optimates Textile Industries Limited* the RD (WEST) vide order dated 28<sup>th</sup> June 2024 had “Confirmed” the penalty ₹20,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violation of provisions of Section 92 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=KSYq3gYT%252By81tbVUBcJqtA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=KSYq3gYT%252By81tbVUBcJqtA%253D%253D&type=open))

### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of ORIENTAL INDUSTRIAL INVESTMENT CORPORATION LIMITED**

In the matter of *Oriental Industrial Investment Corporation Limited* the RD (WEST) vide order dated 28<sup>th</sup> June 2024 had “Confirmed” the penalty ₹30,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violation of provisions of Section 92 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=6aG7bBjZHbEtSNaO4JGWOQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=6aG7bBjZHbEtSNaO4JGWOQ%253D%253D&type=open))

### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of GEORGE RAO AND COMPANY ENGG PRIVATE LIMITED**

In the matter of *George Rao and Company Engg Private Limited* the RD (WEST) vide order dated 28<sup>th</sup> June 2024 had “Confirmed” the penalty ₹1,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violation of provisions of Section 12 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=V2whkZO7Z1K7neCClmX37Q%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=V2whkZO7Z1K7neCClmX37Q%253D%253D&type=open))

### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of OPTIMATES TEXTILE INDUSTRIES LIMITED**

In the matter of *Optimates Textile Industries Limited* the RD (WEST) vide order dated 28<sup>th</sup> June 2024 had “Confirmed” the penalty ₹35,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violation of provisions of Section 137 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=24os%252BbhVc21vydosY%252B4Q2w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=24os%252BbhVc21vydosY%252B4Q2w%253D%253D&type=open))

### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of VICTOR IMPEX LIMITED**

In the matter of *Victor Impex Limited* the RD (WEST) vide order dated 26<sup>th</sup> June 2024 had “Set-Aside” the penalty ₹25,00,000 as imposed by ROC, Mumbai upon

the company and directors in default for violation of provisions of Section 92 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=wgXaZtlr4eVp5rFcXFW2VQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=wgXaZtlr4eVp5rFcXFW2VQ%253D%253D&type=open))

### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of VICTOR IMPEX LIMITED**

In the matter of *Victor Impex Limited* the RD (WEST) vide order dated 18<sup>th</sup> June 2024 had “Confirmed” the penalty ₹25,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violation of provisions of Section 137 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=w8Tmb6lOs%252F2DVYwZ6OS8ug%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=w8Tmb6lOs%252F2DVYwZ6OS8ug%253D%253D&type=open))

### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of IN- HOUSE PRODUCTIONS LIMITED & ORS**

In the matter of *In-House Productions Limited & ors* the RD (WEST) vide order dated 21<sup>st</sup> June 2024 had “Confirmed” the penalty ₹25,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violation of provisions of Section 137 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=JJoD2lN9imYAg9QH%252Fh3sg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=JJoD2lN9imYAg9QH%252Fh3sg%253D%253D&type=open))

### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of IN- HOUSE PRODUCTIONS LIMITED & ORS**

In the matter of *In-House Productions Limited & ors* the RD (WEST) vide order dated 21<sup>st</sup> June 2024 had “Confirmed” the penalty ₹20,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violation of provisions of Section 92 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=1GkpyPYJZ2Kjplyhzpf37w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=1GkpyPYJZ2Kjplyhzpf37w%253D%253D&type=open))

### **Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of SAPTASATI INDUSTRIES PRIVATE LIMITED & ORS**

In the matter of *Saptasati Industries Private Limited & Ors* the RD (WEST) vide order dated 21<sup>st</sup> June 2024 had “Reduced” the quantum of penalty to ₹2,00,000 as imposed by ROC, Pune upon the company and directors in default for violation of provisions of Section 134 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=5cfmAjUQoCIQ2N6%252FIY%252FfTQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=5cfmAjUQoCIQ2N6%252FIY%252FfTQ%253D%253D&type=open))

### **Adjudication order for violation of Section 92 & 137 of the Companies Act, 2013 in the matter of REALTIME FINLEASE LIMITED & ORS**

In the matter of *Realtime Finlease Limited & Ors* the RD (WEST) vide order dated 21<sup>st</sup> June 2024 had

"Confirmed" the penalty ₹20,00,000 and ₹25,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violation of provisions of Section 92 and Section 137 of the Companies Act, 2013, respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=%252BaM9iKSaePtFdA%252FZLS90uw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=%252BaM9iKSaePtFdA%252FZLS90uw%253D%253D&type=open))

#### **Adjudication order for violation of Section 118 of the Companies Act, 2013 in the matter of SAPTASATI INDUSTRIES PRIVATE LIMITED & ORS**

In the matter of *Saptasati Industries Private Limited & Ors* the RD (WEST) vide order dated 19<sup>th</sup> June 2024 had "Reduced" the quantum of penalty to ₹17,500 as imposed by ROC, Pune upon the company and directors in default for violation of provisions of Section 118 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=KGuuytvDHAAOGgMb59%252FU6A%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=KGuuytvDHAAOGgMb59%252FU6A%253D%253D&type=open))

#### **Adjudication order for violation of Section 149 of the companies act, 2013 in the matter of SHANKAR PACKAGINGS LIMITED**

In the matter of *Shankar Packagings Limited* the RD (WEST) vide order dated 19<sup>th</sup> March 2024 had "Confirmed" the penalty of ₹1,85,000 upon the company and ₹1,00,000 upon three directors in default as imposed by ROC, Pune violation of provisions of Section 149 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=sxjGzGhPzeW2IP8VhD6WJg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=sxjGzGhPzeW2IP8VhD6WJg%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the companies act, 2013 in the matter of AQUA TECH SOLUTIONS PRIVATE LIMITED**

In the matter of *Aqua Tech Solutions Private Limited* the RD (WEST) vide order dated 19<sup>th</sup> March 2024 had "Confirmed" the penalty of ₹5,00,000 upon the company and ₹2,19,000 upon three directors in default as imposed by ROC, Pune for violation of provisions of Section 203 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=qrx7G7MikZjXyGS2qbokIQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=qrx7G7MikZjXyGS2qbokIQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of SHREENATH MHASKOBA SAKHAR KARKHANA LIMITED**

In the matter of *Shreenath Mhaskoba Sakhar Karkhana Limited* the RD (WEST) vide order dated 29<sup>th</sup> May 2024 had "Confirmed" the penalty of ₹5,00,000 upon the company and ₹2,89,000 upon nine directors in default as imposed by ROC, Pune for violation of provisions of Section 203 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=L4sZ2t0QmDk1FsZG2hyN3w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=L4sZ2t0QmDk1FsZG2hyN3w%253D%253D&type=open))

#### **Adjudication order for violation of Section 189 of the Companies Act, 2013 in the matter of N.S.J.L NIDHI LIMITED**

In the matter of *N.S.J.L Nidhi Limited* the RD (WEST) vide order dated 23<sup>rd</sup> April 2024 had "Confirmed" the penalty of ₹75000 as imposed by ROC, Pune upon the company and directors in default for violation of provisions of Section 189 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=X5ppljZRbcfHCIGF1BA8tA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=X5ppljZRbcfHCIGF1BA8tA%253D%253D&type=open))

#### **Adjudication order for violation of Section 39(4) of the Companies Act, 2013 in the matter of N.S.J.L NIDHI LIMITED**

In the matter of *N.S.J.L Nidhi Limited* the RD (WEST) vide order dated 8<sup>th</sup> May 2024 had "Confirmed" the penalty of ₹64,00,000 as imposed by ROC, Pune upon the company and directors in default for multiple violations of provisions of Section 39(4) of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=Uj1yh6O02cv4Pe1NFA1gGw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Uj1yh6O02cv4Pe1NFA1gGw%253D%253D&type=open))

#### **Adjudication order for violation of Section 184(2)(b) of the Companies Act, 2013 in the matter of N.S.J.L NIDHI LIMITED**

In the matter of *N.S.J.L Nidhi Limited* the RD (WEST) vide order dated 8<sup>th</sup> May 2024 had "Confirmed" the penalty of ₹1,00,000 as imposed by ROC, Pune on one of the directors in default and "waived-off" the penalty of ₹1,00,000 imposed upon two director for violations of provisions of Section 184(2)(b) of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=O6Kp70%252FE57pAmrYgPbBgA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=O6Kp70%252FE57pAmrYgPbBgA%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of MOHITE INDUSTRIES LIMITED**

In the matter of *Mohite Industries Limited* the RD (WEST) vide order dated 30<sup>th</sup> April 2024 had "Confirmed" the penalty of ₹5,00,000 and ₹1,68,000 as imposed by ROC, Pune upon the company and directors in default respectively, for violations of provisions of Section 203 of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=tdions7QgTuemSqfzIx3zw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=tdions7QgTuemSqfzIx3zw%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of BOOKER SATNAM WHOLESALE LIMITED**

In the matter of *Booker Satnam Wholesale Limited* the RD (WEST) vide order dated 23<sup>rd</sup> April 2024 had "Confirmed" the penalty of ₹3,39,000 and ₹1,95,000 as imposed by ROC Mumbai upon two directors in default

and “modified” the penalty to ₹5,00,000 imposed upon the company for violations of provisions of *Section 203* of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=i%252Bb15GiH3RB71cXf6alkfA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=i%252Bb15GiH3RB71cXf6alkfA%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of BOOKER INDIA LIMITED**

In the matter of *Booker India Limited* the RD (WEST) vide order dated 23<sup>rd</sup> April 2024 had “Confirmed” the penalty of ₹2,70,000 each as imposed by ROC Mumbai upon two directors in default and “modified” the penalty to ₹5,00,000 imposed upon the company for violations of provisions of *Section 203* of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=ivUSnfYgDSBYwO%252F%252Fxc1NVA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=ivUSnfYgDSBYwO%252F%252Fxc1NVA%253D%253D&type=open))

#### **Adjudication order for violation of Section 53 of the Companies Act, 2013 in the matter of CONSTRO SOLUTIONS LIMITED**

In the matter of *Constro Solutions Limited* the RD (WEST) vide order dated 19<sup>th</sup> March 2024 had “Confirmed” the penalty of ₹20,00,000 as imposed by ROC Mumbai upon the company and directors in default for violations of provisions of *Section 53* of the Companies Act, 2013.

(<https://www.mca.gov.in/bin/dms/getdocument?mds=dfVuN81CS2WR9y3UMmdwAg%253D%253D&type=open>)

#### **Adjudication order for violation of Section 187-C (1)/89 of the Companies Act, 1956/2013 in the matter of YAPP INDIA AUTOMOTIVE SYSTEMS PRIVATE LIMITED**

In the matter of *Yapp India Automotive Systems Private Limited* the RD (WEST) vide order dated 10<sup>th</sup> June 2024 had “Confirmed” the penalty of ₹14,95,000 as imposed by ROC, Pune upon the company and directors in default for multiple violations of provisions of *Section 187-C (1)/89* of the Companies Act, 1956/2013 r/w Companies (Significant Beneficial Ownership) Rules, 2014.

([www.mca.gov.in/bin/dms/getdocument?mds=fq3Xw0VouSYq39FDjqxkvQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=fq3Xw0VouSYq39FDjqxkvQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of SM DYECHEM LTD**

In the matter of *SM Dyecchem Ltd* the RD (WEST) vide order dated 10<sup>th</sup> June 2024 had “Set-Aside” and “waived-off” the penalty of ₹15,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violations of provisions of *Section 137* of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=5zlgULwrWhY5CjoQnCYyMg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=5zlgULwrWhY5CjoQnCYyMg%253D%253D&type=open))

#### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of LOKASA HANDICRAFT JEWELLERY EXPORTS LIMITED**

In the matter of *Lokasa Handicraft Jewellery Exports Limited* the RD (WEST) vide order dated 7<sup>th</sup> June 2024 had “Confirmed” the penalty of ₹25,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violations of provisions of *Section 137* of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=7%252FrwdTrcb7kdIqUujiVD4A%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=7%252FrwdTrcb7kdIqUujiVD4A%253D%253D&type=open))

#### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of LOKASA HANDICRAFT JEWELLERY EXPORTS LIMITED**

In the matter of *Lokasa Handicraft Jewellery Exports Limited* the RD (WEST) vide order dated 6<sup>th</sup> June 2024 had “Confirmed” the penalty of ₹20,00,000 as imposed by ROC, Mumbai upon the company and directors in default for violations of provisions of *Section 92* of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=xttU5kIbZMQ%252BvfHhR6%252FBXA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=xttU5kIbZMQ%252BvfHhR6%252FBXA%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of TOP TELEMEDIA LIMITED**

In the matter of *Top Telemedia Limited* the RD (WEST) vide order dated 6<sup>th</sup> June 2024 had “Confirmed” the penalty of ₹10,00,000 as imposed by ROC, Pune upon the company and directors in default for violations of provisions of *Section 203* of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=MLIIBDTrXAZeqm7DEDWzA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=MLIIBDTrXAZeqm7DEDWzA%253D%253D&type=open))

#### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of TOP TELEMEDIA LIMITE**

In the matter of *Top Telemedia Limited* the RD (WEST) vide order dated 6<sup>th</sup> June 2024 had “Confirmed” the penalty of ₹2,00,000 as imposed by ROC, Pune upon the company and directors in default for violations of provisions of *Section 203* of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=e0lhZDctNcWCoXDJIqHMSQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=e0lhZDctNcWCoXDJIqHMSQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 62(3) of the Companies Act, 2013 in the matter of WURKNET PRIVATE LIMITED**

In the matter of *Wurknet Private Limited* the RD (WEST) vide order dated 6<sup>th</sup> June 2024 had “Confirmed” the penalty of ₹1,50,000 as imposed by ROC, Mumbai upon the company and directors in default for violations of provisions of *Section 203* of the Companies Act, 2013.

