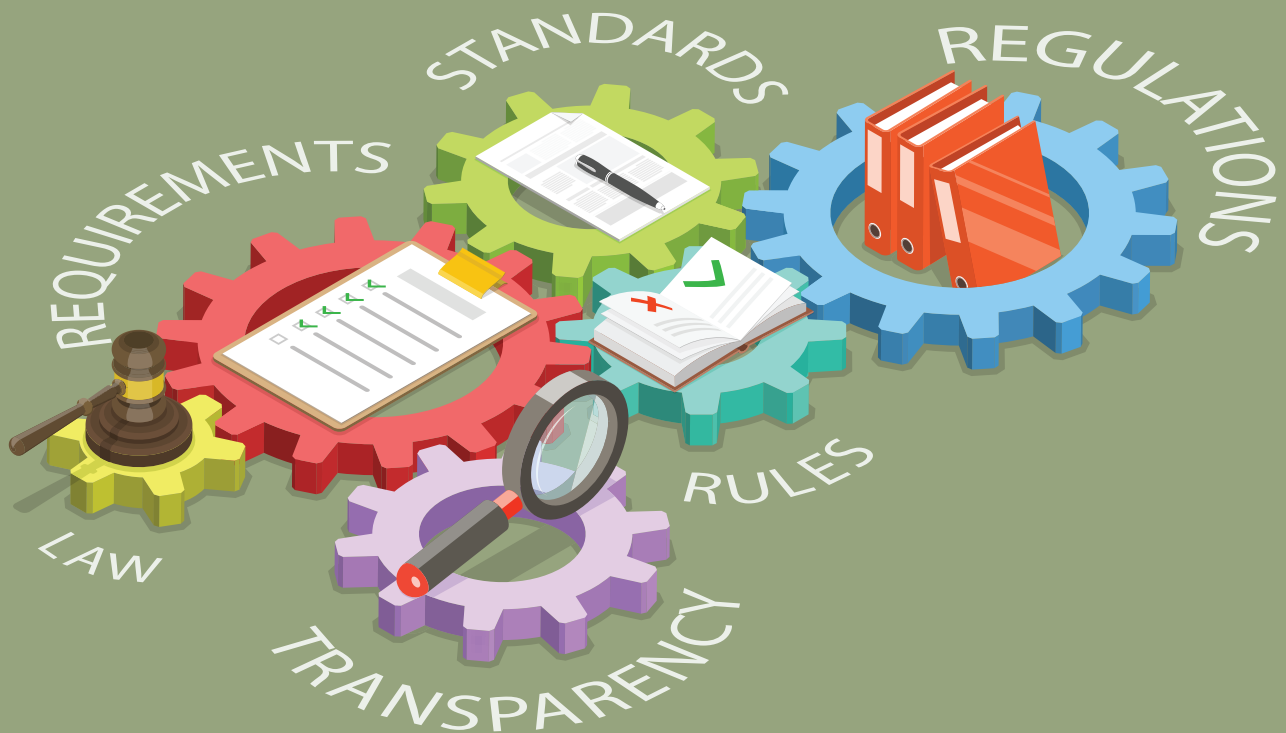


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THE JOURNAL FOR GOVERNANCE PROFESSIONALS



Securities Laws : Compliance, Governance and Opportunity Rolled Together



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

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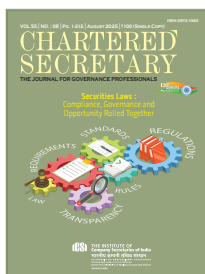


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EDITORIAL

This year, India will celebrate its 79th Independence Day, marking completion of 78 years since gaining independence on August 15, 1947. Over the years, the Ministry of Corporate Affairs has played a pivotal role in shaping the corporate legal framework of the nation, from the enactment of the erstwhile Companies Act, 1956, to the progressive and comprehensive Companies Act, 2013. The ICSI, over the years, has played a vital role in producing qualified Company Secretaries and continuously revising the curriculum to align with industry standards. Over time, the recognition of Company Secretaries to operate and practice across various legal fields has broadened, reflecting their skills and abilities to manage diverse roles. It is worth noting that the Securities and Exchange Board of India, through its regulatory framework, has consistently worked towards refining the Compliance and Governance framework for the benefit of its investors and other stakeholders.

To keep the readers informed on the impact of the recent developments in Securities Laws on the economy, this month's issue of the Journal centers on the theme **"Securities Laws: Compliance, Governance and Opportunity Rolled Together"**. The articles featured, examine the latest amendments in regulations, emphasising the role of Company Secretaries as Compliance and Governance professionals and the various opportunities available to them within the evolving and dynamic landscape of Securities Laws.

The article on the theme **'Securities Laws: Compliance, Governance and Opportunity Rolled Together'**, reflect on the legal obligations under SEBI regulations in the context of emerging professional landscape where regulatory proficiency is synonymous with strategic value addition. The articles titled **'Fund Management, Compliance and the Role of Company Secretary'**, and **'Fund Management, Compliance, and the Role of Company Secretary: Building Financial and Legal Backbone for Modern Enterprises'**, explore the intricacies of fund management, its evolution, and the regulatory framework governing it with emphasis on the emerging role for Company Secretaries. The viewpoint on economic growth through trustworthy compliance mechanisms and strategic governance is covered in articles titled **'Compliance for a \$5 Trillion India: The Silent Infrastructure of Trust and Growth'**, and **'Beyond Boilerplate: How Strategic Governance Can Power India's Ascent to a \$5 Trillion Economy'**

The articles on **'Elevating Oversight: The New Governance Imperative for High Value Debt Listed Entities'**, **'Related Party Transactions: A Governance Deep Dive'**, **'Legal & Accounting Aspects of Redeemable Preference Shares and Convertible Preference Shares'**, **'Preferential Allotment of Specified Securities by Listed Entities'**, **'Insider Trading on the Rise: A CS-Led Ethical Response'**, and **'Delisting: Opportunities for Practicing Professionals'** discuss the Governance of HVDLE & Related Party Transactions, treatment of Preference Shares, Preferential Allotment, Insider Trading and Delisting, giving impetus on the elevated role of Company Secretaries.

The issue also covers some thought-provoking articles covering diverse topics on, **'Significance and Importance of Secretarial Standards'**, **'Navigating Maritime Law: Ocean Governance in India'**, **'ESG Audit: Placing Sustainability at the Centre'**

The article in Global Connect Section on **'Bridging Time: Ancient Wisdom and Today's Fund Management Ecosystem'** throws light on the expansion of Global Investment Landscape through Gift City.

Contemplating on the inherent legal challenges in managing disclosures in Capital Markets, the Research Paper titled **'From Routine to Restricted: Expanding Scope of UPSI under SEBI 2025 Amendment'** presents a conceptual analysis of the regulatory shifts ushered in by the recent amendments to SEBI's UPSI framework.

CS Asish Mohan
(Editor - Chartered Secretary)

ICSI outreach on the crucial role of Company Secretaries across India's Compliance, Governance and Tax Ecosystem



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Harsh Malhotra, Hon'ble MoS of Ministry of Corporate Affairs and Ministry of Road Transport & Highways.



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri NK Premachandran, Hon'ble Member of Lok Sabha.



CS Rajesh Tarpara, Central Council Member, The ICSI met with Shri Dinesh Makwana, Hon'ble Member of Lok Sabha.



CS Dwarakanath C., Central Council Member, The ICSI met with Shri Basavaraj Bommai, Hon'ble Member of Lok Sabha and Former Chief Minister of Karnataka.



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Dr. Rakesh Mishra, Ex-Executive Secretary - BJP National President and National President, Indian Amateur Boxing Federation.



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Jayakumar, RSS leader.



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Anil K Antony, National Secretary, National Spokesperson, BJP.

ICSI outreach for the rightful standing of Company Secretaries in Tax Advisory and Compliance regime



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Krishna Prasad Tenneti, IPS (R), Hon'ble Member of Lok Sabha.



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Raju Bista, Hon'ble Member of Lok Sabha.



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Ms. Kamaljeet Sehrawat, Hon'ble Member of Lok Sabha.



CS Manish Gupta, Former President and Central Council Member, The ICSI met with Shri Bhartruhari Mahtab, Hon'ble Member of Lok Sabha.



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Praveen Khandelwal, Hon'ble Member of Lok Sabha.



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Ms. Raksha Khadse, Hon'ble MoS of State for Youth Affairs and Sports.



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Bhubaneswar Kalita, Hon'ble Member of Rajya Sabha.



ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Shri Anil Baluni, Hon'ble Member of Lok Sabha.



CS Dhananjay Shukla, President & CS Asish Mohan, Secretary, The ICSI met with Shri Ranjit Punhani, Secretary, Ministry of Skill Development & Entrepreneurship to apprise him about ICSI initiatives & developments in strengthening CG & Compliance in India Inc.



The ICSI joined as an Academic Partner in the IIMB-CCGS Corporate Governance & Sustainability Conclave 2025 on the theme 'Navigating the Future of Corporate Governance: Accountability & Innovation' organised by IIM Bangalore on July 4, 2025 at Bengaluru. CS Gopalakrishna Hegde, Former Council Member, The ICSI represented the Institute as Guest Speaker at the Conference.



The Institute joined hands as institutional partner with the Ministry of Corporate Affairs for the IICA North East Conclave 2025, held on July 11-12, 2025 at Shillong. The theme of the Conclave was "Ideation to Incorporation". Smt. Nirmala Sitharaman, Hon'ble Union Minister of Finance & Corporate Affairs was the Chief Guest and Shri Conrad K. Sangma, Hon'ble Chief Minister of Meghalaya was the Guest of Honour at the Conclave. CS Ranjeet Pandey, Former President, The ICSI and CS Ashish Garg, Former President, The ICSI represented the Institute at various sessions of the Conclave.



The Managing Committee Members of Belagavi Chapter of SIRC of The ICSI and members from Hubballi and Dharwad visited the office of Shri Pralhad Joshi, Hon'ble Minister of Consumer Affairs, Food and Public Distribution, and Minister of New and Renewable Energy, on July 11, 2025, in Hubballi, Karnataka, to present a letter seeking inclusion of the profession of 'Company Secretary' in the definition of "Accountant" under the Income-Tax Bill, 2025."



SIRC of The ICSI celebrated its Foundation Day followed by a Study Circle Meeting on the theme "Trademark – A Company Secretary's Perspective" on July 31, 2025 at ICSI-SIRC House, Chennai.



Under the aegis of MCA, ICSI HQ organised 'User Awareness Session on Annual Filing of E-Forms' hosted by ICSI-WIRC on July 4, 2025.



Mega Placement Drive organised during the month of July 2025 by Placement Cell, The ICSI.



3rd Non-Residential Corporate Leadership Development Program (CLDP) organised from July 7-23, 2025 at ICSI-CCGRT, Mumbai.



CS Asish Mohan, Secretary, The ICSI met with Shri Shanavas S, IAS, Chairman, Directorate of General Education, Govt. of Kerala at Thiruvananthapuram on August 2, 2025.



CS Asish Mohan, Secretary, The ICSI met with Smt. Harshita Attaluri, IPS, Chairman & Managing Director and CS Ram Ganesh R, Company Secretary, Kerala State Beverages (Manufacturing & Marketing) Corporation Limited at Thiruvananthapuram on August 1, 2025.



CS Asish Mohan, Secretary, The ICSI addressing the gathering at AMICOS Global Business Meet at Mar Ivanios College 75th Anniversary Celebrations on August 3, 2025. A group photo of CS Asish Mohan, Secretary, The ICSI with Dr Lekha S. Chakraborty, Economist, Professor, The National Institute of Public Finance and Policy (NIPFP), GoI. Mr. E.M Najeeb, Chairman & Executive Director, ATE Group of Companies, Dr Nadhanael G.V., Director, Department of Economic & Policy Research, Reserve Bank of India, Sh George Jacob, Group Chairman, Muthoot Group, Sh Jayakumar, IAS, Former Chief Secretary, Govt. of Kerala, Sh Santosh Koshy Thomas, Managing Director, KINFRA & SIDCO.



CS Asish Mohan, Secretary, The ICSI addressing at Commerce Association Inaugural Function at Mar Ivanios College on August 1, 2025 in the presence of Dr Gracious James, Pro Vice Chancellor, Sree Narayana Guru Open University, Dr Meera George, Principal, Dr Reny Scaria, Vice Principal and Dr Daisy Samuel, HOD, PG & Research Department of Commerce, Mar Ivanios College.



CS Asish Mohan, Secretary, The ICSI with Shri Sunil Chacko, Principal, Bhartiya Vidya Bhavan, Kodunganoor, Thiruvananthapuram at the Career Awareness Programme organised by Thiruvananthapuram Chapter of SIRC of The ICSI on August 1, 2025.

CS Asish Mohan, Secretary, The ICSI addressing students at Career Awareness Programme at L'ecole Chempaka Silver Rocks School, Thiruvananthapuram on August 2, 2025.



CS Asish Mohan, Secretary, The ICSI addressed the students in the presence of Shri R Giri Sankaran Thampi, Principal, PM Shri Kendriya Vidyalaya and CS Bijoy P Pulipra, Chairman, Thiruvananthapuram Chapter of SIRC of The ICSI at the Career Awareness Programme at PM Shri Kendriya Vidyalaya, Pattom on August 2, 2025.



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Company Secretaries**

Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टकारं कुरु। तृप्तये। अनेकैः सुखैः कुरु।

Mission

"To develop high calibre
professionals facilitating
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53rd

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Theme: Progressive, Inclusive and Sustainable Bharat

Delegate Registration Fee* (Non-residential)

Delegate Category	Early Bird Registration Block-I (From July 26, 2025 to August 31, 2025)	Early Bird Registration Block-II (From September 1, 2025 to October 20, 2025)	Delegate Fee (From October 21, 2025 including on the spot registration)
Member of ICSI/ICAI/ICMAI	Rs. 9,000	Rs. 9,500	Rs. 10,000
Accompanying Spouse/ Child (5 years and above)/ Sr. Member (60 years and above)	Rs. 7,000	Rs. 8,000	Rs. 9,000
Student of ICSI	Rs. 6,500	Rs. 7,500	Rs. 8,500
Non-Member/Guest	Rs. 11,000	Rs. 12,000	Rs. 13,000
Foreign Delegate	USD 175	USD 225	USD 275

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

- 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 & non-transferable.
- Registration for the Convention shall be through Online Mode only. Please note that payments will not be accepted through demand draft, cheque, cash, etc.

Registration Link : <https://tinyurl.com/53NCCS>



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President
The ICSI

CS Pawan G. Chandak
Vice President
The ICSI

CS Asish Mohan
Secretary
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CS Madhusudhanan E P
Chairman
SIRC, The ICSI

CS Jinu Mathen
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Kochi Chapter, The ICSI

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This Month That Year



H.R. Bhardwaj, Hon'ble Minister of State for Law, Justice and Company Affairs being escorted to dais by (L to R) B.N. Singh, Additional P.S. to Minister, G.B. Rao, O.P. Dani, Mahesh Shah and Virender Ganda.

Inauguration: B.K. Taparia (CMD, IRBI) lighting the traditional lamp in presence of (L to R) Amit K. Sen, Raghu Mody (Chairman, Rasoi Ltd.), Dr. S.P. Narang, O.P. Dani and S.N. Sarbadhikari.



Meeting of ICSI President and his Delegation with Chairman, SEBI - D.R. Mehta (Chairman, SEBI, 3rd from right) seen with (L to R) V. Sreedharan, R. Narayanan, Yamal A. Vyas, Dr. P.V.S Jagan Mohan Rao, Pratip Kar (Executive Director, SEBI) and G. Gehami.

Release of ICSI Publication 'Handbook on Mergers, Amalgamations and Takeovers' - Arun Jaitely, Hon'ble Union Minister of Law, Justice and Company Affairs and Shipping realising the publication. To his left is Dr. P.V.S Jagan Mohan Rao and right V. Govindarajan (Secretary, DCA).