([www.mca.gov.in/bin/dms/getdocument?mds=yzo%252FbRIIQFd7pd0vk9xKQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=yzo%252FbRIIQFd7pd0vk9xKQ%253D%253D&type=open))



## Gist of ROC Adjudication Orders

### Adjudication order for violation of Section 134(3)(h) of the Companies Act, 2013 in the matter of TRICHY FABRICATORS PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 29<sup>th</sup> April 2024 in the matter of Trichy Fabricators Private Limited for not mentioning particulars of contracts or arrangements with related parties referred to in Section 188(1) in the Form AOC-2 in its Board's Report from financial years 2014-15 to 2018-19 and thus violating the provisions of Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. The Adjudication Authority for each financial year 2016-17 and 2017-18 has imposed penalty of ₹1,50,000 upon the company and ₹25,000 upon the two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=gTfP%252D%252D%252D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=gTfP%252D%252D%252D&type=open))

### Adjudication order for violation of Section 204 of the Companies Act, 2013 in the matter of BEST & CROMPTON ENGINEERING PROJECTS LIMITED

ROC Chennai issued an adjudication order dated 22<sup>nd</sup> May 2024 in the matter of Best & Crompton Engineering Projects Limited for not conducting the Secretarial Audit within time limits prescribed under Section 204 of the Companies Act, 2013 for the financial years from 2015-16 to 2017-18. The Adjudicating Authority imposed penalty of ₹2,00,000 upon the company and two directors in default for each financial year.

([www.mca.gov.in/bin/dms/getdocument?mds=q2fNKpSwRYbQLj9hJoriPQ%252D%252D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=q2fNKpSwRYbQLj9hJoriPQ%252D%252D&type=open))

### Adjudication order for violation of Section 177(1) of the Companies Act, 2013 in the matter of BEST & CROMPTON ENGINEERING PROJECTS LIMITED

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Best & Crompton Engineering Projects Limited for not constituting Audit Committee from financial years 2014-15 to 2019-20 in violation of Section 177(1) of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹5,00,000 upon the company for each financial year from 2014-15 to 2019-20. Penalty of ₹1,00,000 was imposed upon two directors in default for each financial year from 2014-15 to 2017-18, for financial year 2018-19 penalty of ₹1,00,000 was imposed upon only one director in default and for FY 2019-20 no penalty was imposed upon any director.

([www.mca.gov.in/bin/dms/getdocument?mds=uSCCBTEnr5R%252D%252D%252D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=uSCCBTEnr5R%252D%252D%252D&type=open))

### Adjudication order for violation of Section 178(1) of the Companies Act, 2013 in the matter of BEST & CROMPTON ENGINEERING PROJECTS LIMITED

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Best & Crompton Engineering

Projects Limited for not constituting Nomination and Remuneration Committee from financial years 2014-15 to 2019-20 in violation of Section 178(1) of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹5,00,000 upon the company for each financial year from 2014-15 to 2019-20. Penalty of ₹1,00,000 was imposed upon two directors in default for each financial year from 2014-15 to 2017-18, for financial year 2018-19 penalty of ₹1,00,000 was imposed upon only one director in default and for FY 2019-20 no penalty was imposed upon any director.

([www.mca.gov.in/bin/dms/getdocument?mds=ZUJO6FO0pD2IvdAazj60Eg%252D%252D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=ZUJO6FO0pD2IvdAazj60Eg%252D%252D&type=open))

### Adjudication order for violation of Section 170 of the Companies Act, 2013 in the matter of BEST & CROMPTON ENGINEERING PROJECTS LIMITED

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Best & Crompton Engineering Projects Limited for not maintaining the Register of Directors and KMP as mandated and prescribed under Section 170 of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹3,00,000 upon the company and ₹1,00,000 upon four directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=NJPBq9X%252D%252D%252D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=NJPBq9X%252D%252D%252D&type=open))

### Adjudication order for violation of Section 149(4) of the Companies Act, 2013 in the matter of BEST & CROMPTON ENGINEERING PROJECTS LIMITED

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Best & Crompton Engineering Projects Limited for not appointing Independent Director since 2014 and thus violating the provisions of Section 149 of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹3,00,000 upon the company and ₹1,00,000 upon four directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=WIH92f%252D%252D%252D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=WIH92f%252D%252D%252D&type=open))

### Adjudication Order for violation of Section 10A of the Companies Act, 2013 in the matter of 5B INDUSTRIES INDIA PRIVATE LIMITED

ROC Delhi issued adjudication order dated 2<sup>nd</sup> July 2024 in the matter of 5B Industries India Private Limited for not filing declaration with details that every subscriber to the MOA has paid the value of the shares agreed to be taken by them within prescribed time with ROC and thus violating the provisions of Section 10A of the Companies act, 2013. The Adjudicating Authority imposed penalty of ₹50,000 upon the company and ₹1,00,000 upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=HEY5vcib1YPMTUVRvHH7dQ%252D%252D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=HEY5vcib1YPMTUVRvHH7dQ%252D%252D&type=open))

### **Adjudication order for violation of Section 161 of the Companies Act, 2013 in the matter of JKJM INFRASTRUCTURE PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 27<sup>th</sup> June 2024 in the matter of JKJM Infrastructure Private Limited for appointing Additional Director beyond permissible time limit in violation of Section 161(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹1,00,000 upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=KsmFznQ23Rjibe8Fk08fhg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=KsmFznQ23Rjibe8Fk08fhg%253D%253D&type=open))

### **Adjudication order for violation of Section 39 of the Companies Act, 2013 in the matter of JKJM INFRASTRUCTURE PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 27<sup>th</sup> June 2024 in the matter of JKJM Infrastructure Private Limited for non-filing of return of allotment of securities and violating the provisions of Section 39 of the Companies Act, 2013. The adjudicating authority has imposed penalty of ₹1,00,000 each upon the company and three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=owZnN%252Bj1he6cfB5W3g7c%252BA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=owZnN%252Bj1he6cfB5W3g7c%252BA%253D%253D&type=open))

### **Adjudication order for violation of Section 149 of the Companies Act, 2013 in the matter of PENTAGON GLOBAL SOLUTIONS LIMITED**

ROC Chennai issued adjudication order dated 20<sup>th</sup> June 2024 in the matter of Pentagon Global Solutions Limited for not appointing women director on board and thus violating the provisions of Section 149 of the Companies Act, 2013. The adjudicating authority has imposed penalty of ₹3,00,000 upon the company and ₹1,00,000 upon one director in default.

([www.mca.gov.in/bin/dms/getdocument?mds=vbaEkHL405AeMsnfVc70SA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=vbaEkHL405AeMsnfVc70SA%253D%253D&type=open))

### **Adjudication order for violation of Section 149 of the Companies Act, 2013 in the matter of SHAREWAY SECURITIES LIMITED**

ROC Chennai issued adjudication order dated 19<sup>th</sup> June 2024 in the matter of Shareway Securities Limited for not appointing required number of Independent Directors on board thereby violated the provisions of Section 149(4) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. The adjudicating authority has imposed penalty of ₹2,87,000 upon the company and ₹1,00,000 upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=4nZ3YMA1uEfum73zBdMusg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=4nZ3YMA1uEfum73zBdMusg%253D%253D&type=open))

### **Adjudication order for violation of Section 101 & Section 118 of the Companies Act, 2013 in the matter of WURKNET PRIVATE LTD**

ROC Mumbai issued adjudication order dated 29<sup>th</sup> February 2024 in the matter of Wurknet Private Ltd for not issuing clear 21 days' notice for the General Meeting as prescribed under Section 101 and Section 118 of the Companies Act, 2013 read with secretarial standard-2. The Adjudicating Authority imposed penalty ₹15,500 upon the company and two directors in default for default of Section 101 of the Act and for violation of Section 118 read with SS-2, penalty of ₹12,500 was imposed upon the company and ₹2,500 was imposed upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=OfqXrqAXwwEpjsqc8KPsqQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=OfqXrqAXwwEpjsqc8KPsqQ%253D%253D&type=open))

### **Adjudication order for violation of Section 134(3) (b) of the Companies Act, 2013 in the matter of LIONS CO-ORDINATION COMMITTEE OF INDIA ASSOCIATION**

ROC Chennai issued an adjudication order dated 25<sup>th</sup> June 2024 in the matter of Lions Co-ordination Committee of India Association for not mentioning date of Board meetings conducted in its Board's Report for the financial year 2018-19 and thus violating the provisions of Section 134(3)(b) of the Companies Act, 2013 read with Secretarial Standard-1 issued by the ICSI. The Adjudication Authority has imposed penalty of ₹3,00,000 upon the company and ₹50,000 upon the 20 directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=Te1%252BXrYQco0gmDjUAOxjJQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Te1%252BXrYQco0gmDjUAOxjJQ%253D%253D&type=open))

### **Adjudication order for violation of Section 134(3) (h) of the Companies Act, 2013 in the matter of LIONS CO-ORDINATION COMMITTEE OF INDIA ASSOCIATION**

ROC Chennai issued an adjudication order dated 25<sup>th</sup> June 2024 in the matter of Lions Co-ordination Committee of India Association for not mentioning particulars of contracts or arrangements with related parties referred to in Section 188(1) in the Form AOC-2 in its Board's Report from financial years 2018-19 and 2019-20 and thus violating the provisions of Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. The Adjudication Authority for each financial year has imposed penalty of ₹3,00,000 upon the company and penalty of ₹50,000 upon the 20 and 16 directors in default for 2018-19 and 2019-20 respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=BsxzLsxCI403QGAqbVrnhQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=BsxzLsxCI403QGAqbVrnhQ%253D%253D&type=open))

### **Adjudication order for violation of Section 77 of the Companies Act, 2013 in the matter of JANAKI RAM STEEL & POWER PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Janaki Ram Steel & Power

Private Limited for not registering the Charge with the ROC in form CHG-1 for the financial year 2017-18 and violating the provisions of Section 77 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹50,000 upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=ME9lhG15zmU9jUk3tqdvS%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=ME9lhG15zmU9jUk3tqdvS%253D%253D&type=open))

**Adjudication order for violation of Section 140(2) of the Companies Act, 2013 in the matter of Statutory Auditor of JANAKI RAM STEEL & POWER PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Statutory Auditor of Janaki Ram Steel & Power Private Limited as M/s Arasu & Arunachalam, Chartered Accountants, the statutory Auditor of the company failed to file form ADT-3 in respect to their resignation and thus violating the provision of Section 140(2) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,00,000 upon the Statutory Auditors of the Company.

([www.mca.gov.in/bin/dms/getdocument?mds=%252Bn3jO7cjr%252FtFyVTDFQP0A%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=%252Bn3jO7cjr%252FtFyVTDFQP0A%253D%253D&type=open))

**Adjudication order for violation of Section 134(3)(h) of the Companies Act, 2013 in the matter of JANAKI RAM STEEL & POWER PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Janaki Ram Steel & Power Private Limited for not mentioning particulars of contracts or arrangements with related parties referred to in Section 188(1) in the prescribed form in its Board's Report from financial years 2015-16 to 2019-20 and thus violating the provisions of Section 134(3)(h) of the Companies Act, 2013. The Adjudication Authority for each financial year has imposed penalty of ₹3,00,000 upon the company and ₹50,000 upon the two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=6MWmOuYG3Ysf17BYkUqhQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=6MWmOuYG3Ysf17BYkUqhQ%253D%253D&type=open))

**Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of JANAKI RAM STEEL & POWER PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Janaki Ram Steel & Power Private Limited for not disclosing the details w.r.t constitution of Internal Committee as required under POSH Act, 2013 in Board's report for the financial years from 2015-16 to 2019-20 and thus violating the provisions of Section 134 of the Companies Act, 2013 r/w. Rule 8(5)(x) of the Companies (Accounts) Rules, 2014. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹50,000 upon 2 directors in default for only financial year 2018-19.

([www.mca.gov.in/bin/dms/getdocument?mds=3gLbbukdjL7R%252FawwY4rYmw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=3gLbbukdjL7R%252FawwY4rYmw%253D%253D&type=open))

**Adjudication order for violation of Section 4(l)(d) of the Companies Act, 2013 in the matter of BLUEMAX CAPITAL SOLUTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Bluemax Capital Solution Private Limited for not disclosing the liability of members in the company as limited or unlimited in its MOA and thus violating the provisions of Section 4(l)(d) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹10,000 each upon the company and three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=TdK29ctV%252BFh4VD6NKIhXDw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=TdK29ctV%252BFh4VD6NKIhXDw%253D%253D&type=open))

**Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of BLUEMAX CAPITAL SOLUTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Bluemax Capital Solution Private Limited for violating the provisions of Section 12 of the Companies Act, 2013 for not maintaining the Registered Office of the company. The adjudicating authority has imposed the penalty of ₹1,00,000 each upon the company and of its 3 directors in default

([www.mca.gov.in/bin/dms/getdocument?mds=%252BRdygSIsKqUKMn2RW4OnwA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=%252BRdygSIsKqUKMn2RW4OnwA%253D%253D&type=open))

**Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of BLUEMAX CAPITAL SOLUTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Bluemax Capital Solution Private Limited for not filing its financial statement for the financial years 2014-15, 2018-19 and 2019-20 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹2,00,000, ₹1,64,700 and ₹1,28,100 upon company for financial years ending on 31.03.2015, 31.03.2019 and 31.03.2020 respectively. Penalty of ₹50,000 each was imposed upon 3 directors of company for each financial year 2014-15, 2018-19 and 2019-20.

([www.mca.gov.in/bin/dms/getdocument?mds=Crb9BpjKXB%252B5GGdQMCR91w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Crb9BpjKXB%252B5GGdQMCR91w%253D%253D&type=open))

**Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of BLUEMAX CAPITAL SOLUTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Bluemax Capital Solution Private Limited for not disclosing state of company affairs in its Board's Report for financial years 2015-16, 2016-17 and 2017-18 and thus violating the provisions of Section 134(3)(i) of the Companies Act, 2013. The Adjudication Authority for each financial year has imposed penalty of ₹3,00,000 upon the company and ₹50,000 upon the three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=vMcm8YB0G8m4dUMbuNeWbg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=vMcm8YB0G8m4dUMbuNeWbg%253D%253D&type=open))



### **Adjudication order for violation of Section 134(3)(h) of the Companies Act, 2013 in the matter of BLUEMAX CAPITAL SOLUTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Bluemax Capital Solution Private Limited for not mentioning particulars of contracts or arrangements with related parties referred to in Section 188(1) in the prescribed form in its Board's Report for financial years 2015-16, 2016-17 and 2017-18 and thus violating the provisions of Section 134(3)(h) of the Companies Act, 2013. The Adjudication Authority for each financial year has imposed penalty of ₹3,00,000 upon the company and ₹50,000 upon the three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=pnfZBCjxmGx5YgUf7Fslrg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=pnfZBCjxmGx5YgUf7Fslrg%253D%253D&type=open))

### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of BLUEMAX CAPITAL SOLUTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Bluemax Capital Solution Private Limited for not filing its Annual Return for the financial years 2018-19 and 2019-20 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹1,67,700 and ₹1,25,100 upon company for financial years ending on 31.03.2019 and 31.03.2020 respectively. Penalty of ₹50,000 each was imposed upon 3 directors of company for each financial year 2018-19 and 2019-20.

([www.mca.gov.in/bin/dms/getdocument?mds=LcNDt%252FfE%252Bhnp8B RncWQmfW%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=LcNDt%252FfE%252Bhnp8B RncWQmfW%253D%253D&type=open))

### **Adjudication order for violation of Section 173 of the Companies Act, 2013 in the matter of BLUEMAX CAPITAL SOLUTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 30<sup>th</sup> April 2024 in the matter of Bluemax Capital Solution Private Limited for not conducting the Board meeting in the financial year 2015-16 and 2016-17 within stipulated time and thus violating the provisions of Section 173 of the Companies Act, 2013. The Adjudication Authority for each financial year has imposed penalty of ₹10,000 each upon the company and three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=Mee8uOjO2Z4adkyg9mdZDg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Mee8uOjO2Z4adkyg9mdZDg%253D%253D&type=open))

### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of CALL EXPRESS CONSTRUCTION (INDIA) PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 29<sup>th</sup> April 2024 in the matter of Call Express Construction (India) Private Limited for not filing its Annual Return for the financial years 2018-19 and 2019-20 within prescribed time limits as specified under Section 92 of

the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹50,000 upon two ex-directors in default for each financial year.

([www.mca.gov.in/bin/dms/getdocument?mds=Z20qVysqcyGRmlBUxTE6kg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Z20qVysqcyGRmlBUxTE6kg%253D%253D&type=open))

### **Adjudication order under Section 137 of the Companies Act, 2013 in the matter of CALL EXPRESS CONSTRUCTION (INDIA) PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 29<sup>th</sup> April 2024 in the matter of Call Express Construction (India) Private Limited for not filing its financial statement for the financial years 2018-19 and 2019-20 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹50,000 upon two ex-directors in default for each financial year.

([www.mca.gov.in/bin/dms/getdocument?mds=QnmovvOS3s5ry9Puj7o%252BAg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=QnmovvOS3s5ry9Puj7o%252BAg%253D%253D&type=open))

### **Adjudication Order for violation of Section 90 of the Companies Act, 2013 in the matter of HEROX PRIVATE LIMITED**

ROC Delhi issued adjudication order dated 9<sup>th</sup> July 2024 in the matter of Herox Private Limited for not filing the e-form BEN-2 in terms of Section 90(4) of the Companies Act, 2013 despite receiving notices in BEN-1 from the SBOs and the said violation under Section 90 of the Act as done twice in year 2021 and once in 2022. The Adjudicating Authority imposed penalty of ₹2,00,000 upon the company and ₹50,000 upon two directors in default for each of the three violations.

([www.mca.gov.in/bin/dms/getdocument?mds=tZX6g6KPpleqR1ahftJgQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=tZX6g6KPpleqR1ahftJgQ%253D%253D&type=open))

### **Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of RAM CHAND RAM RAM CHARITRA SAH OIL & RICE MILLS PRIVATE LIMITED**

ROC Patna issued an adjudication order dated 8<sup>th</sup> July 2024 in the matter of Ram Chand Ram Ram Charitra Sah Oil & Rice Mills Private Limited for not filing its financial statement for the financial years 2021-22 and 2022-23 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. For financial year 2021-22, the Adjudication Authority has imposed penalty of ₹35,850 upon the company and eight directors in default, for financial year 2022-23 the penalty imposed each upon the company and eight directors was ₹17,600.

([www.mca.gov.in/bin/dms/getdocument?mds=XM3Je74UJ4LA41MdghJ7tA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=XM3Je74UJ4LA41MdghJ7tA%253D%253D&type=open))

### **Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of SARAOGI OXYGEN LIMITED**

ROC Patna issued an adjudication order dated 8<sup>th</sup> July 2024 in the matter of Saraogi Oxygen Limited for not

filing its financial statement for the financial years 2021-22 and 2022-23 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. For financial year 2021-22, the Adjudication Authority has imposed penalty of ₹35,850 upon the company and three directors in default, for financial year 2022-23 the penalty imposed each upon the company and three directors was ₹17,600.

([www.mca.gov.in/bin/dms/getdocument?mds=RWG8%252FgNX2d%252FSWCG%252ByO9ciw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=RWG8%252FgNX2d%252FSWCG%252ByO9ciw%253D%253D&type=open))

#### **Adjudication order for violation of Section 149 of the Companies Act, 2013 in the matter of SHIVOM MINERALS LIMITED**

ROC Cuttack issued adjudication order dated 5<sup>th</sup> July 2024 in the matter of Shivom Minerals Limited for not appointing requisite number of Independent Directors on the Board of the Company, hence violating the provisions of Section 149 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹3,00,000 upon the company and ₹1,00,000 upon four officers in default.

([www.mca.gov.in/bin/dms/getdocument?mds=C6gw%252FTz0MklFgZSV55r2Og%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=C6gw%252FTz0MklFgZSV55r2Og%253D%253D&type=open))

#### **Adjudication order for violation of Section 29 of the Companies Act, 2013 in the matter of SHIVOM MINERALS LIMITED**

ROC Cuttack issued adjudication order dated 5<sup>th</sup> July 2024 in the matter of Shivom Minerals Limited for not maintaining its securities in dematerialized form and thereby violating the provisions of Section 29 of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹2,00,000 upon the company and ₹50,000 each upon six officers in default.

([mca.gov.in/bin/dms/getdocument?mds=fzZo%252Bnn6neQM4rWAEIfyiw%253D%253D&type=open](http://mca.gov.in/bin/dms/getdocument?mds=fzZo%252Bnn6neQM4rWAEIfyiw%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of SHIVOM MINERALS LIMITED**

ROC Cuttack issued adjudication order dated 5<sup>th</sup> July 2024 in the matter of Shivom Minerals Limited for not appointing whole time Company Secretary and thus violating the provision of Section 203 of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹5,00,000 upon the company and ₹5,00,000 each upon three officers in default.

([www.mca.gov.in/bin/dms/getdocument?mds=EOP%252FEhCHLXd%252BJTpRIIvJQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=EOP%252FEhCHLXd%252BJTpRIIvJQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 10A of the Companies Act, 2013 in the matter of VECTOR97 SOFTWARE AND SERVICE PRIVATE LIMITED**

ROC Hyderabad issued adjudication order dated 5<sup>th</sup> July 2024 in the matter of Vector97 Software and Service Private Limited for not filing the declaration by the

director in form INC-20A w.r.t monies subscribed to the MOA has been duly received from the subscribers. The Adjudication Authority imposed penalty of ₹50,000 upon the company and ₹1,00,000 each upon two officers in default.

([www.mca.gov.in/bin/dms/getdocument?mds=YT1v%252F5J6%252FcKzKZJTIP%252F0JA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=YT1v%252F5J6%252FcKzKZJTIP%252F0JA%253D%253D&type=open))

#### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of PROFESSIONAL DIAMONDS LIMITED**

ROC Mumbai issued an adjudication order dated 26<sup>th</sup> December 2023 in the matter of Professional Diamonds Limited for not filing its financial statement for the financial year 2018-19 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹10,00,000 upon the company and ₹5,00,000 upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=arDgd3OaMK7f%252BLRVWktBgA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=arDgd3OaMK7f%252BLRVWktBgA%253D%253D&type=open))

#### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of PROFESSIONAL DIAMONDS LIMITED**

ROC Mumbai issued an adjudication order dated 26<sup>th</sup> December 2023 in the matter of Professional Diamonds Limited for not filing its Annual Return for the financial year 2018-19 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹5,00,000 each upon the company and three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=rN0od2HvA%252B1bIS5nYbgGuw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=rN0od2HvA%252B1bIS5nYbgGuw%253D%253D&type=open))

#### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of INDORE WIRE CO LIMITED**

ROC Mumbai issued an adjudication order dated 17<sup>th</sup> January 2024 in the matter of Indore Wire Co Limited for not filing its Annual Return for the financial year 2018-19 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹60,400 each upon the company and three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=EiXUYWghzp97U0vygA4ktQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=EiXUYWghzp97U0vygA4ktQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of INDORE WIRE CO LIMITED**

ROC Mumbai issued an adjudication order dated 17<sup>th</sup> January 2024 in the matter of Indore Wire Co Limited for not filing financial statements for the financial year 2018-19 within prescribed time limits as specified under

Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹1,34,400 upon the company and ₹1,13,400 upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=py%252BqFpbKv8x3VFUsRfBmA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=py%252BqFpbKv8x3VFUsRfBmA%253D%253D&type=open))

#### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of PAREKH DISTRIBUTORS LIMITED**

ROC Mumbai issued an adjudication order dated 26<sup>th</sup> December 2023 in the matter of Parekh Distributors Limited for not filing its Annual Return for the financial year 2018-19 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹82,600 each upon the company and managing director in default.

([www.mca.gov.in/bin/dms/getdocument?mds=JOTI46dHoiWySgSxho2vLw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=JOTI46dHoiWySgSxho2vLw%253D%253D&type=open))

#### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of PAREKH DISTRIBUTORS LIMITED**

ROC Mumbai issued an adjudication order dated 26<sup>th</sup> December 2023 in the matter of Parekh Distributors Limited for not filing financial statement for the financial year 2018-19 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹3,56,000 upon the company and ₹1,35,600 upon the managing director in default.

([www.mca.gov.in/bin/dms/getdocument?mds=2Olu%252FapHX49%252BtxaNcHReBg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=2Olu%252FapHX49%252BtxaNcHReBg%253D%253D&type=open))

#### **Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of INTERBLUE GEMS(INDIA) PRIVATE LIMITED**

ROC Ahmedabad issued an adjudication order dated 5<sup>th</sup> July 2024 in the matter of Interblue Gems (India) Private Limited for not filing declaration of SBO in Form BEN-2 within stipulated time under Section 90 of the Companies Act, 2013 and thus violating the said provisions. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹1,00,000 upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=PhywP1foneLI7%252BbEaLYdpw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=PhywP1foneLI7%252BbEaLYdpw%253D%253D&type=open))

#### **Adjudication order for violation of Section 170 of the Companies Act, 2013 in the matter of PUROLITE PRIVATE LIMITED**

ROC Pune issued an adjudication order dated 4<sup>th</sup> July 2024 in the matter of Purolite Private Limited for not filing form DIR-12 for both appointment and resignation of director as required under Section 170 of the Companies Act, 2013 within stipulated time limit ad thus violating the provisions of the Section 170 of the Act. The Adjudication Authority imposed penalty of ₹3,00,000 upon the

company and ₹1,00,000 on one director in default for each default i.e., not filing DIR-12 w.r.t appointing of Additional Director and regularizing such appointment in AGM. Penalty of ₹2,63,500 was imposed upon the company and ₹1,00,000 upon one director in default for not filing DIR-12 w.r.t resignation of the Director.

(<https://www.mca.gov.in/bin/dms/getdocument?mds=VQK2hfHZkYIOZi9phZkJA%253D%253D&type=open>)

#### **Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of JC VALVULAS INDIA PRIVATE LIMITED**

ROC Ahmedabad issued an adjudication order dated 5<sup>th</sup> July 2024 in the matter of JC Valvulas India Private Limited as the SBOs of the company as well as the company itself failed to file declarations in forms BEN-1 and BEN-2 respectively within stipulated time under Section 90 of the Companies Act, 2013 and thus violating the said provisions. The Adjudicating Authority imposed penalty of ₹2,00,000 upon three SBOs for not declaring their interest in form BEN-1, penalty of ₹5,00,000 was imposed upon the company and ₹1,00,000 upon three SBOs & one officers in default for not filing declaration to ROC in for BEN-2 w.r.t SBOs. Penalty of ₹2,00,000 upon the company and ₹50,000 upon three SBOs and one officer in default was also imposed for violating Section 90(7) of the Act.

([www.mca.gov.in/bin/dms/getdocument?mds=fKdzdeGDMFDT2DwYA1oz9Q%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=fKdzdeGDMFDT2DwYA1oz9Q%253D%253D&type=open))

#### **Adjudication order for violation of Section 42 of the Companies Act, 2013 in the matter of IDEA WISE TECHNOLOGIES PRIVATE LIMITED**

ROC Delhi issued an adjudication order dated 5<sup>th</sup> July 2024 in the matter of Idea Wise Technologies Private Limited for utilising the allotment money prior to filing of return of allotment in Form PAS-3 leading to violation of Section 42(4) of the Companies Act, 2013, further the company also failed to open separate bank account and hence it has violated the provision of Section 42(6), also the company failed file return of allotment of securities in Form PAS-3 for allotments made in year 2022 and 2023 within stipulated time as given under Section 42(8) of the Act and thus violating said provisions of the Act. The Adjudicating Authority imposed penalty of ₹2,00,000 upon the company and ₹1,00,000 each upon two promoters in default for each of three allotments made during 2022 & 2023. Penalty for not opening the separate bank account was also imposed as of ₹2,00,000 upon the company and ₹1,00,000 each upon two promoters in default for each of three allotments made during 2022 & 2023. For not filing return of allotment in Form PAS-3 for allotment made in year 2022, the penalty imposed is ₹72,500 upon the company & two promoters in default and for allotment made in year 2023, penalty of ₹6,000 was imposed on company and two promoters in default.

([www.mca.gov.in/bin/dms/getdocument?mds=S7%252BKhJOcRnGlycRnGRsgTQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=S7%252BKhJOcRnGlycRnGRsgTQ%253D%253D&type=open))



### **Adjudication order for violation of Section 149 of the Companies Act, 2013 in the matter of HELIOS AND MATHESON INFORMATION TECHNOLOGY LIMITED**

ROC Chennai issued adjudication order dated 20<sup>th</sup> June 2024 in the matter of Helios and Matheson Information Technology Limited for not appointing women director on board and thus violating the provisions of Section 149 of the Companies Act, 2013. The adjudicating authority has imposed penalty of ₹1,00,000 each upon two officers in default.