यूनान-ओ-मिस्र-ओ-रोमा सब मिट गए जहाँ से,
अब तक मगर है बाकी नामों निशों हमारा,
कुछ बात है की हस्ती मिटती नहीं हमारी,
सदियों रहा है दुश्मन दौर ऐ जमां हमारा
सारे जहाँ से अच्छा, हिन्दोस्ताँ हमारा...
- अल्लामा इकबाल



Dear Professional Colleagues,

"Long years ago, we made a tryst with destiny, and now the time comes when we shall redeem our pledge, not wholly or in full measure, but very substantially. At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom."

- Jawaharlal Nehru

For me, personally, since childhood, the celebration of Independence Day has been less about the holiday and kite flying but more about the preparations preceding the day.

While some of us prepped up their nimble feet to share their happiness through their dancing skills on patriotic songs, others honed their acting and mugged up dialogues for the role play and skits. And then there was a group that I was elated to be a part of – the ones who chose to recite poetry filled with the same fervour and with the intent of invoking a lasting feeling amongst all.

Each year, there was a silent competition within the group as to who would pick the longest and most difficult prose, learn it by heart and recite it without a single falter. Although there was no prize for that but the feeling of exhilaration on having found the right fit for oneself and doing justice to it was almost similar to having been a freedom fighter ourselves – serving the nation.

Today, as I see the saffron, white and green flags waving around, with the day around the corner; there is a rejuvenated feeling of patriotism.

As an organization, if the Institute of Company Secretaries of India has always taken great pride and honour in partnering with the nation in its various initiatives; as professionals, it is an even greater honour to strengthen the Governance framework of the Indian corporates, create a culture of sustainability and add giant steps to our journey of becoming the third largest economic superpower in the world.

That said, as we celebrate the decades relished as an independent nation, as a free country; we should not forget that with great authority comes a good amount of responsibility too. The present day is one of digital transformation, Artificial Intelligence but most importantly of social media and its inseparable presence in our lives. We live, breathe, eat, play, connect and do practically everything else – all while hooked to Facebook, Instagram, WhatsApp and so on.

But what we forget is that as professionals and even as students who would be on the path of becoming professionals, a great degree of restraint is needed in where and what we post, how we comment, the opinions we share and the thoughts we align with.

Whatever we do as an individual is a representation of our collective thought as an Institute, profession and organization. So the next time you click the like button or share an opinion – Pause, Ponder and then Post...!

With this I would go on to share the happenings of the month...

NATIONAL SUSTAINABILITY CONFERENCE: EXPANDING SUSTAINABILITY AMIDST LAKES

Udaipur indeed for its scenic beauty won our hearts and 'Ayes', hands down, when we picked up the city for the first National Sustainability Conference of ICSI.

Just as much greens and blues are imagined when you mention sustainability, even brighter hues welcomed us as we stepped foot into the majestic land of history, mystery and of course 'lakes'.

Every first attempt brings with it a sense of not-knowingness, or uncertainty as to its viability and most importantly success. But I feel extremely elated to share that a total of 2400 participants who marked their presence physically and virtually, turned our novel attempt into a beautiful accomplishment and an unforgettable memory indeed.

I am extremely thankful to Dr. Prem Chand Bairwa, Hon'ble Deputy Chief Minister of Rajasthan and Prof. (Dr.) Gourav Vallabh, Member, Economic Advisory Council to the Prime Minister; for acceding to our request and joining us as the Chief Guest and Special Guest at the Inaugural Ceremony. I am equally grateful to Dr. Manna Lal Rawat, Member of Parliament (Lok Sabha) who joined us as we opened the second day of the 2-day conference and boosted the morale of our members.

Every speaker at each of the Technical Sessions brought to the floor, not just their opinions in the deliberation but tons of experience gathered over years of serving the Industry, the corporates and the Regulators through a wide array of roles and undertaking multifarious responsibilities in each one of them. My heartfelt gratitude to all of you.

I am sure what culminated in the city of scenic beauty is not just a conference, but rather the beginning of a lifelong legacy and a commitment to solidify the roots of this nation with sustainable thought and action...!

ADDING SPARK THROUGH WOMEN LEADERS – LEADING VIKSIT BHARAT TOGETHER

नार्यस्तु राष्ट्रस्य श्वः।

Women are the nation's future.

A few months ago, we were contacted for a very unique and yet close-to-heart partnership. We are not just elated but extremely gratified to share that the ICSI has been approached by the Women's Collective Forum (WCF) for Institutional Partnership to empower women-led SMEs with early-stage legal clarity, compliance literacy, and enterprise governance skills — all with the intent of bringing them from the informal sector to the mainstream and unlocking institutional opportunities.

The SPARK – The 100K Collective is a national initiative, launched to empower 100,000 women-led enterprises across India with legal and governance capabilities. The WCF has sought the support of ICSI to nominate and deploy qualified resource persons to each of the 300 WCF-identified locations for conducting these masterclasses.

Where on one hand, the aim is to provide legal and governance support for women-led enterprises across the country, for the ICSI it is a tremendous opportunity to play our roles in partnering with the nation and guiding the women-led enterprises in an area that we know best – 'Governance'.

The partnership hinges on an old saying that goes,

"You have to decide what kind of difference you want to make."

- Jane Goodall

SHAPING THEM YOUNG – THE FUTURE AMBASSADORS OF THE PROFESSION

"The value of an Education is not the learning of many facts but the training of the mind to think something that cannot be learned from Textbooks."

- Albert Einstein

If June is the month of Examination, July belongs to learning everything beyond books. I believe, July was handpicked quite thoughtfully by our predecessors as the Student Month, knowing fully well that, it is during this month the pressures are at their lowest. The Examinations have been done and dusted; the results are still a month away but learning – learning must not stop.

And a true professional is one who realizes and understands that there is more to learning than all the books in the world can together teach.

If one would have a closer look at the activities curated for the month, I am sure they would want to definitely go back being a student again. And I wouldn't blame them either, for each activity – be it the moot court, the elocution, the Debate or the mock interview, made me want to join my younger brigade – and compete, laugh and learn on the way...

I hope and believe that all the students across our 73 Chapters and 4 Regional Offices made the most of this opportunity and I congratulate our Teams stationed at each of these venues for making this initiative a grand success. I also commend them for conducting more than 100 CAPs covering various schools, colleges and universities in a single month.

At the same time, I am elated to share the successful commencement of the Capacity Building Webinar Series for Students. While majority of these sessions were focused on computing skills, we are moving towards other behavioural aspects and life skills as well. I expect all the students to make the most of this amazing opportunity...!

कामधेनुगुणा विद्या ह्यकाले फलदायिनी।

प्रवासे मातृसदृशी विद्या गुप्तं धनं स्मृतम्॥

Learning is like a cow of desire.

Like her, it yields in all seasons.

Like a mother, it feeds you on your journey.

Therefore, learning is a hidden treasure.

Chanakya Neeti 4.5

MSME & STARTUP CONNECT 2025: BUILDING SYNERGIES AND GOVERNANCE

The success of a nation is founded upon each of the smallest components comprising it. The Indian nation, too, proudly presents the statistics of MSME contributions to exports and of Startups in innovations, on global platforms. However, akin to all the other national segments and comprising elements, these entities, too, hold equitable responsibility of compliance and governance.

The MSME & Startup Connect 2025, a continuation of the journey initiated last year, is focused upon *Empowering Growth, Accelerating Success*. And it is with this intent we wanted our Chapters and Regional Offices to not pursue this goal alone but find partners in the local Trade Associations, MSME Bodies and the likes of them – for much greater impact at the ground level.

It is a pleasure to commend the members of the MSME & Startup Board of the ICSI for their committed efforts in taking this agenda forward and I am hopeful that the days ahead will find us scaling MSMEs and sowing the seeds of compliance in many more cities and States.

Let us all create a universal culture of governance !!!

PROGRESSIVE BOARDS, SUSTAINABLE BHARAT: GEARING UP FOR MONTHS AHEAD

The National Sustainability Conference witnessed the ICSI opening some of the most significant events of the year – the 4th ICSI Board Mentorship Programme and the 53rd National Convention of Company Secretaries. While the first one is set to guide Boards and Managerial Personnel in the lush greens of Kalimpong (West Bengal) in the month of September; the second one will find all of us packing our bags and heading to the backwaters of Kochi on 30th October, 2025...

Since both the events have carved their own niche, both of them need no further introductions – but a heartfelt invite, that the ICSI awaits your presence in both of them. We would like to take the Board Mentorship Programme as a valuable opportunity to shape the culture of the Boards that you serve and it would be our absolute delight if the MDs, CEOs, CFOs, Directors and Key Managerial Personnel of your companies were to accompany you in joining us as we venture into some of the most significant aspects of governance.

The ICSI initiative for nurturing governance and sustainability – the Institute of Governance Professionals of India has also curated a unique Programme - **ICSI Board Mentorship Programme @Comfort of your Corporate Office** – wherein we design programmes as per your specific requirements, your knowledge needs, and your skill necessities – all with the intent of expanding your governance acumen. The intent of this unique initiative is to strengthen corporate governance frameworks, enhance boardroom effectiveness, and promote ethical leadership across India Inc.

INDIA'S GOVERNANCE, COMPLIANCE & TAX ECOSYSTEM: REINFORCING THE ROLE OF COMPANY SECRETARIES

सागर की अपनी क्षमता हैं,
पर माँझी भी कब थकता हैं,
जब तक साँसों में स्पन्दन हैं,
उसका हाथ नहीं रुकता हैं।

– शिवमंगल सिंह 'सुमन'

For us at ICSI, governance is not just a part of our vision, but it runs like blood in our veins and each and every attempt will be focused on strengthening this very facet of the corporates and the nation.

In pursuit of this, we as an Institute are continuously advocating for the recognition of the Company Secretary profession within the definition of “Accountant” under the Income-Tax Bill, 2025. In the process, we actively engaged with various members of the Select Committee and elected representatives of the Hon’ble Parliament and Bureaucrats to foster discussions on the significant role of this brigade in enhancing transparency and accountability in taxation practices, highlighting their knowledge and skills in accounting and financial reporting.

Although, the Hon’ble Select Committee, while presenting its report before the Lok Sabha did not consider the profession of Company Secretary within the definition of Accountant, citing reasons that the Income Tax Bill, 2025 has been drafted keeping in view the mandate of simplification of provisions of the Income-tax Act, 1961 and the submission made is in the nature of policy change which is beyond the scope of the objectives of the Income Tax Bill, 2025 - we strongly feel that to realize the vision of Viksit Bharat, there is a need for a holistic policy review and the Government should undertake a comprehensive overhaul of Taxation Laws, with a clear focus on inclusive and future-ready reforms.

Indeed, we will continue to advocate recognition of the Company Secretary Profession within the definition of “Accountant”, and ensure that the roles and opportunities for Company Secretaries are effectively incorporated into policymaking processes, at the same time, we would like to urge all the professionals to continue their knowledge upgradation, build their capacities so as to undertake the responsibilities with ease and elan when the time arrives.

The times ahead will definitely find us exploring greater opportunities and even more realizing our potentials to the fullest...!

Yours Sincerely



CS Dhananjay Shukla
President, ICSI

Activity Highlights of July, 2025

MEETINGS WITH DIGNITARIES

Meetings to strengthen outreach on crucial role of CS in India's Compliance, Governance and Tax Ecosystem

- Shri Harsh Malhotra, Hon'ble MoS of Ministry of Corporate Affairs and Ministry of Road, Transport & Highways
- Shri NK Premachandran, Hon'ble Member of Lok Sabha
- Shri Dinesh Makwana, Hon'ble Member of Lok Sabha
- Shri Basavaraj Bommai, Hon'ble Member of Lok Sabha & Former Chief Minister of Karnataka
- Dr. Rakesh Mishra, Ex-Executive Secretary - BJP National President and National President, Indian Amateur Boxing Federation
- Shri Jayakumar, RSS leader
- Shri Anil K Antony, National Secretary, National Spokesperson, BJP
- Shri Ranjit Punhani, Secretary, Ministry of Skill Development & Entrepreneurship

Meetings for gaining rightful standing of CS in Tax Advisory and Compliance regime

- Shri Krishna Prasad Tenneti, IPS (R), Hon'ble Member of Lok Sabha
- Shri Raju Bista, Hon'ble Member of Lok Sabha
- Ms. Kamaljeet Sehrawat, Hon'ble Member of Lok Sabha
- Shri Bhartruhari Mahtab, Hon'ble Member of Lok Sabha
- Shri Praveen Khandelwal, Hon'ble Member of Lok Sabha
- Ms. Raksha Khadse, Hon'ble MoS of State for Youth Affairs and Sports
- Shri Bhubaneswar Kalita, Hon'ble Member of Rajya Sabha
- Shri Anil Baluni, Hon'ble Member of Lok Sabha

ICSI AWARDS : CELEBRATING 25 YEARS OF EXCELLENCE IN CORPORATE GOVERNANCE

The Institute is proud to celebrate 25 years of corporate governance awards—a remarkable milestone that reflects our unwavering commitment to ethical leadership, transparency, and accountability that continues to shape the business landscape. Over the past quarter-century, these awards have recognized organizations and leaders who exemplify the highest standards in governance practices, fostering trust among investors, employees, and

the broader community. This enduring legacy has not only elevated the benchmark for excellence but has also inspired companies to continuously innovate and strengthen their governance frameworks. Building on this distinguished tradition, the Institute has launched the 25th edition of the ICSI National Awards for Excellence in Corporate Governance. Applications are invited under the following prestigious categories:

- 25th ICSI National Awards for Excellence in Corporate Governance
- 25th ICSI Lifetime Achievement Award
- 10th ICSI CSR Excellence Awards
- 4th ICSI Business Responsibility and Sustainability Awards

Application Period: July 15, 2025 - August 14, 2025 For comprehensive details regarding application procedures, eligibility criteria, and submission guidelines, please visit: https://icsi.edu/home/cg_award/

ICSI 4th INTERNATIONAL CONFERENCE 2025 AT AUSTRALIA

ICSI is organising its 4th International Conference from September 3–5, 2025, in Sydney, Australia, on the theme "Embracing Innovation, Enhancing Good Governance." The 3-day Conference will serve as a dynamic platform to connect with thought leaders, industry pioneers, fostering networking and business growth.

In line with the main theme, the Conference will unfold engaging sessions, delving into Future-Ready Boards, Stewardship, Cybersecurity, Circular Economy, Generative AI, DE&I, and India–Australia Ties, where participants will gain insights to tackle emerging challenges, foster innovation, and strengthen governance frameworks in a rapidly evolving global landscape.

THE ICSI PULSE: THINK GOVERNANCE THINK ICSI - ICSI PODCAST SERIES

The Institute of Company Secretaries of India (ICSI) unveiled its Podcast Series, The ICSI Pulse: Think Governance Think ICSI, a thoughtfully crafted initiative to apprise ICSI stakeholders about the latest developments at the ICSI along with updates from Corporate Sector.

The ICSI Pulse is aimed at bringing knowledge, perspectives and inspiration through insightful conversations with industry leaders, policy makers and subject matter experts.

ICSI NATIONAL SUSTAINABILITY CONFERENCE 2025

ICSI National Sustainability Conference 2025 was organised on July 26-27, 2025 at Udaipur, Rajasthan on the theme "Fostering Sustainability Towards a Resilient

Future". The Conference was inaugurated in the august presence of Dr. Prem Chand Bairwa, Hon'ble Deputy Chief Minister of Rajasthan, Chief Guest and Prof. (Dr.) Gourav Vallabh, Member, Economic Advisory Council to the Prime Minister, Special Guest. The conference also witnessed the presence of Dr. Manna Lal Rawat, Member of Parliament (Lok Sabha) from Udaipur constituency. The Conference was attended by around 300 participants in person and more than 2100 delegates virtually from different parts of the country. A galaxy of distinguished guests, invitees, speakers, professionals and students made the conference a grand success. Detailed proceedings of the conference are published in this edition elsewhere.