([www.mca.gov.in/bin/dms/getdocument?mds=E4LfsYIAvgNVjvzbYXALZA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=E4LfsYIAvgNVjvzbYXALZA%253D%253D&type=open))

### **Adjudication order for violation of Section 135(5) of the Companies Act, 2013 in the matter of GANESH GREEN BHARAT LIMITED**

ROC Ahmedabad issued adjudication order dated 11<sup>th</sup> July 2024 in the matter of Ganesh Green Bharat Limited for not complying with the provision of Section 135(5) of the Companies Act, 2013 w.r.t not spending stipulated CSR amount in financial years 2021-22 and 2022-23. The adjudicating authority has imposed penalty of ₹55,83,864 and ₹46,63,684 upon the company for each financial year 2021-22 & 2022-23 respectively. Penalty of ₹2,00,000 was imposed upon one officer in default for each financial year.

([www.mca.gov.in/bin/dms/getdocument?mds=VNOPpOuB6WauvHskDwV%252Bjw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=VNOPpOuB6WauvHskDwV%252Bjw%253D%253D&type=open))

### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of TDMAX MANUFACTURING & SERVICES PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 4<sup>th</sup> July 2024 in the matter of TDMAX Manufacturing & Services Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The adjudicating authority has imposed the penalty of ₹ 50,000 each upon the company and on 3 directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=%252FG%252FsNKN%252FV5%252FoQhepqf5Zpg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=%252FG%252FsNKN%252FV5%252FoQhepqf5Zpg%253D%253D&type=open))

### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of TDMAX MANUFACTURING & SERVICES PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 4<sup>th</sup> July 2024 in the matter of TDMAX Manufacturing & Services Private Limited for not filing its Annual Return for the financial years ending on 31.03.2019, 31.03.2020 and 31.03.2021 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹87,100, ₹68,850 and ₹50,600 each upon the company and three

directors in default, for each financial year ending on 31.03.2019, 31.03.2020 and 31.03.2021 respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=Pcip8%252BsPnIO%252F61la8jV0Cg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Pcip8%252BsPnIO%252F61la8jV0Cg%253D%253D&type=open))

### **Adjudication order for violation of Section 161(1) of the Companies Act, 2013 in the matter of TDMAX MANUFACTURING & SERVICES PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 4<sup>th</sup> July 2024 in the matter of TDMAX Manufacturing & Services Private Limited for not regularizing the appointment of Additional Director in the General Meeting, hence violating the provisions of Section 161 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹1,50,000 upon the Company and ₹50,000 upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=QzPGpLadA2Yrmzh72ThNhA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=QzPGpLadA2Yrmzh72ThNhA%253D%253D&type=open))

### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of TDMAX MANUFACTURING & SERVICES PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 4<sup>th</sup> July 2024 in the matter of TDMAX Manufacturing & Services Private Limited for not filing its financial statements for the financial years ending on 31.03.2019, 31.03.2020, 31.03.2021 and 31.03.2022 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹88,550, ₹70,300, ₹52,050 and ₹33,800 each upon the company and three directors in default, for each financial year ending on 31.03.2019, 31.03.2020, 31.03.2021 and 31.03.2022 respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=6B%252Fvi7OOqzDM%252BR%252B48U5rLA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=6B%252Fvi7OOqzDM%252BR%252B48U5rLA%253D%253D&type=open))

### **Adjudication order for violation of Section 56 of the Companies Act, 2013 in the matter of T. FORREST & SONS INDIA PRIVATE LIMITED (Application filed by the Company Sou-Moto)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not issuing the share certificates to the subscribers of Memorandum and thus violating the provisions of Section 56(6) of the Companies Act, 2013, in reply ROC Kanpur issued an adjudication order dated 4<sup>th</sup> July 2024 and the Adjudication Authority has imposed penalty of ₹25,000 upon the company and two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=5MvsXa6OgJXQdZAZtacQbQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=5MvsXa6OgJXQdZAZtacQbQ%253D%253D&type=open))

### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of XINPOMING ELECTROMECHANICAL PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 4<sup>th</sup> July 2024 in the matter of Xinpoming Electromechanical

Private Limited for not filing its Annual Return for the financial year ending on 31.03.2021 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹29,350 each upon the company and three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=NWR6I99V%252B%252FpPqApqaw0qg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=NWR6I99V%252B%252FpPqApqaw0qg%253D%253D&type=open))

#### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of XINPOMING ELECTROMECHANICAL PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 4<sup>th</sup> July 2024 in the matter of Xinpoming Electromechanical Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The adjudicating authority has imposed the penalty of ₹ 50,000 each upon the company and on 3 directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=fbo6CCGtAyE%252BF2CRLaQ%252Ffw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=fbo6CCGtAyE%252BF2CRLaQ%252Ffw%253D%253D&type=open))

#### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of XINPOMING ELECTROMECHANICAL PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 4<sup>th</sup> July 2024 in the matter of Xinpoming Electromechanical Private Limited for not filing its Financial Statements for the financial years ending on 31.03.2021 and 31.03.2022 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹48,550 and ₹30,800 each upon the company and three directors in default, for each financial year ending on 31.03.2021 and 31.03.2022 respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=GUP239GpLs2wXMkOEEJfeg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=GUP239GpLs2wXMkOEEJfeg%253D%253D&type=open))

#### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of SUCHITA INFRA DEVELOPERS PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 12<sup>th</sup> July 2024 in the matter of Suchita Infra Developers Private Limited for not filing its Financial Statements for the financial year ending on 31.03.2017 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹1,00,000 upon the company and ₹25,000 upon six directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=ksaLzNjRfUhq7W0RkrWHSg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=ksaLzNjRfUhq7W0RkrWHSg%253D%253D&type=open))

#### **Adjudication order for violation of Section 155 of the Companies Act, 2013 in the matter of SMT. HARJINDER KAUR CHAUDHARY**

ROC Chandigarh issued adjudication order dated 11<sup>th</sup> July 2024 in the matter of Smt. Harjinder Kaur Chawdhary for

applying for second DIN even after holding one active DIN on the date of application and thus violating the provision of Section 155 of the Companies Act, 2013. The Adjudication Authority imposed penalty ₹2,92,000 upon the defaulter.

([www.mca.gov.in/bin/dms/getdocument?mds=RyBQujVI5mT5K9Nn65EN6g%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=RyBQujVI5mT5K9Nn65EN6g%253D%253D&type=open))

#### **Adjudication order for violation of Section 143 of the Companies Act, 2013 in the matter of Auditor SH. DIPAK KUMAR of ABHINEET NURSING HOMES AND LAPAROSCOPIC CENTRE PRIVATE LIMITED**

ROC Patna issued adjudication order dated 10<sup>th</sup> July 2024 in the matter of Auditor Sh. Dipak Kumar of Abhineet Nursing Homes and Laparoscopic Centre Private Limited for failure to report the violations/non-compliance made by the company in audit report as required u/s143 of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹15,000 upon the Auditor of the Company.

([www.mca.gov.in/bin/dms/getdocument?mds=76sB%252FEOW0GjFgytOFm1PtQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=76sB%252FEOW0GjFgytOFm1PtQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 149(3) of the Companies Act, 2013 in the matter of RAKUTEN SYMPHONY INDIA PRIVATE LIMITED (Application filed by the Company Sou-Moto)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not appointing any director on its Board who've stayed in India for 182 days or more, which is a violation of Section 149 of the Companies, in reply ROC Gwalior issued adjudication order dated 11<sup>th</sup> July 2024 and the Adjudication Authority imposed penalty of ₹ 1,04,000 upon the company and ₹1,00,000 upon two officers in default.

([www.mca.gov.in/bin/dms/getdocument?mds=9bj5L05OE4PsdByfPkpYoQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=9bj5L05OE4PsdByfPkpYoQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 137(3) of the Companies Act, 2013 in then matter of CHANDRA SWAJAN NIDHI LIMITED**

ROC Chhattisgarh issued an adjudication order dated 10<sup>th</sup> July 2024 in the matter of Chandra Swajan Nidhi Limited for not filing its financial statements for the financial years ending on 31.03.2021 and 31.03.2022 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹71,200 & ₹34,700 upon the company and ₹50,000 & ₹34,700 upon three directors in default, for each financial year ending on 31.03.2021 and 31.03.2022 respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=1crEyZAvENhQJdMkKjLkQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=1crEyZAvENhQJdMkKjLkQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 92(5) of the Companies Act, 2013 in then matter of CHANDRA SWAJAN NIDHI LIMITED**

ROC Chhattisgarh issued an adjudication order dated 10<sup>th</sup> July 2024 in the matter of Chandra Swajan Nidhi

Limited for not filing its Annual Return for the financial years ending on 31.03.2021 and 31.03.2022 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹68,200 & ₹31,700 upon the company and ₹50,000 & ₹31,700 upon three directors in default, for each financial year ending on 31.03.2021 and 31.03.2022 respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=LA8zLkDYc2veOhs3GcUpeg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=LA8zLkDYc2veOhs3GcUpeg%253D%253D&type=open))

#### **Adjudication order for violation of Section 137(3) of the Companies Act, 2013 in the matter of TWARIT NIDAN MICRO FOUNDATION**

ROC Chhattisgarh issued an adjudication order dated 10<sup>th</sup> July 2024 in the matter of Twarit Nidan Micro Foundation for not filing its financial statements for the financial year 2022-23 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹35,400 each upon the company and two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=IQMBkrhmf4u19tOWbhGFVQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=IQMBkrhmf4u19tOWbhGFVQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 92(5) of the Companies Act, 2013 in the matter of TWARIT NIDAN MICRO FOUNDATION**

ROC Chhattisgarh issued an adjudication order dated 10<sup>th</sup> July 2024 in the matter of Twarit Nidan Micro Foundation for not filing its Annual Return for the financial year 2022-23 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹32,400 each upon the company and two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=eHXngVsEw3yAhf9H3kljDg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=eHXngVsEw3yAhf9H3kljDg%253D%253D&type=open))

#### **Adjudication order for violation of Section 203(1) of the Companies Act, 2013 in the matter of STANDARD GLASS LINING TECHNOLOGY LIMITED**

ROC Hyderabad issued an adjudication order dated 15<sup>th</sup> July 2024 in the matter of Standard Glass Lining Technology Limited for not appointing whole time company secretary and thus violating the provisions of Section 203 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹5,00,000 each upon the company and five directors in default (including managing director).

([www.mca.gov.in/bin/dms/getdocument?mds=PzfnaF48niLBCsvNlizzXw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=PzfnaF48niLBCsvNlizzXw%253D%253D&type=open))

#### **Adjudication order for violation of Section 117 of the Companies Act, 2013 in the matter of CMB INDIA NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 31<sup>st</sup> May 2024 in the matter of CMB India Nidhi Limited for not filing Form MGT-14 w.r.t approval of accounts for the

financial years 2015-16 to 2019-20 and hence violating the Section 117(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,39,350, ₹1,21,100, ₹1,02,850, ₹84,600 and ₹66,350 upon the company for each financial year ending on 31.03.2016, 31.03.2017, 31.03.2018, 31.03.2019 and 31.03.2020 respectively. Penalty of ₹50,000 each was also imposed upon four directors in default for each financial year.

([www.mca.gov.in/bin/dms/getdocument?mds=PsAEt3iXkV%252FloS94kGTzfA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=PsAEt3iXkV%252FloS94kGTzfA%253D%253D&type=open))

#### **Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of CMB INDIA NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 31<sup>st</sup> May 2024 in the matter of CMB India Nidhi Limited for not filing the financial statements duly signed by the Director and thus violating the provisions of Section 134 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,50,000 upon the company and ₹25,000 upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=wmlCo7mvKYIk574gJRKJWA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=wmlCo7mvKYIk574gJRKJWA%253D%253D&type=open))

#### **Adjudication order for violation of Section 158 of the Companies act, 2013 in the matter of CMB INDIA NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 31<sup>st</sup> May 2024 in the matter of CMB India Nidhi Limited for not mentioning DIN of the director over the financial statements for the financial year 2017-18 and thus violating the provisions of Section 158 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹50,000 upon the company and on one director in default.

([www.mca.gov.in/bin/dms/getdocument?mds=fmNyy9gL0g6giN27wNfFuQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=fmNyy9gL0g6giN27wNfFuQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 12 of the Companies act, 2013 in the matter of CMB INDIA NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 31<sup>st</sup> May 2024 in the matter of CMB India Nidhi Limited for not mentioning its registered address over its letter head which is a violation of Section 12(3) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹50,000 each upon the company and four directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=MSylkAW9HofDwAL0hrbpbQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=MSylkAW9HofDwAL0hrbpbQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of EAST ALPHA ALLIANCE TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> May 2024 in the matter of East Alpha Alliance Technology Private Limited for not maintaining the Registered Office



of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The adjudicating authority has imposed the penalty of ₹ 50,000 each upon the company and on 3 directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=XQFVrh9wYclONovjrHnwQg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=XQFVrh9wYclONovjrHnwQg%253D%253D&type=open))

#### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of EAST ALPHA ALLIANCE TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> May 2024 in the matter of East Alpha Alliance Technology Private Limited for not filing its Financial Statements for the financial years ending on 31.03.2020 and 31.03.2021 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹1,04,100 and ₹67,600 upon the company and ₹2,00,000 & ₹1,50,000 upon four & three directors in default (collectively), for each financial year ending on 31.03.2020 and 31.03.2021 respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=w9VOBu6x5HggcREbYWUytg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=w9VOBu6x5HggcREbYWUytg%253D%253D&type=open))

#### **Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of EAST ALPHA ALLIANCE TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> May 2024 in the matter of East Alpha Alliance Technology Private Limited for not mentioning the date of Board Meeting in which director is appointed in the director's report for the financial year 2018-19 and hence, violating the provisions of Section 134 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,50,000 upon the company and ₹25,000 upon four directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=0ZFCCsljJk%252FwZDi%252FQmUD2w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=0ZFCCsljJk%252FwZDi%252FQmUD2w%253D%253D&type=open))

#### **Adjudication order for violation of Section 152 of the Companies Act, 2013 in the matter of EAST ALPHA ALLIANCE TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> May 2024 in the matter of East Alpha Alliance Technology Private Limited for not regularizing the appointment of Additional Director in the General Meeting and thus violating the provision of Section 152 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹50,000 upon the company and upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=iQoDlnCvzO5JvMMxYQReZA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=iQoDlnCvzO5JvMMxYQReZA%253D%253D&type=open))

#### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of EAST ALPHA ALLIANCE TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> May 2024 in the matter of East Alpha Alliance Technology Private

Limited for not filing its Annual Return for the financial years ending on 31.03.2020 and 31.03.2021 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹67,350 and ₹49,100 each upon the company and upon four & three directors in default, for each financial year ending on 31.03.2020 and 31.03.2021 respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=RsurRznzCyx6xCEaH1NzVQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=RsurRznzCyx6xCEaH1NzVQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of QOOGO MOTOR PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> May 2024 in the matter of QOOGO Motor Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The adjudicating authority has imposed the penalty of ₹ 1,00,000 each upon the company and on 2 directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=1SEGA%252FGCFOHKMDpbj2b%252BiA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=1SEGA%252FGCFOHKMDpbj2b%252BiA%253D%253D&type=open))

#### **Adjudication order for violation of Section 173 r/w Section 118 of the Companies Act, 2013 in the matter of PARINEE DEVELOPERS & PROJECTS PVT LTD (Application filed by Company Sou-Moto)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not serving the notice of the Board Meeting for 12 consecutive times by the person authorised in this behalf, in reply to the application ROC Mumbai issued an adjudication order dated 18<sup>th</sup> July 2024 and the Adjudicating Authority imposed penalty of ₹3,00,000 (₹25,000 X 12 Board Meeting) upon the Managing Director of the Company who was authorised to send the notice of meetings. Also, penalty of ₹3,00,000 was imposed upon the company and ₹60,000 was imposed upon Managing Director for violating the provisions of Section 118 of the Act.

([www.mca.gov.in/bin/dms/getdocument?mds=JaKR1JCcQIT5sgnHTHfwyg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=JaKR1JCcQIT5sgnHTHfwyg%253D%253D&type=open))

#### **Adjudication order for violation of Section 137(1) of the Companies Act, 2013 in the matter of FERNWEH ORBIT PRIVATE LIMITED**

ROC Ahmedabad issued adjudication order dated 18<sup>th</sup> July 2024 in the matter of Fernweh Orbit Private Limited for not filing its Financial Statements for the financial years 2020-21, 2021-22 and 2022-23 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹46,550, ₹31,350 and ₹13,100 each upon the company and upon five directors in default, for each financial year 2020-21, 2021-22 and 2022-23 respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=yL3%252Flongbeclu3BZf1aiw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=yL3%252Flongbeclu3BZf1aiw%253D%253D&type=open))

### **Adjudication order for violation of Section 92(4) of the Companies Act, 2013 in the matter of FERNWEH ORBIT PRIVATE LIMITED**

ROC Ahmedabad issued adjudication order dated 18<sup>th</sup> July 2024 in the matter of Fernweh Orbit Private Limited for not filing its Annual Return for the financial years 2020-21, 2021-22 and 2022-23 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹45,050, ₹29,850 and ₹11,600 each upon the company and upon five directors in default, for each financial year 2020-21, 2021-22 and 2022-23 respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=xhVebr2uVA8Yv3zYDyTujQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=xhVebr2uVA8Yv3zYDyTujQ%253D%253D&type=open))

### **Adjudication order for violation of Section 117 of the Companies Act, 2013 in the matter of ANANT VIKAS MUTUAL NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> April 2024 in the matter of Anant Vikas Mutual Nidhi Limited for not filing MGT-14 for approval of financial results from financial year ending 31.03.2017 to 3.03.2020 and thus violating the provisions of Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000 upon the company for each of four financial years. Penalty of ₹50,000 each was imposed upon five directors in default for each financial year.

([www.mca.gov.in/bin/dms/getdocument?mds=IEQyJACEaW9GnWXh31LNPA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=IEQyJACEaW9GnWXh31LNPA%253D%253D&type=open))

### **Adjudication order for violation of Section 158 of the Companies act, 2013 in the matter of ANANT VIKAS MUTUAL NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> April 2024 in the matter of Anant Vikas Mutual Nidhi Limited for not mentioning DIN of the Directors over the Board's Report and Financial Statements for the financial year ending from 31.03.2016 to 3.03.2020 and thus violating the provisions of Section 158 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹50,000 each upon two directors in default for each four financial years. For default in financial year 2019-20, the penalty of ₹50,000 each was imposed upon three directors.

([www.mca.gov.in/bin/dms/getdocument?mds=OJtzipGb6XuQC%252BD016LiejA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=OJtzipGb6XuQC%252BD016LiejA%253D%253D&type=open))

### **Adjudication order for violation of Section 12 of the Companies act, 2013 in the matter of ANANT VIKAS MUTUAL NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> April 2024 in the matter of Anant Vikas Mutual Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The adjudicating authority has imposed the penalty of ₹ 50,000 each upon the company and on five directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=Pf0gbOBv0ZuQyB8MPuxgMg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Pf0gbOBv0ZuQyB8MPuxgMg%253D%253D&type=open))

### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of DHANSAGAR NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> May 2024 in the matter of Dhansagar Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹ 50,000 each upon the company and on five directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=TCKV1xfdNmh2MxpA6y5coA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=TCKV1xfdNmh2MxpA6y5coA%253D%253D&type=open))

### **Adjudication order for violation of Section 137(1) of the Companies Act, 2013 in the matter of DHANSAGAR NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> May 2024 in the matter of Dhansagar Nidhi Limited for not attaching Significant Accounting Policy with the financial statement for financial year 2019 and thus violating the provisions of Section 137(1) of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹ 93,050 upon the company and ₹50,000 each upon five directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=OFuS56LSKWYjGzJQ2VfcEw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=OFuS56LSKWYjGzJQ2VfcEw%253D%253D&type=open))

### **Adjudication order for violation of Section 117 of the Companies Act, 2013 in the matter of DHANSAGAR NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 8<sup>th</sup> May 2024 in the matter of Dhansagar Nidhi Limited for not filing MGT-14 for approval of financial results from financial year ending 31.03.2018 to 3.03.2020 and thus violating the provisions of Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹79,800, ₹66,050 and ₹47,800 upon the company for each three financial years respectively. Penalty of ₹25,000 each was imposed upon five directors in default for each financial year.

([www.mca.gov.in/bin/dms/getdocument?mds=x8QZxw%252FI%252FEentN81YpO%252FjyA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=x8QZxw%252FI%252FEentN81YpO%252FjyA%253D%253D&type=open))

### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of CHIMSEN TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 25<sup>th</sup> June 2024 in the matter of Chimsen Technology Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹1,00,000 each upon the company and on four directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=rhgerWyrhie8qWo5DLbDow%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=rhgerWyrhie8qWo5DLbDow%253D%253D&type=open))

### **Adjudication order for violation of Section 92(1) of the Companies Act, 2013 in the matter of CHIMSEN TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 25<sup>th</sup> June 2024 in the matter of Chimsen Technology Private Limited for not disclosing the details of appointment of Additional Directors alongwith particulars of change in Directors and KMP which is a violation of Section 92(1) of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹2,00,000 upon the company and ₹50,000 each upon four directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=ryffi5OxtqwZlj3jetxXAA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=ryffi5OxtqwZlj3jetxXAA%253D%253D&type=open))

### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of QMART TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 10<sup>th</sup> July 2024 in the matter of Qmart Technology Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹1,00,000 each upon the company and on two directors in default.

### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of DUOQIN TECHNOLOGIES PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 10<sup>th</sup> July 2024 in the matter of Duoqin Technologies Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹1,00,000 each upon the company and on two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=HKVqzAjFqqLj1rXTCKfUBQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=HKVqzAjFqqLj1rXTCKfUBQ%253D%253D&type=open))

### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of EMTEX INTERNATIONAL LIMITED**

ROC Ernakulum issued various adjudication orders dated 12<sup>th</sup> July 2024 in the matter of Emtex International Limited for not filing of the Annual Return for financial years 2005 to 2017 within stipulated time as prescribed under Section 92 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,00,000 upon the company and ₹50,000 upon Managing Director for each financial year from 2005 to 2017.

### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of EMTEX INTERNATIONAL LIMITED**

ROC Ernakulum issued various adjudication orders dated 12<sup>th</sup> July 2024 in the matter of Emtex International Limited for not filing the Financial Statements for financial years from 2001 to 2018 within the stipulated time as prescribed under Section 137 of the Companies

Act, 2013. The Adjudicating Authority imposed penalty of ₹2,00,000 upon the company and ₹50,000 upon the Managing Director for violation of said provisions for each financial year 2001, 2002, 2006, 2008, 2011, 2014 and from 2016 to 2018.

### **Adjudication order for violation of Section 12 of Companies Act, 2013 in the matter of IBC KNOWLEDGE PARK PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 6<sup>th</sup> March 2024 in the matter of IBC Knowledge Park Private Limited for mentioning words “Corporate Address” against the “Registered Address” of the company and which is a violation of Section 12(3)(c) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,000 each upon the Company, four directors in default and company secretary of the company.

([www.mca.gov.in/bin/dms/getdocument?mds=RrpP4CflABo1kEu9yj%252B1iw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=RrpP4CflABo1kEu9yj%252B1iw%253D%253D&type=open))

### **Adjudication order for violation of Section 92(4) of the Companies Act, 2013 in the matter of ACROPETAL TECHNOLOGIES PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 22<sup>nd</sup> July 2024 in the matter of Acropetal Technologies Private Limited for not filing its Annual Return for the financial years ending 31.03.2015, 31.03.2016, 31.03.2017 and 31.03.2018 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹2,00,000 upon the company and ₹50,000 upon managing director for each financial year.

([www.mca.gov.in/bin/dms/getdocument?mds=yhWK%252Bu98ZZzZ4pa0UNaLeg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=yhWK%252Bu98ZZzZ4pa0UNaLeg%253D%253D&type=open))

### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of ACROPETAL TECHNOLOGIES PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 22<sup>nd</sup> July 2024 in the matter of Acropetal Technologies Private Limited for not appointing whole time Company Secretary and thus violating the provision of Section 203 of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹5,00,000 each upon the company and managing director.

([www.mca.gov.in/bin/dms/getdocument?mds=M8IgRB4wdFOh36J5f3rEww%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=M8IgRB4wdFOh36J5f3rEww%253D%253D&type=open))

### **Adjudication order for violation of Section 137(1) of the Companies Act, 2013 in the matter of ACROPETAL TECHNOLOGIES PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 22<sup>nd</sup> July 2024 in the matter of Acropetal Technologies Private Limited for not filing its Financial Statements for the financial years ending 31.03.2015, 31.03.2016, 31.03.2017 and 31.03.2018 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹2,00,000



upon the company and ₹50,000 upon managing director for each financial year.

([www.mca.gov.in/bin/dms/getdocument?mds=dUFxm4MGLb%252FALeIavif8Sg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=dUFxm4MGLb%252FALeIavif8Sg%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of KANORIA PLASCHEM LIMITED**

ROC Bangalore issued adjudication order dated 22<sup>nd</sup> July 2024 in the matter of Kanoria Plascchem Limited for not appointing whole time Company Secretary and thus violating the provision of Section 203 of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹5,00,000 each upon the company and managing director.

([www.mca.gov.in/bin/dms/getdocument?mds=BluKxwPUxmKDeZ9mUegyQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=BluKxwPUxmKDeZ9mUegyQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 138 of the Companies Act, 2013 in the matter of KANORIA PLASCHEM LIMITED**

ROC Bangalore issued adjudication order dated 22<sup>nd</sup> July 2024 in the matter of Kanoria Plascchem Limited for not appointing Internal Auditor as required under Section 138 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹2,00,000 upon the company and ₹50,000 upon Managing Director.

([www.mca.gov.in/bin/dms/getdocument?mds=PvCqWupiElFK61vkmZcoGw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=PvCqWupiElFK61vkmZcoGw%253D%253D&type=open))

#### **Adjudication order for violation of Section 173(1) of the Companies Act, 2013 in the matter of SOFTLAYER TECHNOLOGIES PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed sou-moto application for adjudication u/s 454 of the Companies Act, 2013 in Form GNL-1 for its failure to convene its second board meeting for the FY 2015-16 within the interval of 120 days, and thus violated the provision of Section 173 of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 6<sup>th</sup> March 2024 and the Adjudication Authority has imposed penalty of ₹47,000 each upon the company and upon four directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=brfGLgIhlx2AzvjsWyGTKg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=brfGLgIhlx2AzvjsWyGTKg%253D%253D&type=open))

#### **Adjudication order for violation of Section 10(a) of the Companies Act, 2013 in the matter of SA LIFESTYLES PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed sou-moto application for adjudication u/s 454 of the Companies Act, 2013 in Form GNL-1 for not filing declaration with details that every subscriber to the MOA has paid the value of the shares agreed to be taken by them within prescribed time with ROC and thus violated the provisions of Section 10A of the Companies Act, 2013, in reply ROC Bangalore issued adjudication

order dated 8<sup>th</sup> March 2024 and the Adjudication Authority has imposed penalty of ₹25,000 upon the company and ₹50,000 upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=87oXVtalBbVODkIDtu%252Bw5A%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=87oXVtalBbVODkIDtu%252Bw5A%253D%253D&type=open))

#### **Adjudication order for violation of Section 90(4) of the Companies Act, 2013 in the matter of MMTP PROJECTS PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed sou-moto application for adjudication u/s 454 of the Companies Act, 2013 in Form GNL-1 for delayed filing of Form BEN-2 with ROC and thus violated the provision of Section 90(4) of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 22<sup>nd</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹1,23,000 upon the company and ₹34,200 upon director in default.