ICSI PUBLICATION "DECODING ESG: FAQs ON ESG & SUSTAINABILITY"

Among other initiatives at the Inaugural Session of ICSI National Sustainability Conference, the Institute has released a unique publication titled as "Decoding ESG: FAQs on ESG & Sustainability" which is a compendium of various terminologies and concepts used in ESG & Sustainability domain. The objective of this publication is to provide a concise and easy-to-understand practical guide on various concepts in this emerging domain for ready reference of all the stakeholders.

53rd NATIONAL CONVENTION OF COMPANY SECRETARIES – REGISTRATIONS OPEN

The Institute is delighted to announce the much-awaited mega event i.e., the 53rd National Convention of Company Secretaries, to be held during October 31 & November 1-2, 2025 at Hotel Grand Hyatt Kochi Bolgatty at scenic coastal city of Kochi, Kerala on the theme "Progressive, Inclusive, and Sustainable Bharat". This year's theme reflects a forward-looking vision for India, emphasizing growth

that embraces inclusion and sustainability—perfectly aligned with the evolving role of Company Secretaries in nation-building. All are requested to mark your calendars and register at <https://tinyurl.com/53NCCS>

IICA NORTH EAST CONCLAVE 2025

The Institute joined hands as Institutional Partner with MCA for the IICA North East Conclave 2025, held on July 11-12, 2025 at Shillong on the theme "Ideation to Incorporation". Smt. Nirmala Sitharaman, Hon'ble Union Minister of Finance & Corporate Affairs and Shri Conrad K. Sangma, Hon'ble Chief Minister of Meghalaya inaugurated the Conclave as the Chief Guest and Guest of Honour. CS Ranjeet Pandey, Former President, ICSI and CS Ashish Garg, Former President, ICSI represented the Institute at various sessions of the Conclave.

MOU WITH IICA

A Memorandum of Understanding was signed by the ICSI with IICA, *inter alia* covering, launching courses, programmes for building capacities in terms of employability of youth in the North Eastern Region and other areas of mutual interest depicting joint efforts of both the Institutes, was also exchanged at the IICA North East Conclave 2025.

GST DAY 2025

The Institute celebrates GST Day every year on July 1 in order to create awareness and commemorate the introduction of GST on July 1, 2017. The Institute celebrated the 8th anniversary of GST Day in July, 2025 through Regional and Chapter offices to sensitize members on contemporary GST topics through panel discussions, seminars, study circle meetings, etc.

JOINT PROGRAMMES

Date	Event	ICSI Role	Organizing Entity	Speaker
July 4, 2025	IIMB-CCGS 2025 on Navigating the Future of Corporate Governance: Accountability & Innovation	Academic Partner	IIM Bangalore, Bengaluru	Guest Speaker: CS Gopalakrishna Hegde, Former Council Member, ICSI
July 18, 2025	Seminar on IEPF, Corporate Exits & Investors Protection	Institutional Partner	PHD Chamber of Commerce & Industry, Delhi	Chief Guest: Smt. Anita Shah Akella, CEO, IEPFA & Joint Secretary, MCA

CAPACITY BUILDING SERIES

	FEMA	GST including Litigation
Session-2	<i>Capital Account Transactions – Inbound Investments and Related Aspects</i>	<i>Supply under GST</i>
Date	July 07, 2025	July 08, 2025
Faculty	CS Sunil G. Nanal, Partner, KANJ & Co. LLP	CS R K Khurana, Advocate, Taxation and Corporate Laws Adviser
Session-3	<i>Establishment of Place of Business in India</i>	<i>Opportunities for CS & Registration under GST</i>
Date	July 14, 2025	July 15, 2025
Faculty	CS Sudha G. Bhushan, Co-Founder, Taxpert Professionals	CS J K Mittal, Eminent Advocate

Session-4	<i>Borrowings and Other Concepts</i>	<i>Invoicing system in GST</i>
Date	July 21, 2025	July 22, 2025
Faculty	CS Soy Joseph, Partner, SAS Partners Corporate Advisors Pvt. Ltd.	CS Rajesh Kumar Khandelwal
Session-5	<i>Overseas Investment & FEMA for RIs</i>	<i>Returns under GST</i>
Date	July 28, 2025	July 29, 2025
Faculty	CS Vikas Agarwal, Co-Founder, LegaLogic Consulting	CS Sanjay Malhotra, Practicing Company Secretary

ICSI BI-ANNUAL CONVOCATION OF FY 2025-2026

The Institute organized the First bi-annual Convocation of FY 2025-2026 of the Southern Region for awarding the certificate of membership to its Associate and Fellow members admitted during the period from 1st October, 2024 to 31st March, 2025 and also to award prizes/medals to meritorious students (National) and certificates to PMQ awardees.

Date	Region	Chief Guest	Venue	Awardees
July 03, 2025	Southern	Prof. Uma Vennam Vice-Chancellor Sri Padmavati Mahila Visvavidyalayam, Tirupati (AP)	Tirupati	12 Fellow members, 158 Associate members, 03 PMQ awardees, 01 student

EEE 5.0: MASTER KNOWLEDGE SERIES

Date	Topic	Faculty	Link
July 02, 2025	RERA: Compliances and Best Practices	CS Gaurav Agarwal, RERA Consultant Moderator: CS Surbhi Jain, The ICSI	youtube.com/live/TLbgMBVRXoU
July 09, 2025	Basics of SME IPO	CS Nitin Somani, Company Secretary Ms. Nidhi Maheshwari, Senior Manager, SME IPO, Business Development, NSE CS Charmi Dharod, Chief Manager, IPO Listing and Compliances, NSE Moderator : CS Khusbu Mohanty, The ICSI	youtube.com/live/KAyrKgb0NB0
July 16, 2025	Demystifying IEPF Laws	Ms. Anita Shah Akella, JS, MCA & CEO, IEPFA Sh. Ruvit Kumar, JD, IEPF Claims CS Ravi Varma, Company Secretary Moderator: CS Ashish Karodia, Central Council Member, The ICSI	youtube.com/live/8M2niG79D8Q
July 23, 2025	CSR: Impact Assessment and Reporting Aspects	Dr. Shweta Bapat, President, Business Ethics Foundation Moderator: Mr. Pratap Kumar Manne, The ICSI	youtube.com/live/dQJKTLdaUxI
July 30, 2025	Loans and Borrowings under Companies Act, 2013	CS Savithri Parekh, Company Secretary and Compliance Officer, Reliance Industries Limited Moderator: CS Surbhi Jain, The ICSI	youtube.com/live/TgMPU8WNCVM

MSME & STARTUP CONNECT 2025

Date	Venue	Guests / Speakers	Participants
July 18, 2025	EIRO	Chief Guest: Dr. (h.c) CS Mamta Binani, Former President, The ICSI and Chairperson, Council on Legal & Corporate Governance, MCCI, Kolkata Shri Amit Saraogi, President, Merchants' Chamber of Commerce & Industry Speakers: CS Shamik Dasgupta, PCS, CS Hansraj Jaria, PCS	55
July 19, 2025	Ahmedabad	CS Mihir Joshi (Managing Director, GVFL) Sh. T K Solanki (ISS Asstt. Director-I MSME DFO Ahmedabad)	132
July 20, 2025	Thane	CS Gaurav Mahani, EVP and Head - MSME, CSB Bank Ltd. Member, MSME & Startup Board, ICSI	34

July 23, 2025	Kochi	CS N. Balasubramanian, Board Member, MSME & Start-up Board, ICSI Mr. Jaison David, Industries Officer, DIC, Govt. of Kerala; and Adv. Vivek D. Bhat, Taxation Consultant.	40
July 25, 2025	Pune	Chief Guest: Ms. Shaila Wankhede- Industries Inspector, DIC, Pune Speaker: CS Bala Nadar, Founder, Startupwala.com & Member, MSME & Startups Board, ICSI	44
July 26, 2025	Dhanbad	Speaker: CS Suman Jee, PCS	12
July 26, 2025	Dombivli	Chief Guest: Adv. Shweta Sudhir, Founder, Being Vakil CS Anant Amdekar, PCS	23
July 28, 2025	Belagavi	Speaker Shri. Satyanarayan Bhat, Joint Director, District Industries Centre, Belagavi	21

REPRESENTATIONS SUBMITTED

Date	Purpose	Authority
July 10, 2025	Request for allowing of certain e-forms during downtime due to transition from V2 to V3	Secretary, MCA
July 18, 2025	Request for allowing condonation in case of delayed filing of e-Form MR-2	
July 27, 2025	Request for introduction of Company Law and LLP Law Settlement Scheme, 2025 (CL & LLSS-2025)	Shri Tejasvi Surya, MP, Bengaluru South

PEER REVIEW CERTIFICATES ISSUED

During the month July 2025, Peer Review of around 140 Practice Units was completed and accordingly Peer Review Certificate issued. The updated list of Peer Reviewed Units and can be accessed at www.icsi.edu/media/webmodules/List_Peer_Reviewed_Practice_Units.pdf

ONLINE SESSIONS

Online Sessions of following Certificate Courses were organized during the month:

- Certificate Course on POSH- Batch 9
- Certificate Course on IPR Batch 6
- Certificate Course on FEMA (Batch 8)
- Certificate Course on GST (Batch 13)
- Certificate Course on Commercial Contract Management (Batch 8)
- Certificate Course on Securities Laws (Batch 6)

CAPACITY BUILDING PROGRAM ON DIRECT TAX

Capacity Building Program on Direct Tax has been announced by the Institute for our member and students to update their knowledge & skills enhancement in the domain of Direct Tax. This capacity building program on Direct Tax has been designed with a focused approach to deliberate upon the provisions of the Income Tax Act. The online sessions on Direct Tax have commenced from 10th July 2025.

E-ACADEMIC CELL

During July 2025, the E-Academic Cell undertook a range of impactful academic and training initiatives aimed at enhancing professional development and learning outcomes. The Company Law Quiz 2025 registrations were successfully completed for both Executive and Professional programs, engaging thousands of participants across categories. A variety of training programs were actively delivered via the online LMS portal, including e-EDP (15 Days), Online TDO, Online Mode 15 Days CLDP (in lieu of classroom mode), Online 15 Days CLDP and 30 Days CLDP, 30 Days CLDP (Alternative Method).

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 renewed in July 2025 for the FY 2025-26 were as under:

Region	Name of the Study Circle	Formation/Renewal
WIRC	Reliance Industries (Corporate) Study Circle of ICSI	Renewal
WIRC	L&T (Corporate) Study Circle of ICSI	Renewal
WIRC	Bhilai Study Circle of ICSI	Renewal
WIRC	Tollygunge Study Circle of ICSI	Renewal

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 2025)

No. of Corporates/ MCA and other Government Bodies/ PSUs/ PCS Firms that Posted Jobs on the ICSI Placement Portal	141
No. of Openings available on the ICSI Placement Portal	264

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

MEGA PLACEMENT DRIVE - I (JULY-2025)

The ICSI conducted the Mega Placement Drive – I, 2025 at its 4 Regional Offices and ICSI CCGRTs during the month of July, 2025. The drive witnessed the active participation of various recruiters (including Organisations and PCS firms) and job seeking Members of ICSI. Candidates were shortlisted by various recruiters and four candidates were selected for Salary Package of 12 lakh per annum. Selection Confirmation is awaited from many recruiters as on date.

Date	Venue	No. of Recruiters	Registered Participants
July 01, 2025	ICSI-CCGRT, Hyderabad	4	12
July 05, 2025	ICSI-CCGRT, Kolkata	3	13
July 18, 2025	ICSI – WIRC, Mumbai	8	23
July 19, 2025	ICSI – NIRC, Delhi	5	64
July 19, 2025	ICSI- SIRC, Chennai	7	8
July 19, 2025	ICSI-CCGRT, Mumbai	5	11

STATUS OF REGISTRATIONS AND POSTINGS AT THE PLACEMENT PORTAL

(As on July 30, 2025)

Registered Users			Total no. of Vacancies
Members	Students	Corporates	Jobs / Trainings
21,172	32,164	7,733	36,294

ICSI SECTION 8 COMPANIES

ICSI INSTITUTE OF INSOLVENCY PROFESSIONALS

• WORKSHOPS

Date	Subject	Speaker(s)	YouTube link
05/07/2025	Liquidation under IBC	CS and IP Prakul Thadi CS and IP S. Dhanapal	youtube.com/watch?v=7UUylpUwVFg
10/07/2025	Committee of Creditors and Balancing the Interest of Stakeholders	CS and IP Shravan Kumar Vishnoi CS and IP Rajinder Kumar	youtu.be/3EmQpO1FOzk?si=_bYYUMir7f3DS_3l
Perspectives on IBC - An Array (Series - XV)			
14/07/2025	Section 29A due diligence by Insolvency Professionals, Critical Aspects and Judicial Precedents	CS and IP Suhasini Ashok B.	youtube.com/watch?v=UPgCuQdabmQ
15/07/2025	Discussion on urgent issues in IBC and Proposal for strengthening IBC	IP Anil Kohli	youtube.com/watch?v=koa39Djtnqc
16/07/2025	Mediation, Conciliation and Negotiation	IP Manish Paliwal	youtube.com/watch?v=f82y19feZ68
17/07/2025	Cross Border Insolvency	CS and IP Harmeet Kaur	youtube.com/watch?v=O2SwmQ45JAA
18/07/2025	Practical issues involved in Real Estate Projects in CIRP	IP & Advocate Harshul Shah	youtube.com/watch?v=vtJeONGa-KIc&t=9s
19/07/2025	Taking over of the Corporate Debtor as going concern	IP Apoorv Sarvaria	youtube.com/watch?v=cNPQiTsFHZE
	Important Judicial Pronouncements in IBC	CS and IP Vinit Nagar	youtube.com/watch?v=YKkaqd6SxSI
25/07/2025	Navigating Insolvency: Interplay of IBC with Company Laws	CS and IP Mahadev Tirunagari	youtube.com/watch?v=bBbzF4EogJ8
	Management and leadership skills for IPs under IBC	IP Avil Menezes	
30/07/2025	Individual Insolvency and Group Insolvency	CS and IP Ashish Singh	youtube.com/watch?v=4hf_Uh_6EJA
		CS and IP Rajinder Kumar	youtube.com/watch?v=VqW5kvjEDX8

- **WEBINAR SERIES**

Date	Subject	Speaker(s)	YouTube link
26/07/2025	Role of Company Secretary under IBC	CS and IP S. Rajendran	youtube.com/watch?v=8pjcAxxOgf0

- **Joint Programs**

ICSI IIP jointly with IBBI, IIIP ICAI and IPA ICAI conducted workshops for insolvency professionals on 03-07-2025 and 10-07-2025.

ICSI REGISTERED VALUERS ORGANISATION

Programme	Topic	Date	Faculty
COP Training	<ul style="list-style-type: none"> • Code of Conduct for Registered Valuers • Professional Ethics 	July 01, 2025	CS Rajesh Mittal
	<ul style="list-style-type: none"> • Drafting Valuation Report • Soft Skills 	July 23, 2025	CS K. Chandra Sekhar
Online Continuing Professional education (CPE)	Valuations for ESOPs	July 25, 2025	CS Rajiv Garodia
50 Hours Online Educational Course	Valuation of Securities or Financial Assets	July 25-31, 2025	

ICSI INTERNATIONAL ADR CENTRE

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

INSTITUTE OF GOVERNANCE PROFESSIONALS OF INDIA

- **ICSI Board Mentorship Programme**

The IGPI conducts the ICSI Board Mentorship Programme for Directors, including Independent Directors, Key Managerial Personnel, and Senior Managerial Personnel, to build hands-on, industry-relevant competencies that enable individuals to lead with impact in the domains of Corporate Governance and Sustainability. The programme focuses on enhancing leadership acumen, personal resilience, risk management capabilities, cross-functional skills, and strategic thinking—preparing participants to navigate the complexities of the modern corporate ecosystem. In line with this objective, IGPI is pleased to announce its 4th ICSI Board Mentorship Programme, to be held in Kalimpong, West Bengal, from 18th September to 21st September, 2025. The registrations have been made open from July 27, 2025.