([www.mca.gov.in/bin/dms/getdocument?mds=zoxvROWk4fY2koTaGX2iw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=zoxvROWk4fY2koTaGX2iw%253D%253D&type=open))

#### **Adjudication order for violation of Section 188 of the Companies Act, 2013 in the matter of ADHI BATTERIES INDIA PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 8<sup>th</sup> March 2024 in the matter of Adhi Batteries India Private Limited for not mentioning the justification of RPTs entered into by the Company in which its directors were interested in Form AOC-2 for three financial years 2017-18, 2018-19 and 2020-21 and thus violated the provisions of Section 188 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹ 1,00,000 each upon two such directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=67JXhVqtVe5L1Xqrxp56Q%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=67JXhVqtVe5L1Xqrxp56Q%253D%253D&type=open))

#### **Adjudication order for violation of Section 118 of the Companies Act, 2013 in the matter of ADHI BATTERIES INDIA PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 8<sup>th</sup> March 2024 in the matter of Adhi Batteries India Private Limited for not mentioning serial number over minutes of Board and Shareholder's meeting alongwith not recording the quorum of the meeting in the minutes for three financial years 2017-18 to 2020-21 and thus violating the provisions of Section 118 of the Companies Act, 2013 read with SS-1 & SS-2. The Adjudicating Authority imposed penalty of ₹50,000 upon the Company and ₹10,000 upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=KPBPfQX7H%252B0tI7xSJTUGxw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=KPBPfQX7H%252B0tI7xSJTUGxw%253D%253D&type=open))

#### **Adjudication order for violation of Section 10(a) of the Companies Act, 2013 in the matter of ROI PROJECTS INDIA PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed sou-moto application for adjudication u/s 454 of the Companies Act, 2013 in Form GNL-1 for

not filing declaration with details that every subscriber to the MOA has paid the value of the shares agreed to be taken by them within prescribed time with ROC and thus violated the provisions of Section 10A of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 6<sup>th</sup> March 2024 and the Adjudication Authority has imposed penalty of ₹25,000 upon the company and ₹50,000 upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=pOprmZvne4RKsURlr4iZsg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=pOprmZvne4RKsURlr4iZsg%253D%253D&type=open))

#### **Adjudication order for violation of Section 101 of the Companies Act, 2013 in the matter of 42CARD SOLUTIONS PRIVATE**

ROC Bangalore issued adjudication order dated 22<sup>nd</sup> May 2024 in the matter of 42card Solutions Private for conducting the EGM at shorter notice without taking consent of minimum number of number of members as stipulated under Section 101 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹5,000 each upon the company and on two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=glA0JHeGAc7xFLFgVTEqBw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=glA0JHeGAc7xFLFgVTEqBw%253D%253D&type=open))

#### **Adjudication order for violation of Section 12(1) of the Companies Act, 2013 in the matter of EAGLESIGHT MEDIA PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 22<sup>nd</sup> May 2024 in the matter of Eaglesight Media Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹50,000 each upon the company and on managing director in default.

([www.mca.gov.in/bin/dms/getdocument?mds=ChxKwQJZxEj4gWtCdNtmvg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=ChxKwQJZxEj4gWtCdNtmvg%253D%253D&type=open))

#### **Adjudication order for violation of Section 101 of the Companies Act, 2013 in the matter of IOTIAN TECHNOLOGIES PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 22<sup>nd</sup> July 2024 in the matter of Iotian Technologies Private Limited for conducting the AGM at shorter notice without taking consent of minimum number of number of members as stipulated under Section 101 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹5,000 each upon the company and on Managing Director.

([www.mca.gov.in/bin/dms/getdocument?mds=LJ87rE0swyW3DI04yVclrg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=LJ87rE0swyW3DI04yVclrg%253D%253D&type=open))

#### **Adjudication order for violation of Section 12(1) & (4) of the Companies Act, 2013 in the matter of GURUVAYOOR AKSHAYA KURIES PVT LTD**

ROC Ernakulam issued adjudication order dated 12<sup>th</sup> July 2024 in the matter of Guruvayoor Akshaya Kuries Pvt Ltd

for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹1,00,000 each upon the company and on five directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=fERTB6bG5cxOYk3VhpFo9g%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=fERTB6bG5cxOYk3VhpFo9g%253D%253D&type=open))

#### **Adjudication order for violation of Section 137 of Companies Act, 2013 in the matter of NEU SCIENCE AND METTALURGICAL TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Neu Science and Metallurgical Technology Private Limited for not filing its Financial Statements for the financial year 2020-21 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹53,500 upon the company and ₹25,000 each upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=5vUEI%252BORrOL4Qk8J6w%252BUlw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=5vUEI%252BORrOL4Qk8J6w%252BUlw%253D%253D&type=open))

#### **Adjudication order for violation of Section 161 of Companies Act, 2013 in the matter of NEU SCIENCE AND METTALURGICAL TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Neu Science and Metallurgical Technology Private Limited for not regularizing the appointment of Additional Director in the AGM and thus violated the provisions of Section 161 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹1,50,000 upon the company and ₹50,000 each upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=Ug1A2tYFwAvbynLQ7dlhA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Ug1A2tYFwAvbynLQ7dlhA%253D%253D&type=open))

#### **Adjudication order for violation of Section 12 of Companies Act, 2013 in the matter of NEU SCIENCE AND METALLURGICAL TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Neu Science and Metallurgical Technology Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹50,000 each upon the company and on three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=3IYzX4wymK43Aq8G%252BrEsCw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=3IYzX4wymK43Aq8G%252BrEsCw%253D%253D&type=open))

#### **Adjudication order for violation of Section 92 of Companies Act, 2013 in the matter of NEU SCIENCE AND METALLURGICAL TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Neu Science and Metallurgical

Technology Private Limited for not filing its Annual Return for the financial year 2020-21 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹48,800 upon the company and ₹25,000 each upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=ag27Dqi7grLjSh0gQIR3wg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=ag27Dqi7grLjSh0gQIR3wg%253D%253D&type=open))

#### **Adjudication order for violation of Section 12 of Companies Act, 2013 in the matter of RAY BROTHERS NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Ray Brothers Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹50,000 each upon the company and on four directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=5DkNciJOM0I%252BtqZkEwCW0Q%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=5DkNciJOM0I%252BtqZkEwCW0Q%253D%253D&type=open))

#### **Adjudication order for violation of Section 117 of Companies Act, 2013 in the matter of RAY BROTHERS NIDHI LIMITED**

ROC Kanpur issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Ray Brothers Nidhi Limited for not filing MGT-14 for approval of financial results from financial year ending 31.03.2018 to 3.03.2021 and thus violating the provisions of Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000, ₹89,750, ₹62,900 and ₹42,600 upon the company for each four financial years respectively. Penalty of ₹25,000 each was imposed upon three directors in default for each financial year.

([www.mca.gov.in/bin/dms/getdocument?mds=YjidPeIpkYv4hYLQdDWmcg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=YjidPeIpkYv4hYLQdDWmcg%253D%253D&type=open))

#### **Adjudication order for violation of Section 92 of Companies Act, 2013 in the matter of DETHAT TRADING PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Dethat Trading Private Limited for not filing its Annual Return for the financial year 2020-21 within time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹92,400 upon the company and ₹50,000 each upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=POPwSGgMryWm4hXVnJf2VQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=POPwSGgMryWm4hXVnJf2VQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 149 of Companies Act, 2013 in the matter of DETHAT TRADING PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Dethat Trading Private Limited for not appointing any director over its Board who've

stayed in the Country for more than 182 days and thus violating the provisions of Section 149 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹3,00,000 upon the company and ₹1,00,00 upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=irhZ62QD71mVcUneFO0ijw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=irhZ62QD71mVcUneFO0ijw%253D%253D&type=open))

#### **Adjudication order for violation of Section 12A of Companies Act, 2013 in the matter of DETHAT TRADING PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Dethat Trading Private Limited for deactivation of KYC status of two directors of the company due to non-filing of Form DIR-3 KYC and thus violating the provisions of Section 12A of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹50,000 each on two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=DxcuwNG6cfZbsvNfKaUY6w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=DxcuwNG6cfZbsvNfKaUY6w%253D%253D&type=open))

#### **Adjudication order for violation of Section 90 of Companies Act, 2013 in the matter of CUCKOO APPLIANCES PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Cuckoo Appliances Private Limited for delayed filing of return of SBO in Form BEN-2, which results in violating the provisions of Section 90 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹5,00,000 upon the Company and ₹1,00,000 upon two directors in default, ₹37,200 upon one of the directors in default during the period, ₹59,400 upon Additional Director and ₹36,400 upon ex-company secretary of the company.

([www.mca.gov.in/bin/dms/getdocument?mds=leY7pP%252BRZmKbQlQiZgFHEg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=leY7pP%252BRZmKbQlQiZgFHEg%253D%253D&type=open))

#### **Adjudication order for violation of Rule 14(8) of Companies (Prospectus and Allotment of Securities) Rules, in the matter of DAB GAMES PRIVATE LIMITED (Application filed by the Company Sou-Moto)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for delayed issuance of private placement offer cum application letter after filling of special and thus violated the provisions of Section 42 of the Companies Act, 2013 r/w Rule 14(8) of Companies (Prospectus and Allotment of Securities) Rules, 2014, in reply ROC Delhi issued an adjudication order dated 26<sup>th</sup> July 2024 and the Adjudication Authority has imposed penalty of ₹5,000 upon the company and two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=%252BHLzA7iVb5FlfLkDzP8d1w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=%252BHLzA7iVb5FlfLkDzP8d1w%253D%253D&type=open))

#### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of XINPOMING TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Xinpoming Technology Private



Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹1,00,000 each upon the company and on two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=WEE10P8Qoa%252FaYL7bqpqbA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=WEE10P8Qoa%252FaYL7bqpqbA%253D%253D&type=open))

#### **Adjudication order for violation of Section 90(1) & 90(4) of the Companies Act, 2013 in the matter of PEARCE SERVICES GLOBAL PRIVATE LIMITED**

ROC Chandigarh issued adjudication order dated 29<sup>th</sup> July 2024 in the matter of Pearce Services Global Private Limited for not identifying the SBOs and also failed to file return of SBO in Form BEN-2, which results in violating the provisions of Section 90 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹2,00,000 and ₹4,92,000 upon the Company for violating Section 90(1) & 90(4) of the Act respectively. Penalty of ₹1,00,000 each was also imposed upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=W043zL%252BuoGhGd5sx7ZA%252F7Q%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=W043zL%252BuoGhGd5sx7ZA%252F7Q%253D%253D&type=open))

#### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of ARISEBHAVISHYA INDIA MUTUAL BENEFIT NIDHI LIMITED**

ROC Chandigarh issued adjudication order dated 31<sup>st</sup> July 2024 in the matter of Arisebha Vishya India Mutual Benefit Nidhi Limited for not filing its Financial Statements for the financial years from 2017-18 to 2022-23 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹1,00,000, ₹91,800, ₹68,900, ₹52,200, ₹37,000 and ₹18,750 upon the company for each of 6 financial years respectively. Penalty of ₹25,000 imposed upon three directors in default for each financial year from 2017-18 to 2022-23.

([www.mca.gov.in/bin/dms/getdocument?mds=yDYYqT1SVLjA1W%252EikP6oDA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=yDYYqT1SVLjA1W%252EikP6oDA%253D%253D&type=open))

#### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of ARISEBHAVISHYA INDIA MUTUAL BENEFIT NIDHI LIMITED**

ROC Chandigarh issued adjudication order dated 31<sup>st</sup> July 2024 in the matter of Arisebha Vishya India Mutual Benefit Nidhi Limited for not filing its Annual Return for the financial years from 2017-18 to 2022-23 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹1,00,000, ₹90,300, ₹67,400, ₹50,700, ₹35,500 and ₹17,250 upon the company for each of 6 financial years respectively. Penalty of ₹25,000 imposed upon three directors in default for each financial year from 2017-18 to 2021-22 and ₹17,250 upon three directors for financial year 2022-23.

([www.mca.gov.in/bin/dms/getdocument?mds=Ya2%252BmItCSomWVRYhYSPk0Q%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Ya2%252BmItCSomWVRYhYSPk0Q%253D%253D&type=open))

#### **Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of BHAGWATI ROADLINES PRIVATE LIMITED**

ROC Patna issued adjudication order dated 31<sup>st</sup> July 2024 in the matter of Bhagwati Roadlines Private Limited for not filing its Financial Statements for the financial years from 2018-19 and 2021-22 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹91,800 and ₹37,000 upon the company for financial years 2018-19 and 2021-22 respectively. Penalty of ₹50,000 and ₹37,000 each was imposed upon five directors in default for financial year from 2018-19 and 2021-22 respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=Y8QZWLGmJuKYQgMVDW5ORA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Y8QZWLGmJuKYQgMVDW5ORA%253D%253D&type=open))

#### **Adjudication order for violation of Section 89 of the Companies Act, 2013 in the matter of HYGOSAP PHARMA PRIVATE LIMITED**

ROC Delhi issued adjudication order dated 30<sup>th</sup> July 2024 in the matter of Hygosap Pharma Private Limited for not filing declaration by SBOs as required under Section 89(1) of the Companies Act, 2013 and non-filing of declaration of such SBOs with the ROC by the company as required under Section 89(6) of the Act, hence violated the provisions of Section 89 of Act. The Adjudication Authority imposed penalty of ₹1,90,000 each upon two SBOs for violation of Section 89(1) and ₹5,00,000 upon the company & ₹2,00,000 upon four directors in default for violation of Section 89(6) of the Act.

([www.mca.gov.in/bin/dms/getdocument?mds=sHthknV8D9XACatwGTbznQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=sHthknV8D9XACatwGTbznQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 90(1) & 90(4) of the Companies Act, 2013 in the matter of PEARCE SERVICES GLOBAL PRIVATE LIMITED**

ROC Chandigarh issued adjudication order dated 27<sup>th</sup> July 2024 in the matter of Pearce Services Global Private Limited as the SBOs of the company as well as the company itself failed to file declarations in forms BEN-1 and BEN-2 respectively within stipulated time under Section 90 of the Companies Act, 2013 and thus violating the said provisions. The Adjudicating Authority imposed penalty of ₹2,00,000 upon the SBO for not declaring his interest in form BEN-1, penalty of ₹4,92,000 was imposed upon the company and ₹1,00,000 upon three Directors in default for not filing declaration to ROC in for BEN-2 w.r.t SBOs.

([www.mca.gov.in/bin/dms/getdocument?mds=W043zL%252BuoGhGd5sx7ZA%252F7Q%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=W043zL%252BuoGhGd5sx7ZA%252F7Q%253D%253D&type=open))

#### **Adjudication order for violation of Section 90 of Companies Act, 2013 in the matter of GO DIGIT LIFE INSURANCE LTD**

ROC Pune issued adjudication order dated 21<sup>st</sup> June 2024 in the matter of Go Digit Life Insurance Ltd as the Company has failed to file Form BEN- 2 for intimation

of SBO and also intimation for change of indirect shareholding of SBO and violated the provisions of Section 90 of the Act. The Adjudicating Authority imposed penalty of ₹2,52,500 upon the Company and ₹86,000 upon CFO, Company Secretary and director in default for failing to file intimation of SBO. Penalty of ₹1,67,000 was imposed upon company and ₹52,000 upon CFO, Company Secretary and Director in default for non-filing of intimation of change in indirect holding of SBO.

([www.mca.gov.in/bin/dms/getdocument?mds=5KlnMqrs%252FR7gKUdNuZvo6Q%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=5KlnMqrs%252FR7gKUdNuZvo6Q%253D%253D&type=open))

#### **Adjudication order for violation of Section 12(1) of the Companies Act, 2013 in the matter of ANSH AGROFARM PRIVATE LIMITED**

ROC Chhattisgarh issued adjudication order dated 29<sup>th</sup> July 2024 in the matter of Ansh Agrofarm Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹1,00,000 each upon the company and on two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=viHHXeGDo8aV7ENuRxfV1w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=viHHXeGDo8aV7ENuRxfV1w%253D%253D&type=open))

#### **Adjudication order for violation of Section 118 of the Companies Act, 2013 in the matter of BAG ELECTRONICS (INDIA) PRIVATE LIMITED**

ROC Pune issued adjudication order dated 21<sup>st</sup> June 2024 in the matter of Bag Electronics (India) Private Limited as the pages of minutes of Board and General meetings are not consecutively numbered for the financial years from 2016-17 to 2022-23. Thus, the company and have violated provisions of Section 118(1) of Companies Act, 2013 read with Secretarial Standards issued by ICSI. The Adjudicating Authority imposed penalty of ₹5,00,000 each upon the company and two directors in default. Penalty of ₹4,98,000, ₹4,07,000 and ₹2,04,000 was also imposed upon three directors of company.

([www.mca.gov.in/bin/dms/getdocument?mds=tHCdxayMrpL23NKpiU8fnw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=tHCdxayMrpL23NKpiU8fnw%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of BAG ELECTRONICS (INDIA) PRIVATE LIMITED**

ROC Pune issued adjudication order dated 21<sup>st</sup> June 2024 in the matter of Bag Electronics (India) Private Limited as it has failed to appoint the Key Managerial Personal as mandated by the provision of Section 203 of the Companies Act, 2013 with effect from 09/04/2021. The Adjudicating Authority imposed penalty of ₹5,00,000 each upon the company and two directors in default. Penalty of ₹4,98,000, ₹4,07,000 and ₹2,04,000 was also imposed upon three directors of company.

([www.mca.gov.in/bin/dms/getdocument?mds=tHCdxayMrpL23NKpiU8fnw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=tHCdxayMrpL23NKpiU8fnw%253D%253D&type=open))

#### **Adjudication Order for Violation of Section 92(4) of the Companies Act, 2013 in the matter of AGILENT STEEL PRIVATE LIMITED**

ROC Ahmedabad issued adjudication order dated 23<sup>rd</sup> July 2024 in the matter of Agilent Steel Private Limited for not filing its Annual Return for the financial years from 2020-21 to 2022-23 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹85,900, ₹55,000, and ₹19,000 upon the company for each of 3 financial years respectively. Penalty of ₹50,000 imposed upon two directors in default for each financial year 2020-21 and 2021-22, ₹22,500 upon one director for financial year 2021-22. For financial year 2022-23 penalty of ₹19,0000 imposed upon such two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=o74wwsp6PZ%252BCGx%252Bpxrf7g%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=o74wwsp6PZ%252BCGx%252Bpxrf7g%253D%253D&type=open))

#### **Adjudication orders violation of Section 137(1) of the Companies Act, 2013 in the matter of AGILENT STEEL PRIVATE LIMITED**

ROC Ahmedabad issued adjudication order dated 23<sup>rd</sup> July 2024 in the matter of Agilent Steel Private Limited for not filing its Financial Statements for the financial years from 2020-21 to 2022-23 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹88,900, ₹58,500, and ₹22,000 upon the company for each of 3 financial years respectively. Penalty of ₹50,000 imposed upon two directors in default for each financial year 2020-21 and 2021-22, ₹25,500 upon one director for financial year 2021-22. For financial year 2022-23 penalty of ₹22,0000 imposed upon such two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=wRM4QWUD0gKcCYyQ1Jq4sg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=wRM4QWUD0gKcCYyQ1Jq4sg%253D%253D&type=open))

#### **Adjudication orders violation of Section 12(1) of the Companies Act, 2013 in the matter of AGILENT STEEL PRIVATE LIMITED**

ROC Ahmedabad issued adjudication order dated 23<sup>rd</sup> July 2024 in the matter of Agilent Steel Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹1,00,000 each upon the company and on two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=kiNSCl1uKpYpR%252BjjNKMTWw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=kiNSCl1uKpYpR%252BjjNKMTWw%253D%253D&type=open))

#### **Adjudication orders violation of Section 137(1) of the Companies Act, 2013 in the matter of APACE TRANSOLUTIONS PRIVATE LIMITED**

ROC Ahmedabad issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Apace Transolutions Private Limited for not filing its Financial Statements for the financial years from 2020-21 to 2022-23 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has

imposed penalty of ₹88,900, ₹58,500, and ₹22,000 upon the company for each of 3 financial years respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=PcJrMOoK8IKORiXw2oB1g%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=PcJrMOoK8IKORiXw2oB1g%253D%253D&type=open))

#### **Adjudication orders violation of Section 92(4) of the Companies Act, 2013 in the matter of APACE TRANSOLUTIONS PRIVATE LIMITED**

ROC Ahmedabad issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Apace Transolutions Private Limited for not filing its Annual Return for the financial years from 2020-21 to 2022-23 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹85,900, ₹55,000, and ₹19,000 upon the company for each of 3 financial years respectively.

([www.mca.gov.in/bin/dms/getdocument?mds=6mFhJEmFstiXguXnHufDFQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=6mFhJEmFstiXguXnHufDFQ%253D%253D&type=open))

#### **Adjudication orders violation of Section 12(1) of the Companies Act, 2013 in the matter of APACE TRANSOLUTIONS PRIVATE LIMITED**

ROC Ahmedabad issued adjudication order dated 26<sup>th</sup> July 2024 in the matter of Apace Transolutions Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹1,00,000 upon the company.

([www.mca.gov.in/bin/dms/getdocument?mds=wxhDFYUHDrh%252Fas%252FVYjq8BA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=wxhDFYUHDrh%252Fas%252FVYjq8BA%253D%253D&type=open))

#### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of CREDII TECHNOLOGIES PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 25<sup>th</sup> May 2024 in the matter of Credii Technologies Private Limited for not printing name, address, CIN along with telephone number over letter head of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹1,00,000 each upon the company and its managing director.

([www.mca.gov.in/bin/dms/getdocument?mds=dHAB2d2Mzp5cF%252FwaRzteEA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=dHAB2d2Mzp5cF%252FwaRzteEA%253D%253D&type=open))

#### **Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of CREDII TECHNOLOGIES PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 25<sup>th</sup> May 2024 in the matter of Credii Technologies Private Limited for not mention the required explanations in its Board Report for the financial year 2019-20 and thus violating the provisions of Section 134 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹3,00,000 upon the company and ₹50,000 upon its managing director and two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=AScaI9hxg4P0DHaayp4i0w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=AScaI9hxg4P0DHaayp4i0w%253D%253D&type=open))

#### **Adjudication order for violation of Section 89 of the Companies Act, 2013 in the matter of CREDII TECHNOLOGIES PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 25<sup>th</sup> May 2024 in the matter of Credii Technologies Private Limited for not filing declaration by SBOs as required under Section 89(1) of the Companies Act, 2013 hence violated the provisions of Section 89 of Act. The Adjudication Authority imposed penalty of ₹5,00,000 upon the company and ₹2,00,000 upon five directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=eKdOA7pHY%252BvHL4oEpko0w%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=eKdOA7pHY%252BvHL4oEpko0w%253D%253D&type=open))

#### **Adjudication order for violation of Section 101 of the Companies Act, 2013 in the matter of CREDII TECHNOLOGIES PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 29<sup>th</sup> May 2024 in the matter of Credii Technologies Private Limited for not complying with the provisions of Section 101 of the Companies Act, 2013 by not attaching proxy form and attendance slip with the notice of the General Meeting for financial years 2018-19 and 2019-20. The Adjudicating Authority imposed penalty of ₹50,000 for both financial years upon the company and ₹10,000 upon the managing director in default.

([www.mca.gov.in/bin/dms/getdocument?mds=Wi%252Ft1XLZe1Bp%252FdZXFcMhbg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Wi%252Ft1XLZe1Bp%252FdZXFcMhbg%253D%253D&type=open))

#### **Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of REFLEKTION MEDIA SOFTWARE (INDIA) PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not giving the proper explanations under board report as required under Section 134 of the Companies Act, 2013 for the financial years 2017-18, 2018-19, 2019-20 and 2020-21, in reply ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹12,00,000 upon the company, ₹2,00,000 upon one of the director in default, ₹1,50,000 upon one director and ₹50,000 upon two directors in default collectively for default in all the financial years.

([www.mca.gov.in/bin/dms/getdocument?mds=jkSLrMp kUYD49OuyY%252FLvGw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=jkSLrMp kUYD49OuyY%252FLvGw%253D%253D&type=open))

#### **Adjudication order for violation of Section 2(68) of the Companies Act, 2013 in the matter of REFLEKTION MEDIA SOFTWARE (INDIA) PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not maintaining the minimum paid-up share capital as required under Section 2(68) of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹2,00,000



upon the company and ₹50,000 upon five directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=%252BfL79uIF6SjsmjOcCo9dxQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=%252BfL79uIF6SjsmjOcCo9dxQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of JAI SHREE KRISHNA STEEL WORKS PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 in the matter of Jai Shree Krishna Steel Works Private Limited for not appointing whole-time company secretary and thus violated the provisions of Section 203 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 each upon the company and two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=%252BERTQOcAelleuHWXn%252Bwl8A%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=%252BERTQOcAelleuHWXn%252Bwl8A%253D%253D&type=open))

#### **Adjudication order for violation of Section 170 of the Companies Act, 2013 in the matter of JAI SHREE KRISHNA STEEL WORKS PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 in the matter of Jai Shree Krishna Steel Works Private Limited for not maintaining the register of Directors and KMPs as required under Section 170 of the Companies Act, 2013 and thus violated the said provisions. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹1,00,000 upon the two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=KcF7FduanZiBEugRpG3mHw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=KcF7FduanZiBEugRpG3mHw%253D%253D&type=open))

#### **Adjudication order for violation of Section 118 of the Companies Act, 2013 in the matter of JAI SHREE KRISHNA STEEL WORKS PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 in the matter of Jai Shree Krishna Steel Works Private Limited for not maintaining the minutes of the meetings and thus violating the Section 118 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹25,000 upon the company and ₹5,000 upon the two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=tFHVYygiYiZHFH2b%252FGQQnvQ%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=tFHVYygiYiZHFH2b%252FGQQnvQ%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of SURYODAY ONE ENERGY PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 in the matter of Suryoday One Energy Private Limited for not appointing whole-time company secretary and thus violated the provisions of Section 203 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹4,33,000 upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=23K%252BElo8RjbVni3n9Mj9A%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=23K%252BElo8RjbVni3n9Mj9A%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of AONE STEEL & ALLOYS PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 in the matter of Aone Steel & Alloys Private Limited for not appointing whole-time company secretary and thus violated the provisions of Section 203 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 each upon the company and three directors in default. Penalty of ₹4,66,000 also imposed upon two directors in default and ₹50,000 & ₹2,74,000 was imposed upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=Oi7IANq69VvyBOIoNmMr0g%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Oi7IANq69VvyBOIoNmMr0g%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of XINDIA STEELS LIMITED (Application filed sou-moto by the company)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not appointing the company secretary as required under Section 203 of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹5,00,000 each upon the company and two managing directors in default, ₹1,27,000 each upon two directors in default and ₹4,67,000 upon one director in default.

([www.mca.gov.in/bin/dms/getdocument?mds=iy3ukY%252BXjXPNz482wA7Kvg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=iy3ukY%252BXjXPNz482wA7Kvg%253D%253D&type=open))

#### **Adjudication order for violation of Section 173(1) of the Companies Act, 2013 in the matter of ASPECT CONTACT CENTRE SOFTWARE (INDIA) PVT LTD (Application filed sou-moto by the company)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not conducting the Board Meeting within stipulated timeframe as required under Section 173 of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹2,00,000 upon the company and ₹50,000 upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=7Q8Fn6jpaI6b9RnlC8F4Yg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=7Q8Fn6jpaI6b9RnlC8F4Yg%253D%253D&type=open))

#### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of ZERODHA ASSET MANAGEMENT PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not appointing the CFO as required under Section 203 of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹5,00,000 each upon the company and one director in default, ₹3,45,000 each upon two directors in default and ₹4,08,000 & ₹1,50,000 upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=wWs%252BjPlQPMB00E8BsDZT6g%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=wWs%252BjPlQPMB00E8BsDZT6g%253D%253D&type=open))

### **Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of BHATIA ENERGY AND MINERALS (SUNDARGARH) PRIVATE LIMITED**

ROC Bangalore issued adjudication order dated 31<sup>st</sup> July 2024 in the matter of Bhatia Energy and Minerals (Sundargarh) Private Limited for not filing its Annual Return for the financial year 2022-23 within prescribed time limits as specified under Section 92 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹34,000 each upon the company and two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=4iwvuNy00fzX00ba9DWESg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=4iwvuNy00fzX00ba9DWESg%253D%253D&type=open))

### **Adjudication order for violation of Section 135 of the Companies Act, 2013 in the matter of WORKFORCE LOGIQ INDIA PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for delayed transfer of the required amount to fund specified under schedule VII of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹21,33,790 upon the company and ₹1,06,690 upon four directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=0BUxHSH0KIq81It6HKIW0g%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=0BUxHSH0KIq81It6HKIW0g%253D%253D&type=open))

### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of NESTAWAY TECHNOLOGIES PRIVATE LIMITED**

ROC Chhattisgarh issued adjudication order dated 24<sup>th</sup> May 2024 in the matter of Nestaway Technologies Private Limited for not maintaining the registered office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority has imposed the penalty of ₹61,000 each upon the company and four directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=kJyN9PsiKTpjEBu5QISWw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=kJyN9PsiKTpjEBu5QISWw%253D%253D&type=open))

### **Adjudication order for violation of Section 173(1) of the Companies Act, 2013 in the matter of ASPECT TECHNOLOGY CENTER PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not conducting the Board Meeting within stipulated timeframe as required under Section 173 of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹2,00,000 upon the company and ₹50,000 upon two directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=7Q8Fn6jpal6b9RnlC8F4Yg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=7Q8Fn6jpal6b9RnlC8F4Yg%253D%253D&type=open))

### **Order for penalty for violation of Section 137 of the Companies Act, 2013 in the matter of BHAGWATI ROADLINES PRIVATE LIMITED**

ROC Patna issued adjudication order dated 31<sup>st</sup> July 2024 in the matter of Bhagwati Roadlines Private Limited for not filing its Financial Statements for the financial year 2018-19 and 2021-22 within prescribed time limits as specified under Section 137 of the Companies Act, 2013. The Adjudication Authority has imposed penalty of ₹91,800 and ₹37,000 upon

the company for each financial year respectively. Penalty of ₹50,000 and ₹37,000 was imposed five directors in default for each financial year.