- **ICSI Board Mentorship Programme @Comfort of your Corporate Office...**

The ICSI Board Mentorship Programme @ Comfort of your Corporate Office, is a specially curated Initiative to meet the unique governance

and leadership development needs of individual corporate entities. This unique version of the program is designed in response to specific requests from corporates seeking customised Board Mentorship Programme for their existing and aspiring board members and senior management. This programme offers targeted guidance with expert insights, and strategic mentorship aligned with the industry and vision of the participating organization. Through this initiative, IGPI aims to strengthen corporate governance frameworks, enhance boardroom effectiveness, and promote ethical leadership across India Inc.

ICSI CCGRTs

ICSI-CCGRT MUMBAI

- 3rd Non-Residential CLDP organised during July 07-23, 2025

3rd Non-Residential CLDP was successfully conducted from July 07 to 23, 2025, at ICSI-CCGRT, Mumbai with 38 participants from across the country. The inaugural session was attended by CS Alok Mishra, VP-Corporate Secretarial, Reliance Industries Ltd. The valedictory session was graced by CS & Compliance Officer, Inventurus Knowledge Solutions Limited from Navi Mumbai, as Chief Guest.

- 12th session of Debating Society held on July 19, 2025

12 th session	July 19, 2025	POSH a mere compliance on paper or having positive impact on productivity
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ICSI-CCGRT HYDERABAD

- 21st Batch of CLDP concluded on July 02, 2025

ICSI-CCGRT, Hyderabad, successfully concluded the 21st batch of its residential CLDP with a Valedictory Session on July 2, 2025. Shri Venkat Changavalli, CEO of Insurance Information Bureau of India, Hyderabad, was the Chief Guest.

- 2 Days Residential Workshop on Compliance Management in Corporate Laws organized during July 11-12, 2025

2 Days Residential Workshop organized on Compliance Management in Corporate Laws during July 11-12, 2025 wherein CS R. Venkata Ramana, Convenor CCGRT, Hyderabad & Council Member addressed the participants. CS Pawan G Chandak, Vice President, ICSI inaugurated the workshop by lighting the lamp and highlighting the importance of continuous professional development of ICSI etc.

CS Manish Gupta, Former President, The ICSI	Secretarial Audit Process - Corporate Laws Perspective
CS Devendra Deshpande, Former President, The ICSI	Annual Secretarial Compliance Report for Listed Companies – SEBI Regulations
CS Thirupal Gorige, PCS	Board Powers
Panel Discussion	Review and Discussion on Guidance Note on Annual Secretarial Compliance Report (LODR)

- 22nd Batch of CLDP inaugurated on July 22, 2025

ICSI-CCGRT, Hyderabad, successfully organized the inaugural session of its 22nd batch of the residential CLDP on July 22, 2025. CS Sateesh Gupta Konda, Vice President & Group Company Secretary of Greenko Energies Private Limited, graced the event as Chief Guest.

ICSI-CCGRT KOLKATA

- 2-Day Residential Programme on Fundamentals and Practical Insights into Taxation CCGRT Kolkata organized a two-day residential programme titled “Fundamentals and Practical Insights into Taxation” on July 12-13, 2025.

CS CA Anup Luharku Practicing Chartered Accountant	Fundamentals and Recent Amendments in GST – Impact and Opportunities.
CS Rajesh Singhania Director, Terai Tea Co.	Practical Strategies for Understanding the Dynamics of Direct Tax and Ensuring Compliance
CS CA K K Chhaparia Practicing Chartered Accountant	

- 10th batch of Residential CLDP organised during July 04-18, 2025

CCGRT Kolkata successfully conducted its 10th batch of the Residential CLDP during July 04-18, 2025, with 24 students from across the country. A distinguished panel of senior faculty members, corporate professionals, and industry experts delivered technical sessions aimed at enhancing leadership qualities among the participants.

- Debate Competition of CCGRT Kolkata Debating Society

Debating Society of CCGRT Kolkata organized an engaging and insightful debate competition on 26th July 2025 on the thought-provoking motion: “Social Media Does More Harm Than Good.” The session commenced with a warm welcome address by Dr. S. K. Jena, Director of CCGRT Kolkata. Esteemed mentors were present to guide the mentees, sharing valuable tips on enhancing their oratory and debating skills

ICSI REGIONAL OFFICES

ICSI-EIRO

- July 01, 2025: Half Day Workshop & Celebration of GST Day organised Half Day at the EIRO of ICSI, ICSI-CCGRT, Kolkata Campus, to mark the celebration GST Day.

CS (CA) Yash Baid	ITC Under GST-Unlocking the Credit Maze
CS (CA) Shreyansh Kothari	Smart GST Compliance – Automate Excel, Analyse with AI

- STUDENT PROGRAMS

- July 16, 2025: 31st batch of 15 Days EDP Classroom Mode concluded.
- July 22-24, 2025: 6th batch of Three Days Orientation Programme (TDOP).
- July 28-30, 2025: 7th & 8th batch of Three Days Orientation Programme (TDOP).
- July 30, 2025: 32nd batch of 15 Days EDP Classroom Mode commenced.

ICSI-SIRO

- July 01, 2025: ICSI GST Day celebrated on the theme “GST@8: Evolution, Impact and The Road Ahead”, with CA B. Ganesh Prabhu, Chennai, delivering the keynote address.
- July 26, 2025: Half Day Seminar on SME IPO conducted featuring insights from distinguished speakers: CS Pradeep B Kulkarni and CS Mahadev Thirunagari. The seminar focused on SME IPO framework, eligibility criteria, and strategic benefits for small and medium enterprises opting to go public.
- July 26, 2025: Study Circle Meeting conducted on “Cash Flows Statement”. Speaker: CMA S.Sankara Narayanan, Chennai

- July 30, 2025: Alpha College of Arts and Science inaugurated its Corporate Secretaryship Club, a strategic initiative to enhance student understanding of corporate governance and professional excellence. Shri Ankur Yadav, JS(SG) and RD (SIRO), delivered keynote address emphasizing the vital role of CS in promoting ethical and compliant corporate practices. The event witnessed Introduction of Club Office Bearers, Badge Ceremony for newly elected members and Interactive Q&A Session. Dr. A. Sivasankar, Principal, praised the Department of Corporate Secretaryship for its initiative and reaffirmed the college's commitment to holistic and industry-oriented education.
- July 31, 2025: SIRC Foundation Day celebrated marking a significant milestone in its journey of promoting excellence in corporate governance and professional development. The celebrations followed a Study Circle Meeting focusing on "Trademark – A Company Secretary's Perspective" by CS Krishna Sharan Mishra, Trade Marks Attorney, and Founder of KSM Associates.
- July 31, 2025: ICSI-SIRO launched a dedicated badminton court to promote physical fitness among its members. The court was inaugurated by CS Shanmugam and CS Venkataraman whose spirited presence added immense grace to the occasion.

ICSI DEBATING SOCIETY

The sessions were conducted on the 5th, 7th, 12th, 19th, and 20th of July 2025 at ICSI-SIRC House, Chennai.

STUDENT PROGRAMS

- July 16-18, 2025: 3rd Batch of TDOP organised.
- July 21, 2025: 6th Batch of Webinar CLDP commenced.

ICSI WIRO

- July 04, 2025: ICSI HQ organised 'User Awareness Session on Annual Filing E-Forms' hosted by ICSI-WIRC on at the Kamalnayan Bajaj Hall & Art Gallery, Mumbai.
- July 04, 2025: GST Day Program organised on the theme "GST @8: Journey so far, Reflecting on Achievements and navigating future outlooks" at Mumbai.
- July 12, 2025: ICSI-WIRC organised Program on "The Evolving Role of CS in Financial Industry - Portfolio Management Services (PMS)"
- STUDY CIRCLE MEETINGS

July 03, 2025	Aditya Birla Group (Corporate) Study Circle	Best Corporate Secretarial Practices across applicable laws for Listed Entities (Part-2).
July 06, 2025	Kandivali Study Circle	Related Party Transactions.

July 11, 2025	Adani (Corporate) Study Circle	Credit Ratings: Process, Factors and Implications on Company & Investors.
July 24, 2025	H. T. Parekh Marg (Corporate) Study Circle	Industry Standards on Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions.
July 25, 2025	Sangli Study Circle	IPO – Pre-compliances & DPT-3 – Compliances and Filing.
July 26, 2025	Bhilai Study Circle	Prepayment of Charges RBI- Directions.

STUDENT PROGRAMS

- July 02-04, 2025: 2nd Batch of TDOP organised.
- July 08-26, 2025: 61st Batch of 15 Days Classroom Mode EDP conducted.
- July 14-31, 2025: 31st Batch of 15 days Classroom Mode Non-Residential CLDP organized.
- July 18, 2025: 10th batch of Webinar Mode CLDP concluded.
- July 19, 2025: "Interaction with Vice President" organised for students of Western Region, wherein CS Pawan G Chandak, Vice President, The ICSI had direct virtual interaction with around 170 Students.

ICSI-NIRO

- July 04, 2025: Placement Drive in ICSI-NIRC conducted.
- July 05, 2025: Seminar on "Gearing For Professional Practice In Indirect Taxes: A New Era For Company Secretaries in GST Practice". Guest Speakers: CS J.K. Mittal, Renowned GST Consultant & Co-Chairman, National Council (Indirect Taxes), ASSOCHAM and Shri Manoj Mishra, Partner & Tax Controversy Management Leader, Grant Thornton.
- July 30, 2025: Seminar on: Unlocking Growth: "Navigating SME IPOs and Main Board Listing for Sustainable Business Expansion".
- STUDENT PROGRAMS

Dates	Activity
July 01-03, 2025	5 th batch of TDOP
July 01-17, 2025	19 th Online CLDP Webinar Mode
July 02, 2025	CS Trainee Drive organised
July 03, 2025	56 th Batch of 15 Days Classroom EDP concluded
July 07-24, 2025	57 th Batch of 15 Days Classroom EDP
July 08-10, 2025	6 th batch of TDOP
July 08-24, 2025	37 th Batch of 15 Days Classroom Mode Non-Residential CLDP
July 11, 2025	Class 1 of the ICSI Debating Society

July 15-17, 2025	7 th batch of TDOP
July 22-24, 2025	8 th batch of TDOP
July 22, 2025	20 th Online CLDP Webinar Mode commenced
July 29-31, 2025	9 th batch of TDOP
July 29, 2025	38 th Batch of 15 Days Classroom Mode Non-Residential CLDP commenced
July 29, 2025	58 th Batch of 15 Days Classroom EDP commenced

ICSI EMPLOYEES

- Webinar on “General Lifestyle Management” organized on July 24, 2025

A webinar was organized on July 24, 2025 on the topic “General Lifestyle Management” by Fortis Hospital for the benefit of ICSI employees and pensioners. All employees/veterans participated in the webinar presented by Dr. Bandana Sodhi, Obstetrics & Gynecology.

ICSI STUDENTS

CAPACITY BUILDING WEBINAR SERIES FOR STUDENTS

ICSI has launched a webinar series dedicated to empowering aspiring Company Secretaries. This initiative has been specially designed to equip CS students with essential, future-ready skills that complement their academic and professional journey. The series is designed to equip students with vital digital and analytical skills required for a future-ready professional journey. During the month, following webinars were conducted:

July 01, 2025	MS Office Skills
July 13, 2025	MS Excel Skills(Session-I)
July 20, 2025	MS Excel Skills (Session- II)
July 27, 2025	Behavioural Skills (Focus on personal skills (Session-I)

STUDENT MONTH – JULY 2025

Student month is celebrated in the month of July every year. Considering the grand success of this initiative, the student month was celebrated in the month of July 2025 also 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 soft skills development Programmes, from ‘Samadhan Diwas’ - Zero Grievance Day to Celebration of Career Awareness Week, the month will witness a host of events.

ALL INDIA COMPANY LAW QUIZ 2025

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 through online mode concluded on 16th July 2025.

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

Round	Date	Pattern
Preliminary	August 12, 2025 (10AM - 5PM)	Online Mode (MCQ pattern)
Quarter Final	September 12, 2025 (10AM - 5PM)	
Semi-Final	October 14, 2025 (10AM - 5PM)	
Final	November 08, 2025	Physical/Virtual as decided by ICSI

FACILITATION AND RELAXATION

- CS Mitr Scheme:**

ICSI has introduced CS Mitr incentive Scheme wherein any person who is above 18 years of age is eligible to become CS Mitr under the scheme. Incentive @ ₹500 will be paid per student to the CS Mitr for each student registered in Executive Programme (subject to applicable tax deduction). Further, the above incentive will only be valid for the registration categories wherein concession in fees is not applicable. Persons willing to become CS Mitr will be required to apply through online process. After their credentials are verified and they are registered with ICSI as CS Mitr, they will be allotted a code number. Students will be required to mention the code as a referral code, while registering themselves for the Executive Programme. All payments will be transferred by the Dte. of Finance and Accounts to the bank account. of beneficiary through NEFT To register visit: smash.icsi.edu/Scripts/Registration/Mitr_Registration.aspx?rmode=1#

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

With a view to encourage and motivate economically backward and academically bright students to pursue the Company Secretaryship Course, a Trust, viz., “ICSI Students Education Fund Trust” has been established by the Institute. Under the guidelines of the Trust, eligible students are fully exempted from paying the Registration / Admission Fee including CSEET Registration Fees, Tuition Fees, Examination Fees, Pre-Exam Test Fees, and other fees payable at the time of admission to the Executive and Professional Programme.

- Welcome Back Scheme via Re-Registration Policy**

The Institute has introduced a special scheme for students who:

- ◆ have successfully passed the Executive Programme.
- ◆ did not register for the Professional Programme.
- ◆ have an expired registration term and not eligible for de-novo.

The students can continue their study from the Professional Programme with this initiative, eliminating the need to repeat the Executive level.

Key Benefits:

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

As a result, 691 students registered in Professional Programme since May 2014. The detailed information is available at: [icsi.edu/docs/Webmodules/REREGISTRATION.pdf](https://www.icsi.edu/docs/Webmodules/REREGISTRATION.pdf)

- **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, 13625 students registered in Professional Programme since August 2023.

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

The Institute in alignment with the various initiatives of Govt. of India has launched ICSI Waiver/ Concession scheme for Indian armed forces, paramilitary forces, Agniveers and families of Martyrs. Under the scheme, 100% concession will be given to the 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 57th Samadhan Diwas, on Wednesday, July 09, 2025. 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.

- **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, 16 Transcripts were issued.

Likewise, on request of the employer/PSU/government authorities and other Education verifier agencies, 02 Education Verification requests of CS students were processed.

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

Institute has facilitated Executive Programme students to register directly for the Executive Programme classes 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

- **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 50th 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.

- **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:

- ◆ **Executive Switchover :**
[icsi.edu/media/webmodules/ExecutiveFAQ_SW_24082023.pdf](https://www.icsi.edu/media/webmodules/ExecutiveFAQ_SW_24082023.pdf)
- ◆ **Professional Switchover to New Syllabus:**
www.icsi.edu/media/webmodules/Executive_FAQ_SW_23022023.pdf

- **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.).

- **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.

- **Compulsory Switchover from Old Syllabus-2017 to New Syllabus – 2022**

The last examination under Executive Programme (Old Syllabus) has been conducted during December, 2024 Session. From June, 2025 Session onwards, all students under Executive Programme (Old Syllabus) shall be compulsorily required to switchover to Executive Programme (New Syllabus). No further extensions will be granted for the Executive Programme under the 2017 (Old) Syllabus. Starting from December 2025 for Professional Programme students, a compulsory switch to the New Syllabus will be applicable.

TRAINING OPPORTUNITIES

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

No. of Corporates/ MCA and other Government Bodies/ PSUs/ PCS Firms that Posted Training and Semi qualified Job Opportunities on the ICSI Placement Portal	187
No. of Training/Semi qualified Opportunities available on the ICSI Placement Portal	329

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

COMPANY SECRETARY EXECUTIVE ENTRANCE TEST (CSEET)

- **CSEET for July 2025 Session conducted**

Company Secretary Executive Entrance Test (CSEET) for July Session conducted on 05th and 07th July, 2025 through Remote Proctored mode.

- **Centralized online Classes of CSEET**

ICSI conducts online Centralized classes for the students registered for the upcoming Session of CSEET. Faculties with vast experience take these classes.

- **Registration for CSEET Classes at the time of CSEET Registration**

CSEET students can register directly for CSEET classes conducted by 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

- **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 Graduates or Post Graduates (without any criteria of minimum % of marks) in any discipline of any recognized University or any other Institution in India or abroad recognized as equivalent thereto by the Council from appearing in CSEET enabling them to take direct admission in CS Executive Programme. 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

- **CSEET Guide – I and CSEET Guide – II 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 ₹1500 (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 ₹2000. The same is available at: 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, 2025**. The journals are available on the Academic corner of the Institute's website at the link: 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/.

- 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

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/

CAREER AWARENESS

- Career Awareness Programmes conducted across the country by ICSI-HQ, Regional and Chapter offices

S. No.	Region	Name of Institution	Date	Venue
1.	NIRC	Delhi International School	04.07.2025	Delhi
2.	NIRC	Delhi Public School	05.07.2025	Delhi
3.	NIRC	St. Mary School	08.07.2025	Delhi
4.	NIRC	Sarvodaya Kanya Vidyalaya, Palam	09.07.2025	Delhi
5.	NIRC	New Convent Sr. Sec School	14.07.2025	Delhi
6.	NIRC	Shree Ram World School	14.07.2025	Delhi
7.	NIRC	Delhi International School Edge	15.07.2025	Delhi
8.	NIRC	N.K Bagrodia Public School	15.07.2025	Delhi
9.	NIRC	Sarvodaya Kanya Vidyalaya	15.07.2025	Delhi
10.	NIRC	Summer Fields School	15.07.2025	Delhi
11.	NIRC	Mount Abu Public School	16.07.2025	Delhi
12.	NIRC	BGS International Public School	16.07.2025	Delhi
13.	NIRC	ITL Public School Dwarka	17.07.2025	Delhi
14.	NIRC	New Green Field school	17.07.2025	Delhi
15.	NIRC	Army Public School	18.07.2025	Delhi
16.	NIRC	Sri Venkateshwar International School	22.07.2025	Delhi
17.	NIRC	Mira Model School	23.07.2025	Delhi
18.	WIRC	Shriniwas Bagarka Junior College	14.07.2025	Andheri
19.	WIRC	Nagindas Khandwala College	15.07.2025	Malad
20.	WIRC	Dnyan Bharati Society's Sau. SRK & Late M.B.B.I. College	16.07.2025	Vadkun
21.	WIRC	BSES Jr. College of Science	16.07.2025	Vadkun
22.	WIRC	SIES Junior College of Commerce	17.07.2025	Mumbai
23.	WIRC	Maharashtra College of Arts, Science and Commerce	18.07.2025	Mumbai
24.	WIRC	Ramniranjan Jhunjunwala College	19.07.2025	Mumbai
25.	SIRC	MOP Vaisahnav College for Women	02.07.2025	Chennai
26.	SIRC	Presidency College	07.07.2025	Chennai
27.	SIRC	Sri Ramachandra Faculty of Management Sciences	10.07.2025	Chennai
28.	SIRC	PM Shri Kendriya Vidyalaya AFS	10.07.2025	Chennai
29.	SIRC	Hindu College	11.07.2025	Chennai
30.	SIRC	Velammal Vidyalaya (CBSE)	12.07.2025	Chennai
31.	SIRC	Mar Gregorios College	14.07.2025	Chennai
32.	SIRC	Shri Krishnaswami College for Women	15.07.2025	Chennai
33.	SIRC	PM Shri Kendriya Vidyalaya, Tiruvannamalai	29.07.2025	Chennai
34.	SIRC	Kamban Arts and Science College for Women	29.07.2025	Chennai
35.	SIRC	Sun Arts and Science College	29.07.2025	Chennai
36.	SIRC	Kumararani Meena Muthiah College	31.07.2025	Chennai
37.	EIRC	Shree Balkrishna Vithalnath Vidyalaya	01.07.2025	Kolkata

38.	EIRC	Raghunath Arya Vidyalaya	01.07.2025	Kolkata
39.	EIRC	Victoria Institution	02.07.2025	Kolkata
40.	EIRC	Sir N N Girls High School	04.07.2025	Kolkata
41.	EIRC	Dum Dum Road Govt Sponsd. High School for Girls	09.07.2025	Kolkata
42.	EIRC	Pratt Memorial School	10.07.2025	Kolkata
43.	EIRC	National English School, Baguiati	10.07.2025	Kolkata
44.	EIRC	BBIT Public School	11.07.2025	Kolkata
45.	EIRC	RLJDM DAV Public School, Raniganj	15.07.2025	Kolkata
46.	EIRC	SKS Public School, Raniganj	15.07.2025	Kolkata
47.	EIRC	Raniganj BDG Vidyamandir	15.07.2025	Kolkata
48.	EIRC	Raniganj Jamunamayee Balika Vidyalaya (H.S.)	15.07.2025	Kolkata
49.	EIRC	Raniganj Shree Durga Vidyalaya	15.07.2025	Kolkata
50.	EIRC	Dr. Shyamaprasad Mukherjee Institution	18.07.2025	Kolkata
51.	EIRC	Bratachari Vidyashram	21.07.2025	Kolkata
52.	EIRC	Welkin National School	22.07.2025	Kolkata
53.	EIRC	Nopany High	22.07.2025	Kolkata
54.	EIRC	Douglas Memorial HS School, Barrackpore	23.07.2025	Kolkata
55.	EIRC	Assembly of Christ School, Barrackpore	23.07.2025	Kolkata
56.	EIRC	PM Shri KV Barrackpore (AFS)	23.07.2025	Kolkata
57.	EIRC	PM Shri KV Barrackpore (Army)	23.07.2025	Kolkata
58.	EIRC	Assembly of God Church, Park Street	25.07.2025	Kolkata
59.	EIRC	National English School, Rajarhat	25.07.2025	Kolkata
60.	EIRC	South Point High School	28.07.2025	Kolkata
61.	EIRC	Barisha High School	28.07.2025	Kolkata
62.	EIRC	La Martiniere for Boys	29.07.2025	Kolkata
63.	EIRC	C. M. O. Girls High School	31.07.2025	Kolkata
64.	EIRC	Mahadevi Birla Sishu Vihar	31.07.2025	Kolkata

- **Career Fairs Participation**

ICSI participated in Career Fairs at:

02.07.2025	DPS New Town, Kolkata
03.07.2025	Sushila Birla Girls School, Kolkata
04.07.2025	The Future Foundation School, Kolkata
05.07.2025	Ashok Hall Girls High School, Kolkata
12.07.2025	Sri Sri Academy, Kolkata
25.07.2025	The Heritage School, Kolkata
26.07.2025	Aditya Academy Secondary, Kolkata

- **Career Guidance Sessions conducted**

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 helps the students, their families, teachers, and peer groups make informed decisions regarding their career paths. Invites were received from the following for conducting Career Guidance Sessions:

- ◆ Navodaya Vidyalaya Samiti for conducting Career guidance sessions across their schools.
- ◆ NESTS, Ministry of Tribal Affairs for conducting Career guidance sessions across EMRS schools in the country

Based on the circular, ICSI is conducting Career Guidance sessions across their schools.

- **Initiative on displaying Career Guidance Flyer at the website or other platforms of local/state**

As part of its ongoing efforts to promote Career Awareness and guidance, ICSI recently collaborated with the National Institute of Open Schooling (NIOS) to display the ICSI Career Guidance flyer on their official website. This initiative is aimed at enhancing visibility and outreach for our profession among students at the school level.

- **Career guidance sessions at CBSE Schools for conducting CAPs across the country**

A letter was issued by CBSE for conducting Career guidance sessions across their schools in the country. 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 helps the students, their families, teachers, and peer groups make informed decisions regarding their career paths. Based on the circular, ICSI is conducting Career Guidance sessions across their schools.

National Sustainability Conference 2025 held on July 26-27, 2025 at Udaipur, Rajasthan

Theme: Fostering Sustainability Towards a Resilient Future

Chief Guest: Dr. Prem Chand Bairwa, Hon'ble Deputy Chief Minister of Rajasthan

Special Guest: Prof. (Dr.) Gourav Vallabh, Member, Economic Advisory Council to the Prime Minister of India

INAUGURAL SESSION



TECHNICAL SESSION-I

ESG: REDEFINING ROLE OF PROFESSIONALS



TECHNICAL SESSION-II

CLIMATE GOVERNANCE: SDGs, CHALLENGES AND SOLUTIONS



SPECIAL SESSION

Special Guest: Dr. Manna Lal Rawat, Member of Parliament, Lok Sabha, Udaipur



TECHNICAL SESSION-III

ESG: AI AND TECHNOLOGY INTEGRATION



OPEN HOUSE

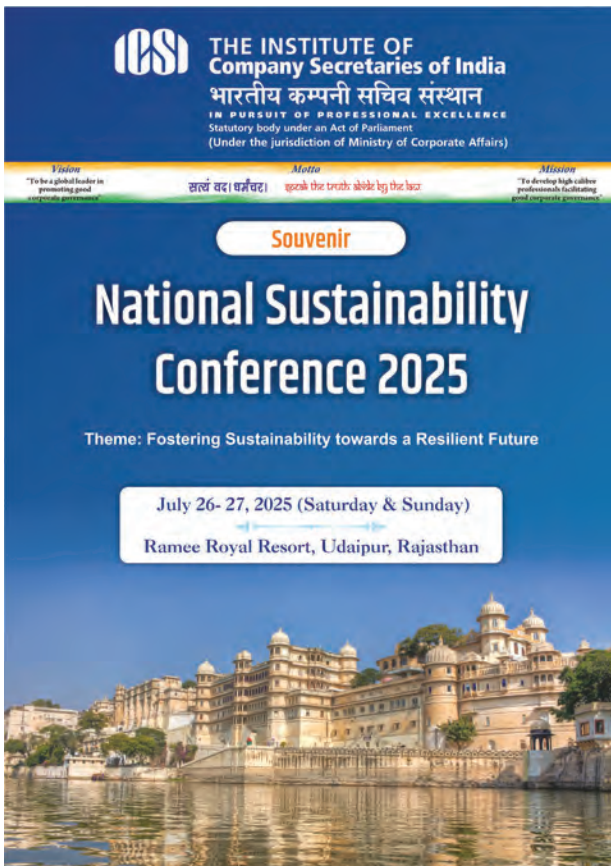


TECHNICAL SESSION-IV

STEWARDSHIP GOVERNANCE FOR SUSTAINABLE AND INCLUSIVE GROWTH



RELEASES AT NATIONAL SUSTAINABILITY CONFERENCE 2025



Decoding ESG

(FAQs on ESG & Sustainability)



Proceedings of the National Sustainability Conference 2025 held on July 26-27, 2025 at Udaipur, Rajasthan

Theme: Fostering Sustainability Towards a Resilient Future

Chief Guest: Dr. Prem Chand Bairwa, Hon'ble Deputy Chief Minister of Rajasthan

Special Guest: Prof. (Dr.) Gourav Vallabh, Member, Economic Advisory Council to the Prime Minister of India

The Institute of Company Secretaries of India (ICSI) organised a National Sustainability Conference at Ramee Royal Resort, Udaipur on the theme “**Fostering Sustainability Towards a Resilient Future**”. The Conference was attended by around 300 participants in person and more than 2100 delegates attended it virtually from different parts of the country.

DAY 1 - JULY 26, 2025

INAUGURAL SESSION

The ICSI National Sustainability Conference was inaugurated in the august presence of **Dr. Prem Chand Bairwa, Hon'ble Deputy Chief Minister of Rajasthan, as the Chief Guest** and **Prof. (Dr.) Gourav Vallabh, Member, Economic Advisory Council to the Prime Minister, as the Special Guest**.

CS Himanshu Harbola, Chairman-NIRC, gave formal introduction of dignitaries on the dais and welcomed all the delegates at the National Sustainability Conference.

CS Manish Gupta, Programme Director, Council Member and Former President of ICSI, welcomed guests and delegates attending the conference in-person as well as through virtual mode. He briefed the dignitaries and delegates about the theme and sub-themes for deliberation during the two-day conference. He also reiterated the ICSI's efforts in promoting sustainability including ban on single-use plastics within ICSI premises and elaborated about the role of Company Secretaries in sustainability domain.

CS Pawan G. Chandak, Vice President, ICSI, in his address highlighted the pressing global challenges of climate change, social inequality and governance reforms emphasizing the urgent need for collective actions to address these critical issues. He enriched the participants with thought provoking address by delving into historical examples to illustrate how the concept of sustainability has evolved over decades which was integrated into various historical practices evident from Indian tradition and culture. He encouraged company secretaries to embrace their role as champions of sustainability, working collaboratively with stakeholders to build a more sustainable and equitable future for all.

CS Dhananjay Shukla, President, ICSI, warmly welcomed dignitaries and delegates to the conference and extended a special thanks to the Chief Guest and Special Guest for gracing the occasion, highlighting significance of their presence at ICSI National Sustainability Conference. He also acknowledged the historical significance of Udaipur, paying homage to the legacy of Maharana Pratap and recognizing Rajasthan's rich tradition of environmental protection, preservation, and conservation. President-ICSI emphasized on the urgent need of focussing on sustainable development issues, calling for immediate action by all stakeholders and most prominently by the “Company Secretary” Professionals. As key drivers of sustainability agenda, Company Secretaries are taking a lead in balancing Company's profitability with purpose. This Conference is a testament to ICSI's unwavering commitment in ensuring that professionals remain equipped to discharge their oversight responsibilities effectively. He then briefed about various ICSI initiatives in promoting ESG and Sustainability and prioritisation of Capacity Building of Company Secretaries in this very emerging domain, which aim to equip professionals with the necessary knowledge and skills to navigate the evolving landscape of sustainable business practices. He envisioned a future where Company Secretaries are at the forefront of driving ESG adoption, promoting responsible stewardship and mitigating the risks associated with climate change, solidifying their position as indispensable advisors to businesses in a rapidly changing world.

Presidential address was followed by the following releases, facilitated by CS Surya Prakash Moud, Chairman Udaipur Chapter of NIRC of ICSI at the august hands of Chief Guest along with the other dignitaries present at the dais:

- i. Souvenir of ICSI National Sustainability Conference 2025
- ii. ICSI Publication - “Decoding ESG: FAQs on ESG and Sustainability”
- iii. Flyer of ICSI Board Mentorship Programmes
- iv. Flyer of ICSI Board Mentorship Programme@Comfort of your Corporate Office
- v. Flyer of ICSI 53rd National Convention of Company Secretaries

In his inaugural address, **Dr. Prem Chand Bairwa, Chief Guest**, highlighted Rajasthan state's sustainability initiatives and appreciated the ICSI for organising National Sustainability Conference at Udaipur and aligning it with India's vision on achieving Sustainable Development Goals. He further added that "Company Secretaries' dedication to ethical business and sustainable practices inspires confidence in India's future." As a central paradigm for responsible growth, sustainability needs to be embedded beyond policies, in the very culture of corporate India and being corporate advisors company secretaries are rightly placed to play such a critical role in corporate hierarchy.