([www.mca.gov.in/bin/dms/getdocument?mds=Y8QZW LGMjuKYQgMVDW5ORA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=Y8QZW LGMjuKYQgMVDW5ORA%253D%253D&type=open))

### **Adjudication order for violation of Section 92(3) of the Companies Act, 2013 in the matter of EQUIFAX ANALYTICS PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for inadvertently mentioning wrong financial year in Form MGT-9 for financial years 2018-19 and 2019-20 and thus violated the provision of Section 92(3) of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹20,000 each upon the company and one director in default for both financial years.

([www.mca.gov.in/bin/dms/getdocument?mds=14GekgUPP6EfmOfLUYTWKg%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=14GekgUPP6EfmOfLUYTWKg%253D%253D&type=open))

### **Adjudication order for violation of Section 173(1) of the Companies Act, 2013 in the matter of ADAMAS BUILDERS PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not conducting the Board Meeting within stipulated timeframe as required under Section 173 of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹22,000 each upon the company and upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=0pjhXaYBd3JMIlxD1L8oRw%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=0pjhXaYBd3JMIlxD1L8oRw%253D%253D&type=open))

### **Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of G2.COM INDIA PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not maintaining the registered office of the company as required under Section 12 of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹1,00,000 each upon the company and upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=T5xbpzzrgNMmU6Ta0JkQNA%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=T5xbpzzrgNMmU6Ta0JkQNA%253D%253D&type=open))

### **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of WISTRON INFOCOMM MANUFACTURING (I) PRIVATE LIMITED (Application filed sou-moto by the company)**

The company filed the application for adjudication u/s 454 in Form GNL-1 for not appointing the company secretary as required under Section 203 of the Companies Act, 2013, in reply ROC Bangalore issued adjudication order dated 24<sup>th</sup> May 2024 and the Adjudication Authority has imposed penalty of ₹5,00,000 upon the company, ₹2,24,000 upon managing director in default and ₹1,55,000 upon three directors in default.

([www.mca.gov.in/bin/dms/getdocument?mds=w8TTJKgwB12c%252BbkC7QVB9Q%253D%253D&type=open](http://www.mca.gov.in/bin/dms/getdocument?mds=w8TTJKgwB12c%252BbkC7QVB9Q%253D%253D&type=open))

# 7

## BEYOND GOVERNANCE

### Case Study

In order to make the Chartered Secretary Journal (CSJ) more interactive for the members and students, the Case Study section has been introduced from April issue. Each 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](mailto:cs.journal@icsi.edu) latest by 25<sup>th</sup> of each month.

The answer(s) will be reviewed by a Panel of reviewer(s). The winner will be given:

- (i) Certificate of Appreciation.
- (ii) His/Her name will be published in the next issue of the Journal.
- (iii) He/She will be awarded cash award of ₹ 2,500.

### Crossword

A new section 'Crossword' containing terminologies/concepts from Companies Act, IBC, NCLT and such related areas of profession is introduced. Members/students are to send the answers of Crossword to [cs.journal@icsi.edu](mailto:cs.journal@icsi.edu) latest by 25<sup>th</sup> 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.





## CASE STUDY

### IN THE SUPREME COURT OF INDIA CIVIL APPELLATE JURISDICTION CIVIL APPEAL NO. .... OF

There were several appeals filed before the Hon'ble Apex Court which were though factually different but involve certain common questions of law and therefore were heard together. The appeals are summarised as follows:

1. Appellant No. 1 has challenged the Order passed by the ... High Court in the First Appeal whereby the High Court has dismissed the said appeal filed by the appellant under Section 37 of the Arbitration and Conciliation Act, 1996 (Hereinafter referred to as "the Arbitration Act, 1996"). In the said First Appeal, the appellant had challenged the Order passed by the Commercial Court, in Commercial Civil Misc. Application filed under Section 34 of the Arbitration Act read with Section 19 of the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act, 2006"), whereby the commercial court had confirmed the award made by the Micro and Small Enterprises Facilitation Council holding that the provisions of MSMED Act, 2006 had an effect overriding the provisions of the Arbitration Act and that the MSME Facilitation Council had the jurisdiction to adjudicate upon the disputes between the parties.
2. Appellant No.2: The appellant has challenged the Order passed by the ... High Court whereby the High Court has allowed the said petition, holding that the Micro, Small Enterprises Facilitation Council did not have the jurisdiction to decide the Original Application filed by the appellant herein. In the impugned order, the High Court followed its earlier decision in case Steel Authority Vs. MSE Facilitation Council, in which it was held that

the Facilitation Council would not be entitled to proceed under the provisions of Section 18(3) of MSMED Act, 2006 when there is an independent arbitration agreement between the parties.

Similar conflicting decisions of various High Courts in other appeals led the following issue to be adjudicated by the Apex Court:

- (i) Whether the provisions of Chapter-V of the MSMED Act, 2006 would have an effect overriding the provisions of the Arbitration Act, 1996?
- (ii) Whether any party to a dispute with regard to any amount due under Section 17 of the MSMED Act, 2006 would be precluded from making a reference to the Micro and Small Enterprises Facilitation Council under sub-section (1) of Section 18 of the said Act, if an independent arbitration agreement existed between the parties as contemplated in Section 7 of the Arbitration Act, 1996?

Decide the issues.

**Disclaimer:** The case study has been framed from the facts and figures available in the public domain with some modifications/assumptions so as to enable members to apply their professional skills to answer the same and hide the identity of the case. Author is not to be held liable for any resemblance of the facts and figures with any case.

**Winner of Case Study – July 2024**

**CS L Krishnamoorthy**  
**FCS-2358**

# BEST ANSWER CASE STUDY JULY 2024

**Query: Whether the stand of SEBI with reference to the definition of UPSI pertaining to “generally available information” is justified?**

1. Regulation 2(e) of SEBI (Prevention of Insider Trading) Regulations, 2015 (PTI Regulations) defines the term “generally available information” as follows;

“generally available information” means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media.

Note: it is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what constitutes unpublished price sensitive information. Information published on the website of a stock exchange would ordinarily be considered generally available.

Regulation 2(n) of PTI defines unpublished price sensitive information as under:

“unpublished price sensitive information” means any information relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- i) Financial results;
- ii) Dividends;
- iii) Change in capital structure;
- iv) Mergers, de-mergers, acquisitions, delistings, disposal and expansion of business and such other transactions;
- v) Changes in key managerial personnel.

Note: It is intended that information relating to a company or securities that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.

2. From the given facts of the case, the following details emerge:
  - i) The applicant company decided to demerger one of its businesses by way of arrangement between the applicant company and LST Home Retail Private Limited;
  - ii) According to SEBI, the unpublished price sensitive information (UPSI) period started from 10<sup>th</sup> March 2017 when the first discussion about de-merger took place and 20<sup>th</sup> April 2017 when a corporate announcement was made by the company to the stock exchange.

- iii) According to SEBI, the articles and interviews given in the media did not give particulars of de-merger and the information was not specific in nature.

- iv) During this alleged said UPSI period, the directors traded in the shares of the company and according to SEBI, thus violated the provisions of the PTI Regulations. One of the noticees also traded during the alleged said UPSI period

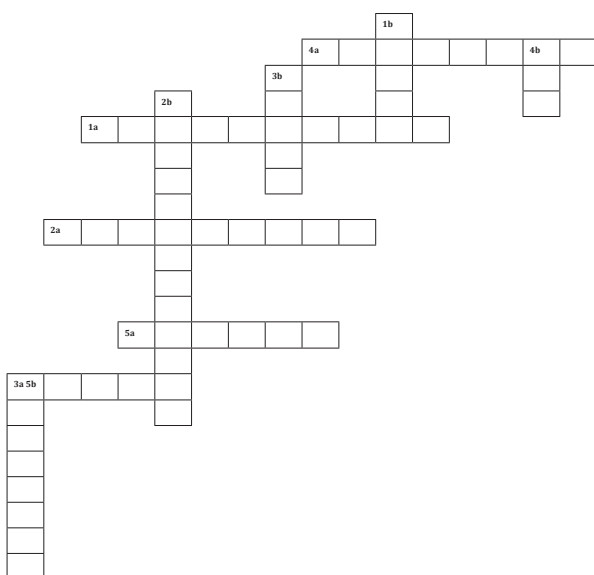
- v) Based on the investigation by SEBI, the WTM passed the order for disgorgement of unlawful gains and preventing the directors to access the capital market.

- vi) The applicant company contended that the information about merger had been widely reported across various media platforms much before the dates on which the trades were undertaken.

- vii) The company had clarified to stock exchange on 7<sup>th</sup> March 2017 that its board had authorized to consider various options on the demerger and the announcement on 17<sup>th</sup> April 2017 was a follow up announcement in respect of information about the transaction which was already in the public domain.

3. The information about de-merger is the generally available information as per Regulation 2(e) of PTI regulation as this information was widely reported across numerous media platforms on non-discriminatory basis. The said information is accessible to public and the public are aware of that. Hence such information is considered to be in public domain.
4. The information published in stock exchange web site would constitute generally available information. But at the same time, any information accessible to the public on non-discriminatory basis would also be generally available information, as defined in Regulation 2(e) of PTI Regulations.
5. The trades in the applicant company's shares were undertaken after the information about demerger was available to the public but before the formal announcement was made to the stock exchange. The Company also clarified to the stock exchange on 7<sup>th</sup> March 2017 that the board had authorized to consider various options on the proposed demerger. Thus, the trades were not done using the UPSI during the UPSI period, as alleged by SEBI.
6. In view of the above facts, the stand of SEBI with reference to definition of “generally available information”, only when it is announced in the stock exchange web site, is not correct and therefore, not justified.
7. One of the noticees was involved in the project relating to the scheme of arrangement and had no access to any financial information. Hence, he had no access to insider information and the trading done by him during the alleged UPSI period, was not insider trading.

## CROSSWORD PUZZLE – COMPANY LAW - AUGUST 2024



## ACROSS

- 1a. A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed \_\_\_\_\_ of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.
- 2a. Under Companies Act, 2013, Where the CSR amount to be spent by a company under sub-section 135(5) does not exceed \_\_\_\_\_ rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable.
- 3a. Under the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. If the liquidator is of the opinion that fresh valuation is required under the circumstances, he shall within \_\_\_\_\_ days of the liquidation commencement date, appoint two registered valuers to determine the realisable value of the assets.
- 4a. Under the Companies Act, 2013, in the event of inadequacy or absence of profits in any year, a

company may declare dividend out of free reserves subject to that the total amount to be drawn from such accumulated profits shall not exceed \_\_\_\_\_ of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.

- 5a. Under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, not later than two working days prior to the date of the detailed public statement of the open offer for acquiring shares, the acquirer shall create an \_\_\_\_\_ account towards security for performance of his obligations.

## DOWNWARDS

- 1b. A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person- has been convicted for any offence punishable with imprisonment for \_\_\_\_\_years or more under any law for the time being in force.
- 2b. Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, The authorised representative of creditors in a class shall be entitled to receive such fee for every meeting of the committee attended by him where number of creditors in class are between 101-1000:
- 3b. Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, The resolution professional shall file FORM \_\_\_\_\_within seven days of making the Public Announcement under section 13 on an electronic platform of the Board.
- 4b. A startup company may issue sweat equity shares not exceeding fifty percent of its paid up capital upto \_\_\_\_\_ years from the date of its incorporation or registration.
- 5b. Under the Insolvency and Bankruptcy Act, 2016, the Resolution Professional shall not raise any interim finance in excess of the amount as may be decided by the committee of creditors in their meeting unless approved by the committee of creditors by a vote of per cent of the voting shares.

## Winners - Crossword July 2024

1<sup>st</sup> CS Richa Jain ACS-23144

**2<sup>ND</sup>** CS Rohit Banthia ACS-29574

**3<sup>RD</sup>** CS Sunil Kumar Sharma FCS-8253

## Crossword Puzzle – July 2024 Answers

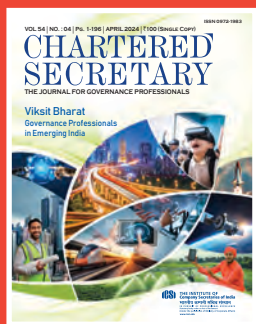
## ACROSS

1. TEN LAKH RUPEES
2. ADT-2
3. TWELVE
4. FORTY-EIGHT
5. WAIVER

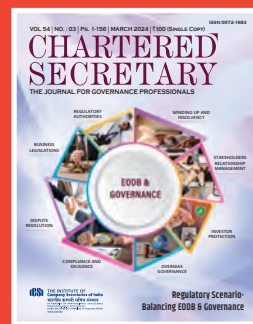
## DOWNWARDS

1. MICRO ENTERPRISE
2. TEN PER CENT
3. DIR-11
4. RESOLUTION PLAN
5. DISTRIBUTION





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