Professor (Dr.) Gourav Vallabh, Special Guest on the occasion, emphasized that Sustainability is in the DNA of Udaipur and congratulated the ICSI for choosing a right place for discussion on ESG and Sustainability. He also highlighted the Rajasthan State's and India's initiatives on Sustainability and stated that first principle of sustainability i.e., following the 'Dharma', has been rightfully ingrained in the ICSI motto. He also emphasised that the Company Secretaries Professionals, as the active change agents of ESG and climate governance, are responsible for fostering Sustainability in alignment with India's developmental priorities and achieving the vision of Viksit and sustainable Bharat.

VOTE OF THANKS

At the end of Inaugural Session, **CS Asish Mohan**, Secretary, ICSI proposed the Vote of Thanks and expressed his sincere gratitude and greetings to the Chief Guest, Special Guest, President, ICSI, Vice President, ICSI, Council Members, Former Presidents, esteemed dignitaries, guest speakers, delegates and team ICSI. He briefed about challenges hindering global progress, citing ongoing conflicts, inherent structural vulnerabilities within societies, and limited resources, which collectively impede sustainable development worldwide as only 17% of the global targets on SDGs are currently on track, underscoring the urgent need for accelerated action. He also highlighted the increasing relevance of climate change in the context of sustainable development, noting that the changing climate presents both challenges and opportunities for businesses. He also apprised about ICSI's ongoing commitment to promote good corporate governance and sustainability, citing the ICSI Guiding Principles on Stewardship as a prime example and the projects in pipeline such as principles for Climate Change Governance and Stakeholders Engagement Toolkit on ESG etc. At the end, he congratulated all the delegates for participating in ICSI National Sustainability Conference and expressed that their collective wisdom and deliberation will certainly pave new way and ideas to promote ESG and Sustainability and unlock the hidden professional opportunities.

TECHNICAL SESSION - I

ESG: REDEFINING ROLE OF PROFESSIONALS

Session Moderators:

CS Rajesh C. Tarpara and CS R Venkata Ramana, Council Members, ICSI

Panelists: CS Ranjeet Pandey, Former President, ICSI & Chairman-ESG & Sustainability Board of ICSI, Ms. Surabhi Gupta, Chief General Manager, SEBI, and CS Shujath Bin Ali, Chief Legal Officer, Fourth Partner Energy

CS Rajesh C. Tarpara in his introductory remarks briefed about theme of the session, welcomed and introduced the esteemed panelists and invited them to address the conference.

Ms. Surabhi Gupta congratulated the ICSI for organising National Sustainability Conference on a very apt theme of "fostering sustainability towards a resilient future". She highlighted that in order to effectively champion ESG domain, the professionals must acquire new competencies, data analytics to assess ESG metrics, cross-disciplinary knowledge to address interconnected ESG challenges and stakeholder engagement skills to align with evolving expectations. She also suggested that there must be an inter-linkage mechanism between financial and non-financial parameters and organisations should not trade-off between short-term profit and long-term sustainability. She also said that reporting on ESG should not be treated only as a checkbox activity, as SEBI is continuously taking steps to ring-fence the companies to take ESG seriously, ensuring that sustainability is not an afterthought but a core component of corporate strategy. She also suggested that the organisations should place ESG related agenda in board meeting for creating a robust ESG strategy and implementation. She also addressed on the need of appropriate transition plans towards net-zero targets and role of professionals therein particularly in the hard-to-abate sectors such as cement, steel etc.

CS Shujath Bin Ali began his address by emphasizing on the role of Company Secretaries in the achievement of sustainability and the challenges faced by organisations on regulatory landscape, integration of ESG, data integrity etc. and how those challenges can become opportunities for the professionals in specialized roles such as sustainability officers, data analysts and governance advisors. He also briefed about how Company Secretaries can play a crucial role in addressing those challenges by developing ESG frameworks and policies, by suggesting the constitution of ESG oversight committee, facilitator and communicator between various departments and the Board while ensuring implementation of ESG strategies in alignment with stated objectives, developing transition plans, ensuring robust ESG reporting etc.

CS Ranjeet Pandey initiated by interacting with the delegates on the difference between the concept of ESG and Sustainability. He briefed about the concept of "triple bottom line" that revolves around planet, people and prosperity.

He also referred to the definition of sustainable development given in “Our Common Future” wherein it has been defined as “sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs.” Taking forward the theme of the session, he emphasised that there is no need to redefine the role of Company Secretaries in alignment with ESG requirements, rather it needs to be refined to address the challenges being faced by the organisations in the domain of ESG and sustainability in alignment with the SDGs and Principles of NGRBC etc.

Thereafter, the Panelists deliberated on the various issues pertaining to the theme of the session and also answered suitably to queries posed during the session which made the deliberations fruitful and interactive.

CS R Venkata Ramana summed up the discussions and thanked all the panelists for their valuable insights and deliberation on theme of the session.

TECHNICAL SESSION – II

CLIMATE GOVERNANCE: SDGs, CHALLENGES AND SOLUTIONS

Session Moderators: CS Praveen Soni and CS Suresh Pandey, Council Members, ICSI

Panelists: Dr. Atul Narayan Vaidya, Vice-Chancellor, Laxminarayan Innovation Technological University; Dr. Garima Dadhich, Associate Professor, Indian Institute of Corporate Affairs and CS Kaushik Mukherjee, Executive Director- CS & Chief Legal Officer, PCBL Chemical Ltd.

CS Praveen Soni in his introductory remarks briefed about theme of the session, welcomed and introduced the esteemed panelists and invited them to address the conference.

Dr. Atul Narayan Vaidya enlightened the gathering with interconnection of the Sustainable Development Goals and challenges of climate change, gave insightful remarks on sustainability for future generations as well as appreciated the influential role of Company Secretaries in embracing ESG and Sustainability. During his address, he emphasized on the pressing issues of climate change, blending of technical knowledge with sustainability inspired by traditional wisdom such as the Vedas and the concept of renunciation. He outlined three fundamental tenets for achieving sustainability: resource management, processing management and waste management. Emphasizing the circular economy, he advocated for maximizing resource recycling and discussed about the potential battery waste generated by electric vehicles.

Dr. Garima Dadhich commended the ICSI for organising National Sustainability Conference 2025 and highlighted that recently ICSI and IICA has entered into a Memorandum of Understanding to collaborate and mutually foster the objectives of both the Institutes. She addressed on the specific issue of Climate Governance and explained various aspects thereof. Dr. Dadhich defined Climate Governance as all-encompassing board-level oversight, risk regulation, disclosures, culture building, and long-term scenario planning. Dr. Dadhich highlighted Climate Governance as the organizational nervous system of a low-carbon transition. She also discussed about the Indian and Global initiatives related to climate change and sustainability and emphasized on the integration of mitigation targets with key performance indicators (KPIs) and actionable strategies. Dr. Dadhich highlighted the various roles of Company Secretaries such as KMP, Board Advisor, Policy Integrator, Disclosure Steward, Risk Manager, Sustainability Committee Facilitator, Stakeholder Communicator etc. and thus rightly placed to assure climate governance. Dr. Dadhich also addressed about increasing climate litigation, recent judgments and reiterated, that Climate is no longer an externality, it is a strategic risk, governance responsibility, financial exposure and a constitutional issue, therefore, the role of Company Secretaries is not only restricted to being mere compliance professionals but they are certainly the conscience keepers of the Corporate Climate Ethics.

CS Kaushik Mukherjee initiated the discussion by highlighting ground realities and challenges in ESG and Sustainability within the chemical and manufacturing Industry and approach toward greenhouse gas emissions. He articulated the concept of EESG - Economy, Environmental, Social and Governance and the role of foreign institutional investors in keeping a track on corporate emissions and other ESG norms. He also underscored the importance of profitability in business and quoted that “Business of a business is to do Sustainable Business”. In conclusion, he elaborated upon responsible production and responsible consumption as well as the necessity of investment in research and innovation.

Thereafter, the Panelists deliberated on the various issues pertaining to the theme of the session and also answered suitably to queries posed during the session which made the deliberations fruitful and interactive.

CS Suresh Pandey summed up the discussions and thanked all the panelists for their valuable insights and deliberation on theme of the session.

DAY 2 - JULY 27, 2025

SPECIAL SESSION

CS Dhananjay Shukla, President, ICSI welcomed Dr. Manna Lal Rawat, Member of Parliament (Lok Sabha) from Udaipur constituency and expressed his sincere gratitude for his valuable presence at the beginning of 2nd day of the National Sustainability Conference. President, ICSI gave a brief introduction about Dr. Rawat highlighting his multifaceted career as an Indian politician, distinguished academic, and dedicated social activist hailing from Udaipur, Rajasthan. He also briefed about Dr. Rawat's role as a key member of the esteemed Committee on Coal, Mines and Steel of Lok Sabha and various advisory committees at Ministries of Government of India.

Continuing the session, President, ICSI provided a comprehensive overview of the Institute, its Vision, Mission & Motto and various ongoing initiatives. He stated that the ICSI is actively engaged in promoting Environmental, Social and Governance (ESG) principles and sustainability practices. He further highlighted the ICSI's dedication to nurturing a community of highly skilled and ethically conscious professionals who contribute to the overall well-being of the Indian economy and society.

In his address, **Dr. Manna Lal Rawat** highlighted the Government's focus on "Minimum Government, Maximum Governance," a philosophy aimed at streamlining government operations and enhancing efficiency in public service delivery. He addressed the audience on various sustainability issues covering poverty, hunger, social development and potential solutions for improvements. Dr. Rawat also discussed about the crucial role of Corporate Social Responsibility (CSR), urging businesses to actively contribute towards the well-being of communities and the environment by undertaking more activities for social upliftment and environment protection. He also discussed about the role of education, promoting literacy, skill development and transformative potential of the National Education Policy 2020 in preparing India's youth for the challenges of the 21st Century. He also elaborated on the importance of self-reliance, both at the individual and national levels, stressing the need for economic independence and resilience. He also articulated the role of Company Secretaries as trusted advisors to the corporates in guiding their environmental, social and governance initiatives. He further elaborated on the profound concepts of "Vishwa Bandhu" and "Vishwa Guru", emphasizing India's potential to be a global leader. He concluded his address by reiterating his commitment to serving the people of India and contributing to the nation's continued growth and development.

TECHNICAL SESSION- III

ESG: AI AND TECHNOLOGY INTEGRATION

Session Moderators: CS Dwarakanath C. and CS Rupanjana De, Council Members, ICSI

Panelists: CS Vidhi Thukral, Chief Manager-ESG, Axis Max Life Insurance; Mr. Krishang Thakur, Associate Director, The Sustainability Cloud and Mr. Gaurav Sharma, Founder-GrowYourScope.

CS Dwarakanath C. in his introductory remarks briefed about theme of the session, welcomed and introduced the esteemed panelists and invited them to address the conference.

CS Vidhi Thukral initiated the discussion by emphasizing the growing importance of sustainability and highlighted the SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework as key drivers in strengthening sustainability practices at corporate level. Given the data-driven nature of ESG reporting, she emphasised on AI integration within ESG frameworks and reporting tools including data collection. Elaborating on the convergence of AI and ESG, she discussed various examples such as AI-powered carbon emission trackers, tools for energy and resource optimization, AI-driven climate assessment tools, use of AI for value chains and CSR activities, AI in risk management and analysis etc. She concluded by commending India's ambition to become one of the top three global innovators in AI.

Mr. Krishang Thakur elaborated on the practical use of AI and technology for ESG data and reporting, tracking KPIs across company facilities, common approaches of data collection for ESG reporting and associated challenges, software-driven approaches that create value beyond compliance, examples of integrating AI into ESG and AI based quality scoring in BRSR reports. He also highlighted two common approaches for data collection in ESG as in-house Excel-based solutions and consultant outsourcing. He also outlined the challenges inherent in both, comparing manual Excel methods with consulting and software-driven approaches. He stressed that ESG bookkeeping and reporting should prioritize value creation beyond compliance.

Mr. Gaurav Sharma addressed on the impact of AI on Governance. He highlighted how companies are evaluated, regulated, and trusted based on their governance structures. He also emphasised that ESG reporting should be forward looking and focused on given parameters which can be integrated with AI, instead of just focusing on compliance part. He explained that due to scattered and dynamic nature of ever evolving data, AI is crucial for analysis and structuring of ESG data. AI's presence in boardrooms is much necessary to redefine the governance leading to formation of ESG oversight committees through AI based mechanism, development of tools to monitor carbon footprints and linking executive compensation to ESG metrics. He concluded by stating, "We are the first generation to face climate change and the last to do something about it."

Thereafter, the Panelists deliberated on the various issues pertaining to the theme of the session and also answered suitably to queries posed during the session which made the deliberations fruitful and interactive.

CS Rupanjana De summed up the discussions and thanked all the panelists for their valuable insights and deliberation on theme of the session.

TECHNICAL SESSION IV

STEWARDSHIP GOVERNANCE FOR SUSTAINABLE AND INCLUSIVE GROWTH

Session Moderators:

CS Manoj Kumar Purbey and CS Ashish Karodia, Council Members, ICSI

Panelists: CS Pradeep Ramakrishnan, Executive Director-IFSCA, Mr. Sunil Dadhe, Former Dy. CAG & DG, International Centre for Environment Audit and Sustainable Development and Ms. Aruna C. Newton, VP & Head - DEI, Sustainability, ESG Governance & Reporting, Infosys Ltd.

CS Manoj Kumar Purbey in his introductory remarks briefed about theme of the session, welcomed and introduced the esteemed panelists and invited them to address the conference.

CS Pradeep Ramakrishnan elaborated on the concept of stewardship, its evolution and global developments. He stated that UK Stewardship Code was the world's first formal stewardship code, targeting institutional investors to enhance engagement with UK-listed companies. In India, the IRDAI introduced the first stewardship code for insurance companies followed by PFRDA and SEBI issuing similar codes for respective entities under their jurisdiction. He also explained stewardship as responsible management of resources on behalf of varied stakeholders by focussing on long-term value creation and sustainable benefits which enhances overall economic, social and environmental well-being. He also informed that SEBI has framed Investor Charter to promote transparency, enhance awareness, trust and confidence among the investors. Being a member of the ICSI- ESG and Sustainability Board, CS Pradeep Ramakrishnan apprised the gathering about "ICSI Guiding Principles on Stewardship (IGPS)" including appreciating "Foreword" given by Shri K. Rajaraman, Chairman-IFSCA and also shared that the IFSCA is in the process of bringing out a consultation paper on adopting IGPS to promote responsible and sustainable financial practices. He also suggested that MSME's and start-ups should use BRSR Lite format for ESG reporting which will make them reliable and competitive in sustainability driven world.

Mr. Sunil Dadhe expressed his gratitude towards the ICSI for inviting him to address on this very relevant topic in sustainability domain. In opening address, he quoted a Sanskrit shloka conveying the message that no resource or situation is inherently unproductive. An effective steward, endowed with insight and skill, can harness any element be it material, human, or circumstantial and transform it into something valuable to achieve meaningful outcomes. He emphasized that sustainability is not a new idea, however, the SDGs launched as part of the UN's 2030 Agenda, brought it into mainstream of global policy on sustainable practices. Mr. Dadhe also referred to the philosophy of "trusteeship" as introduced by Mahatma Gandhi and highlighted that it is everyone's responsibility that we handover earth to future generations as good as we got it. He also highlighted that the Company Secretaries, being uniquely positioned within the organisation, should ensure that the organizations manage its resources in a responsible manner aligning with trusteeship, ethical and sustainable practices. He also shared key observations on BRSR reporting and advocated for bringing uniformity in disclosures with the help of Company Secretaries. He also suggested that Company Secretaries should adopt "ASTRA" i.e., advocacy, spreading best practices, training and capacity building, replicating best practices and aspiring through innovation.

Ms. Aruna C. Newton deliberated on stewardship governance and various aspects thereof. She explained the difference between financial and non-financial reporting, including how the financial reporting tells "what" an organisation has achieved whereas ESG reporting tells "how" the same has been achieved. She emphasized that the Company Secretaries should take care of people and practices in the organisations and the value chain. Ms. Newton stated that it is the Company Secretary who is responsible for "how" an organisation is proceeding to achieve its goals in alignment with ESG objectives. She also quoted various examples where stewardship governance can lead to sustainable and inclusive growth.

Thereafter, the Panelists deliberated on the various issues pertaining to the theme of the session and also answered suitably to queries posed during the session which made the deliberations fruitful and interactive.

CS Ashish Karodia summed up the discussions and thanked all the panelists for their valuable insights and deliberation on theme of the session.

VOTE OF THANKS

As the conference concluded, **CS Asish Mohan**, Secretary, ICSI proposed the vote of thanks by expressing his sincere gratitude to the esteemed Special Guests and guest speakers for their kind presence and sharing words of wisdom. He thanked session moderators for their active involvement and facilitating deliberations in all the technical sessions during the two-day conference. He thanked the President, ICSI, Vice-President, ICSI and all Council Members, Programme Director for their support and guidance in organizing the event. He also thanked Past Presidents; Chairman, NIRC; Council Members of NIRC; Chairman-Udaipur Chapter and Managing Committee of Udaipur Chapter; esteemed members, delegates and team ICSI from Headquarters, NIRC and Udaipur Chapter for the resounding success of the National Sustainability Conference at Udaipur.

He also conveyed his sincere thanks to the sponsors, advertisers, volunteers, media and Ramee Royal Resort for all their support. At the end he thanked one and all who were behind the success of the National Sustainability Conference 2025.

GST Day Celebrations at Regional Offices & Chapters of The ICSI





Visakhapatnam



Jaipur



Madurai



Nagpur



Nashik



Kolhapur



Pune



Belagavi



Hyderabad

ICSI MSME & Startup Connect 2025



ERIR



NIRC



Dhanbad



Kochi



Belagavi



Dombivli



Thane



Pune



Ahmedabad

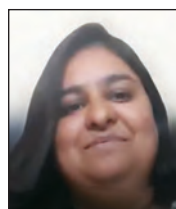
EEE 5.0: Master Knowledge Series

WEBINAR ON

RERA: Compliances and Best Practices held on July 2, 2025



Faculty:
CS Gaurav Agarwal
RERA Consultant



Moderator:
CS Surbhi Jain
The ICSI

WEBINAR ON

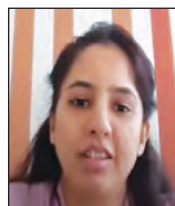
Basics of SME IPO held on July 9, 2025



Faculty:
CS Nitin Somani
Company Secretary



Faculty:
Ms. Nidhi Maheshwari
Senior Manager, SME IPO,
Business Development, NSE



Faculty:
CS Charmi Dharod
Chief Manager, IPO Listing and
Compliances, NSE



Moderator:
CS Khusbu Mohanty
The ICSI

WEBINAR ON

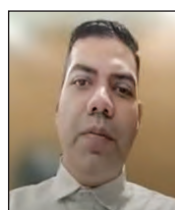
Demystifying IEPF Laws held on July 16, 2025



Faculty:
Ms. Anita Shah Akella
JS, MCA & CEO, IEPFA



Faculty:
Sh. Ruvit Kumar
JD, IEPF Claims



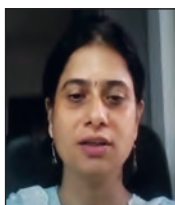
Faculty:
CS Ravi Varma
Company Secretary



Moderator:
CS Ashish Karodia
Central Council Member, The ICSI

WEBINAR ON

CSR: Impact Assessment and Reporting Aspects held on July 23, 2025



Faculty:
Dr. Shweta Bapat
President, Business Ethics
Foundation



Moderator:
Pratap Kumar Manne
The ICSI



Faculty:
CS Savithri Parekh
Reliance Industries Limited



Moderator:
CS Surbhi Jain
The ICSI

WEBINAR ON

Loans and Borrowings under Companies Act, 2013 held on July 30, 2025

Capacity Building Series on 'FEMA'

WEBINAR ON

Session-2: Capital Account Transactions – Inbound Investments and Related Aspects held on July 7, 2025



Faculty:
CS Sunil G. Nanal, Partner
KANJ & Co. LLP

WEBINAR ON

Session-3: Establishment of Place of Business in India held on July 14, 2025



Faculty:
CS Sudha G. Bhushan
Co-Founder, Taxpert
Professionals

WEBINAR ON

Session-4: Borrowings and Other Concepts held on July 21, 2025



Faculty:
CS Soy Joseph
Partner, SAS Partners Corporate
Advisors Pvt. Ltd.

WEBINAR ON

Session-5: Overseas Investment & FEMA for RIs held on July 28, 2025

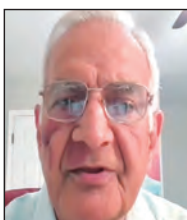


Faculty:
CS Vikas Agarwal
Co-Founder, LegaLogic
Consulting

Capacity Building Series on 'GST including Litigation'

WEBINAR ON

Session-2: Supply under GST held on July 8, 2025



Faculty:
CS R K Khurana
Advocate, Taxation and Corporate
Laws Adviser

WEBINAR ON

Session-3: Opportunities for CS & Registration under GST held on July 15, 2025



Faculty:
CS J K Mittal
Eminent Advocate

WEBINAR ON

Session-4: Invoicing system in GST held on July 22, 2025



Faculty:
CS Rajesh Kumar Khandelwal

WEBINAR ON

Session-5: Returns under GST held on July 29, 2025



Faculty:
CS Sanjay Malhotra
Practicing Company Secretary



Institute of Governance Professionals of India
(An ICSI initiative for nurturing governance and sustainability)



Supported by:
**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 त्वत्तु। श्रेष्ठं कुरु त्वत्तु।

Mission

"To develop high calibre professionals
facilitating good corporate governance"

4th ICSI Board Mentorship Programme

18th to 21st September, 2025 | Kalimpong, West Bengal



CS Dhananjay Shukla

President, The ICSI & Director, IGPI

CS Pawan G. Chandak

Vice President, The ICSI & Director, IGPI

CS Manish Gupta

Former President, The ICSI & Director, IGPI

CS Asish Mohan

Secretary, The ICSI & Director, IGPI

4th ICSI Board Mentorship Programme

PRESIDENT'S MESSAGE



"The best education you will ever get is traveling. Nothing teaches you more than exploring the world and accumulating experiences."

– Mark Paterson

Each time the Institute of Company Secretaries of India plans to host an event, the first question that pops around is that of the destination. Whilst the intent, objective, vision and mission are all clear, it is intent to render the entire journey of learning memorable that makes us pause and ponder – to find a location befitting the purpose of the initiative.

The ICSI Board Mentorship Programme (IBMP) being conducted by the Institute of Governance Professionals of India (an ICSI initiative for nurturing governance and sustainability) – has been a unique attempt at strengthening the foundations of the Indian corporates.

With the key audience and participants being the Directors, Key managerial Personnel, senior management and so on, the IBMP attempts to add the brick and mortar of transparency, accountability, governance and sustainability to the four walls of a Board Room.

With the first 3 editions of the Programme being conducted at Ooty, Port Blair, and Srinagar, we invite you to the 4th ICSI Board Mentorship Programme during September 18-21, 2025 at Kalimpong (West Bengal).

As we aim to advance you with learnings to augment good governance culture, we hope that the scenic beauty of the hill city would be enriching you with wonderful experiences and memories worth a lifetime....!!!

The Gateway to Tibet awaits you !!!

CS Dhananjay Shukla

President, The ICSI and Director, IGPI



About Institute of Governance Professionals of India

Institute of Governance Professionals of India (IGPI) is an ICSI initiative for nurturing governance and sustainability. The Company intends to take forward its purpose to generate, spread and impart knowledge, directly or in association with person(s) having similar objects or engaged in similar activities by way of Research, Publications, Training and Education. The areas of focus of these activities include Corporate Laws, Governance, Management, Business Sustainability and CSR, Capital and Financial Markets, Economic Laws and Policies, Information and Control Systems and Allied Disciplines.

About Institute of Company Secretaries of India

The Institute of Company Secretaries of India (ICSI) is a premier professional body, established under an Act of Parliament (The Company Secretaries Act, 1980), to regulate and develop the profession of Company Secretaries. ICSI functions under the jurisdiction of the Ministry of Corporate Affairs, Government of India. The Institute provides top-quality education to the students of Company Secretaries (CS) Course.

As an inclusive body on the global governance map, the ICSI has been taking various initiatives for the growth and development of the profession as well as contributing to the initiatives of Government of India that have potential to enhance the social-economic growth of the nation.

Headquartered in New Delhi, the ICSI has a nationwide presence with four Regional Offices in New Delhi, Chennai, Kolkata and Mumbai, 73 Chapter Offices spread all across the country and Centre for Corporate Governance, Research and Training (CCGRT) in Mumbai, Hyderabad and Kolkata. The Institute also has six overseas centres at Australia, Canada, Singapore, UAE, UK and USA. With over 75,000 members and around 200,000 students, the ICSI has the largest membership and student base of Company Secretaries in the world.

Who should attend?



PROGRAMME HIGHLIGHTS

The aspirations of stakeholders have profoundly transformed the market landscape. It is imperative for directors to comprehend the extent of these changes and to acquire strategies for effectively addressing them. The ICSI Board Mentorship Programme is specifically designed to develop practical, industry-relevant skills that empower individuals to lead and inspire teams in the areas of Corporate Governance and

sustainability. This programme aims to enhance leadership capabilities, foster personal resilience, improve risk management expertise, cultivate cross-functional competencies, and strengthen strategic thinking skills. By doing so, it equips participants to adeptly navigate the complexities and challenges of the contemporary corporate environment.

Key Takeaways



PROGRAMME MODULES



Module: I

Conceptual Understanding: Corporate Governance & Regulatory Framework

- Success and Failure of Corporate Governance in Corporate World
- Regulatory Framework of Corporate Governance

Module: II

Insolvency & Bankruptcy Code - From Board's Perspective

- Governance and Regulatory Framework
- Role of the Board in Insolvency Proceedings
- Risk Management and Compliance
- Financial Reporting and Disclosure Obligations
- Stakeholder Engagement and Communication
- Impact of IBC on Corporate Strategy and Decision-Making
- Case Studies and Lessons Learned from Past Resolutions



Module: III

Environmental, Social and Governance (ESG): Way to Corporate Sustainability

- Business Responsibility and Sustainability Report (BRSR) framework
- National Guidelines on Responsible Business Conduct (NGRBC)
- Board's role in developing Corporate Strategy based on ESG
- Case Studies and Best Practices

Module: IV

Related Party Transactions

- Decoding Related Party Transactions
- Best Practices
- Risk Mitigation

Regulatory Framework for Insider Trading Regulations

- Understanding Unpublished Price Sensitive Information
- Sanctions, Violations, and Enforcement: Consequences of Insider Trading in India
- Compliances and Best Practices
- Case Studies



PUBLICATIONS FORMING PART OF KIT

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- 📖 SS-1 (Secretarial Standard on Meetings of the Board of Directors)
- 📖 SS-2 (Secretarial Standard on General Meetings)
- 📖 Guidance Note on Meeting of the Board of Directors
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Bridging Time: Ancient Wisdom and Today's Fund Management Ecosystem

This article delves into the evolving relationship between fund management and compliance, drawing connections between the ancient wisdom of the Arthashastra and the contemporary practices that guide wealth management today. The principles of balance, stewardship, and accountability remain as relevant now as they were centuries ago; providing an essential framework for managing wealth in an ever-changing world.



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INTRODUCTION

In the dynamic world of finance, fund management plays a pivotal role in overseeing investments, maximizing returns, and balancing risks. However, the principles behind managing resources and ensuring ethical practices have deep roots in history. The *Arthashastra*¹, written by Kautilya (Chanakya), one of India's most esteemed strategists and economists, offers timeless wisdom on governance, wealth management, and responsibility.

While the Arthashastra is renowned for its teachings on statecraft, it also includes valuable insights on managing resources prudently. One such teaching is:

“यः धर्मेन कर्म करोति स सिद्धिमप्राप्नोति।”

Translation / Meaning

“Those who act in accordance with righteousness and the pursuit of moral goals achieve success and prosperity. A person who practices this righteousness through their actions will not fail or lose their way.”

This principle underscores the importance of righteousness and responsible wealth management; both critical in today's financial ecosystem. Just as the Arthashastra emphasizes that prosperity must be pursued with integrity and wisdom, fund management relies on a similar philosophy: achieving

financial success while adhering to a framework of legal, ethical, and responsible governance.

Kautilya's Arthashastra views long-term prosperity as the balanced and sustainable management of resources, guided by dharma (righteousness) alongside artha (material well-being). He emphasized that good governance means creating wealth in harmony with right conduct. According to Kautilya, true prosperity is achieved through careful planning, disciplined use of resources, and protecting the economic and social harmony. This approach ensures that wealth benefits not only individuals or the state today but also supports future generations, building a lasting foundation. These ideas align closely with today's fund management principles, which focus on sustainability, risk management, and responsible stewardship.

In today's world, compliance has become the cornerstone of responsible fund management. It ensures that financial activities are transparent, lawful, and aligned with the broader objectives of sustainability and ethical investment. Modern fund managers must navigate an increasingly complex regulatory landscape, balancing the pursuit of profit with the imperative to uphold ethical standards and investor trust.

This article delves into the evolving relationship between fund management and compliance, drawing connections between the ancient wisdom of the Arthashastra and the contemporary practices that guide wealth management today. The principles of balance, stewardship, and accountability remain as relevant now as they were centuries ago; providing an essential framework for managing wealth in an ever-changing world.

UNDERSTANDING FUND MANAGEMENT: THE HEART OF WEALTH STRATEGY

Fund management is about more than just handling investments; it's about strategy, foresight, and careful oversight. At its core, it involves guiding a portfolio of assets to meet the specific goals of investors while managing risks along the way. Much like Kautilya's approach to governance, where long-term success hinges on balance and wisdom, today's fund managers must navigate an ever-changing market landscape, balancing growth with caution.

TYPES OF FUNDS

There are several types of funds, each with its own unique purpose and approach:

- **Mutual Funds:** These are pooled investment vehicles, where multiple investors' funds are combined to create a diversified portfolio, managed by professional fund managers.
- **Hedge Funds:** Typically for high-net-worth individuals or institutions, hedge funds employ sophisticated strategies like short selling or leveraging; to maximize returns, often taking higher risks.
- **Pension Funds:** These funds are designed to ensure financial security for retirees, with a focus on stability and long-term growth.
- **Exchange-Traded Funds (ETFs):** Like mutual funds, but with the added flexibility of being traded on stock exchanges, making them more liquid and cost-efficient.
- **Private Equity and Venture Capital:** These funds focus on investing in private companies or startups, seeking high returns by taking active ownership and helping these businesses grow.

THE KEY PLAYERS IN FUND MANAGEMENT: THE ARCHITECTS OF FINANCIAL GROWTH

A successful fund operation involves several key figures, each contributing their expertise to the process:

- **Fund Managers:** These are the professionals at the helm, making decisions on where and how the fund's money should be invested, all while keeping the investors' objectives in mind.
- **Custodians:** They ensure the assets are securely held and properly accounted for, playing a crucial role in maintaining the integrity of the fund.
- **Investors:** Individuals or organizations that entrust their capital to the fund, expecting a return on their investment.
- **Advisors and Analysts:** These professionals help fund managers with market insights, research, and strategic recommendations to optimize the fund's performance.

OBJECTIVES OF FUND MANAGEMENT

The ultimate goal of fund management is simple: to maximize returns while minimizing risk. This requires a deep understanding of market dynamics and a well-thought-out strategy. Some of the main objectives include:

- **Diversification:** Spreading investments across various asset classes to reduce risk.
- **Risk Management:** Identifying and mitigating risks such as market fluctuations, interest rate changes, and liquidity constraints.
- **Liquidity:** Ensuring the fund can meet investor redemptions and other obligations without disrupting its core investments.
- **Performance Metrics:** Tracking the fund's success through metrics like alpha (excess return relative to a benchmark) and beta (volatility compared to the market).

INVESTMENT STRATEGIES

Fund managers utilize various strategies to meet these objectives, depending on the fund's focus and the market conditions:

- **Active vs. Passive Management:** Active management involves strategic decision-making to outperform the market, while passive management seeks to match market performance, typically through index funds.
- **Growth vs. Value Investing:** Growth investing focuses on companies with high growth potential, often seeking out innovators or disruptors in the market. On the other hand, value investing involves identifying undervalued companies, those whose stock price is trading below their value. This strategy is grounded in the belief that the market sometimes misprices companies, offering a buying opportunity for long-term investors.

- **Sector and Geographic Focus:** Some funds target specific sectors, like technology or healthcare, or focus on particular geographic regions, such as emerging markets or developed economies.
- **Alternative Investments:** Funds may also venture into alternative asset classes like private equity, hedge funds, or commodities to diversify their portfolios and hedge against traditional market risks.

THE CONCEPT OF OLD MONEY VS. NEW MONEY IN FUND MANAGEMENT

The concepts of old money and new money often reflect different approaches to wealth creation, management, and preservation, though they exist along a spectrum rather than as clear-cut categories. These differing perspectives influence how wealth is managed, the types of investments considered, and the overall mindset toward fund management.

The concepts of old money and new money often reflect different approaches to wealth creation, management, and preservation, though they exist along a spectrum rather than as clear-cut categories. These differing perspectives influence how wealth is managed, the types of investments considered, and the overall mindset towards fund management.

a. Defining Old Money and New Money Approaches

- **Old Money:** Typically associated with wealth that has been passed down over generations, the old money mindset is generally focused on preserving wealth and generational continuity. The investment philosophy tends to prioritize stability, diversification, and risk aversion, often leaning towards established industries, such as real estate, bonds, or large, well-established companies. The goal is to maintain the wealth that has already been accumulated, ensuring it is passed down through the generations with care and prudence. Some say, 'Old money builds empires quietly; new money broadcasts its triumphs loudly.'
- **New Money:** In contrast, new money represents wealth that is often created through entrepreneurial efforts or by tapping into more dynamic, high-growth sectors. Those in this category typically have a higher risk tolerance and a forward-looking investment philosophy. Their strategies may include investing in emerging industries, such as technology, startups, or assets / concepts like cryptocurrency. The primary focus is often on capital growth, seeking to build wealth quickly by capitalizing on innovations or disruptors that may have high potential returns but also come with significant risk. Some also say, 'New money charts bold paths; old money holds steady guidance.'

b. Approach to Fund Management

The differences in wealth creation and management philosophy are reflected in their fund management strategies:

- **Old Money Fund Management:** Investors who lean towards the old money mindset typically favour conservative investment strategies aimed at preserving wealth over time. They may prefer mutual funds, bonds, or index funds that offer diversified exposure to stable, low-risk assets. The investment focus is often on steady, reliable returns and managing risk to ensure long-term security. Fund managers with a traditional wealth preservation philosophy often work within regulated and well-understood markets, aiming for incremental growth rather than exponential returns.
- **New Money Fund Management:** Investors embracing the new money philosophy tend to pursue more dynamic investment strategies, often looking for high-growth opportunities in industries like tech, biotech, or private equity. These investors might use more active or aggressive investment strategies, like venture capital, hedge funds, or even leveraged assets. The goal is often to maximize returns in a shorter time frame, even if it means taking

on more volatility or risk. Fund managers operating in these spheres typically need to be adaptable and quick-moving, responding to changes in the market and emerging trends.

c. Investment Philosophies and Goals

- **Old Money's Focus:** For those focused on wealth preservation, the priority is often on the long-term security of capital, with a particular emphasis on stability and sustainability. Ethical considerations, such as philanthropy and social responsibility, may also play a significant role, with a long-term view of not just growing wealth, but also having a positive societal impact. This type of investor may be inclined to choose low-volatility investments that can continue to generate returns across market cycles without risking the initial capital.
- **New Money's Focus:** New money investors often prioritize growth and innovation, focusing on industries that offer the potential for high returns through disruption. While they may still value sustainability and ethical investment, their main goal is often to be part of the next big thing, whether that's a tech startup or emerging asset class. The philosophy here is about value creation, often driven by technology, innovation, or rapid market shifts. These investors are generally more flexible, adapting quickly to new opportunities that have the potential for outsized returns.

BRIDGING OLD AND NEW APPROACHES

While the distinctions between old money and new money can seem stark, there's plenty of room for synergy. Many advisors ask clients / investors to successfully blend strategies from both worlds, creating diverse portfolios that combine the stability of traditional investments with the growth potential of emerging sectors. For instance, an investor might combine real estate holdings with tech stocks or private equity to ensure a balanced portfolio that mitigates risk while still capturing high returns from innovation.

By recognizing the value in both approaches, investors can balance growth with stability, taking advantage of the opportunities presented by emerging markets while still preserving the long-term security that comes from established industries.

THE ROLE OF COMPLIANCE IN FUND MANAGEMENT: A HOLISTIC APPROACH

In the world of fund management, compliance is not merely an operational or procedural necessity; it is a cornerstone that supports the integrity of the entire investment process. While it is often perceived as a checklist of legal obligations, the true role of compliance extends much further, influencing everything from transaction structuring to ongoing operational oversight. The function is essential not

only for maintaining legal standards, but also for upholding the transparency, ethical conduct, and accountability that underpin responsible investment practices.

From a legal and compliance standpoint, effective oversight, and by extension sound decision-making, often requires more than just another checklist. It requires the space to think clearly, process information with depth, and execute with intent, in a structured yet thoughtful manner that reflects the complexity and nuance of the issues involved. In the pursuit of simplification, there is a genuine risk that the core intent and importance of anything may be diluted or lost altogether.

Company Secretaries, as compliance and governance professionals, play a central role in this ecosystem. They are not merely gatekeepers of regulation but serve as strategic advisors, ensuring that each activity within the fund management process remains aligned with both legal obligations and broader ethical principles, across jurisdictions and sectors.

1. Structuring Transactions and Activities Properly

At the heart of compliance is the structuring of transactions. Whether it's an investment decision, a merger, or an acquisition, structuring these activities correctly is critical. Compliance ensures that every investment or business decision is designed to be legally sound, transparent, and aligned with the applicable regulations of the respective jurisdictions. This function also focuses on maximizing the tax efficiency and minimizing risk in transactions, allowing the fund to operate smoothly in respective jurisdictions.

2. Securing Stakeholder Interests

The compliance role is deeply intertwined with the goal of protecting stakeholder interests, from investors to the broader community. Compliance ensures that investors' rights are respected and that their capital is being managed responsibly. This involves carefully monitoring the fund's actions, ensuring they align with stakeholders' expectations, and addressing any issues before they escalate into conflicts. A key part of this responsibility is to guarantee that all investments are made within the legal frameworks set out, and that transparency remains a top priority throughout the investment cycle.

3. Ensuring Legal and Regulatory Adherence

One of the most critical responsibilities of compliance is to ensure that the fund stays on the right side of the law at all times. This means not only adhering to national regulations but also being aware of international standards. As funds increasingly operate across borders, compliance professionals must ensure that they are equipped to handle global legal systems, including tax laws, trade restrictions, and investment regulations. Whether it's a global investment portfolio or a local fund, compliance ensures the legal robustness of the operations and decisions made.

4. Meeting Documentation and Reporting Requirements

Every decision, transaction, and action in fund management needs thorough and accurate documentation. Compliance ensures that the right contracts, disclosures, and reports are prepared and filed in a timely manner. This documentation is not only a legal safeguard but also plays a role in maintaining accountability, building investor trust, and creating a transparent record of the fund's operations. Compliance professionals ensure that these documents are clear, comprehensive, and legally binding, keeping everything above board.

5. Timeliness and Deadlines: Managing Crucial Milestones

In the fast-paced world of fund management, meeting deadlines is critical. Whether it's closing a deal, filing a regulatory report, or submitting investor documentation, the compliance team ensures that all these processes occur on time. Timely filings and actions are not just about avoiding penalties, they also reflect a fund's commitment to responsibility and efficiency. By adhering to deadlines, compliance professionals help keep the fund's operations smooth and orderly, ensuring that all regulatory expectations are met without delay.

6. Acting as a Bridge between Stakeholders

In fund management, compliance professionals play a key role in fostering effective communication between various stakeholders, investors, internal teams, the board, and regulatory bodies. Rather than being the sole point of contact, compliance helps ensure that all parties understand and align with legal and regulatory requirements, creating a transparent and coherent operational framework. By facilitating clarity across these different groups, compliance supports collaboration, ensuring that everyone, from internal teams to external regulators, operates in harmony. This collaborative approach helps to keep the fund's operations transparent and legally compliant, while promoting efficiency and alignment at all levels.

THE STRATEGIC ROLE OF COMPLIANCE: A BROADER VIEW

As is seen, compliance is not merely about checking boxes or meeting minimum requirements. It is a strategic function that provides a framework for long-term success. Compliance professionals enable funds to navigate complex legal landscapes, minimize risk, and maximize transparency at every stage of the investment process.

The role of compliance is ever-expanding, adapting to new global regulations, emerging technologies, and evolving market conditions. In today's world of fund management, the need for strong compliance is more critical than ever, with the function evolving from a purely administrative task to a core part of the strategic management team.

GLOBAL INVESTMENT LANDSCAPE AND IFSC, GIFT CITY: CONNECTING INDIA WITH THE WORLD

GIFT City, India's international financial hub, plays a pivotal role in facilitating both inbound and outbound investments, connecting India to the global financial ecosystem. With a favorable regulatory environment, GIFT City IFSC provides a platform for foreign investors to engage with Indian markets, while simultaneously offering Indian investors an efficient pathway to deploy capital globally.

Also, GIFT City supports Outbound-to-Outbound investments, where foreign capital routed through the City can be invested directly into global markets, enhancing India's position as a financial conduit between multiple international markets.

a. Inbound Investments: Bringing Global Capital into India

Foreign capital enters India seamlessly through GIFT City, allowing investors to engage in India's dynamic markets. With access to Indian equities, infrastructure projects, and other financial instruments, foreign investors find GIFT City an attractive platform for direct investments into the Indian economy. By offering a simplified regulatory framework and facilitating tax-efficient structures, it encourages foreign participation, bringing capital into the country's high-growth sectors.

An important aspect of inbound investments is Foreign Portfolio Investments (FPI). FPIs allow foreign investors to invest in Indian securities: such as stocks, bonds, and other financial assets - without taking direct control of the companies. Through GIFT City, FPIs can efficiently invest in India's high-growth sectors, also contributing to market liquidity and overall economic development. The regulatory framework within GIFT City provides a platform for foreign investors, ensuring that capital inflows are managed in a compliant and transparent manner, offering both tax advantages and regulatory certainty. By offering a simplified regulatory framework and facilitating tax-efficient structures, FPI and Foreign Direct Investments (FDI) encourage foreign participation.

b. Outbound Investments: Indian Capital Flowing Globally

For Indian investors, GIFT City provides a unified platform to make Liberalized Remittance Scheme (LRS) and Overseas Portfolio Investments (OPI), enabling them to access global markets, diversify portfolios, and explore new opportunities abroad. The regulatory structure in GIFT City ensures that Indian investors can engage in international markets in a compliant and efficient manner, without the complexity of managing cross-border legal and financial requirements themselves.

Liberalized Remittance Scheme (LRS) plays a key role in enabling Indian residents to remit up to \$250,000 per financial year abroad for purposes like investment, education, and other financial activities. Through LRS, Indian individuals can make direct investments in foreign stocks, real estate, and other financial assets. This makes LRS a critical tool for outbound investment activity, and GIFT City's streamlined processes allow for such deployment of Indian capital into international markets.

c. Outbound-to-Outbound Investments: A Global Cross-Border Pathway

One of the more innovative aspects of GIFT City is its role in facilitating Outbound-to-Outbound investments. This involves foreign capital being routed through GIFT City and deployed directly into international markets, bypassing India entirely. For example, a fund managed by foreign investors can route its capital through GIFT City IFSC and invest in assets in the U.S. or European markets. This allows investors to broaden their global footprint, invest in diverse markets, and manage their capital efficiently, all while staying compliant with both Indian and international financial regulations.

CONCLUSION

From navigating diverse investment strategies to harnessing global platforms like GIFT City, the world of fund management is a dynamic fusion of time-tested principles and cutting-edge innovation. The enduring wisdom of the Arthashastra, with its focus on balance, integrity, and long-term prosperity, continues to serve as a guiding beacon for modern fund managers. In an increasingly interconnected world, where ethical decision-making and strategic foresight are paramount, the future of wealth management is not just about maximizing returns, but also about building sustainable legacies.

As we forge ahead, it is crucial to remember that financial success, like governance and statecraft, demands a balance of innovation and responsibility. Whether managing investments within domestic frameworks or deploying capital across global markets, we must remain committed to principles that uphold growth, stability, and trust.

In this ever-evolving landscape, those who embrace both the legacy of past wisdom and the opportunities of the future will be the ones who not only achieve financial success but also contribute to a more sustainable and ethically grounded financial ecosystem. The path forward is clear: wisdom, strategy, and integrity will continue to define the future of fund management for generations to come.

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- i. <https://en.wikipedia.org/wiki/Arthashastra>
- ii. <https://wealthtender.com/insights/money-management/old-money-vs-new-money/>

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Securities Laws: Compliance, Governance and Opportunity Rolled Together

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Yash Jain

The author elaborates on key Governance disclosure requirements under LODR, including BRSR and ESG disclosures. Further, the article examines the linkages of Insider Trading with Governance and the pivotal role of Governance in the functioning of Capital Market Intermediaries. To conclude, the author focuses on the evolving architecture of Securities Laws that will play a central role in shaping India's journey towards achieving the \$5 trillion economic milestone.

Legal & Accounting Aspects of Redeemable Preference Shares and Convertible Preference Shares

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CS (Dr.) K R Chandratre, CS Pramod Jain

Beginning with the comparison of Section 43 of the Companies Act, 2013 (corresponding to sections 85 and 86 of the Companies Act, 1956) that defines 'preference share capital', the authors interpret, and analyse Section 55 of the Companies Act, 2013 (corresponding to sections 80 and 80A of the Companies Act, 1956) that contains the Statutory Framework concerning redeemable preference shares.

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CS Swati Tiwari

From drafting minutes for investment committee meetings to verifying the legality of fund launches, and from handling SEBI filings to advising on ESG compliance, the Company Secretary has evolved into a strategic ally in maintaining fund integrity and governance compliance rather than merely serving as a compliance officer. The article delineates the strategic role of the Company Secretary in managing governance and compliance in Private Equity, Alternative Investment Funds, ESG, and Fund Management.

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The article captures trends under the Voluntary Delisting and Compulsory Delisting of equity shares over the last four financial years from BSE and NSE of India. The article throws light on the scope and opportunities for practicing Company Secretary professionals in the Voluntary Delisting Process and the requirements under various SEBI regulations.

Fund Management, Compliance, and the Role of Company Secretary: Building Financial and Legal Backbone for Modern Enterprises

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CS V Maheshwari

Fund managers as advisors play a critical role in Fund Management by maximizing returns, maintaining adequate liquidity, and ensuring that capital deployment is aligned with overall business goals. Their responsibilities extend beyond investment decisions to include risk assessment, performance monitoring, and aligning financial strategy with the company's broader vision for growth and sustainability. The article throws light on various integrated Governance models in fund management.

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Giving a brief overview of the SEBI Insider Trading Regulations, the article focuses on the significance of Corporate Governance in the prevention of Insider Trading activities. Company Secretaries, working as compliance professionals, governance advisors, and ethical guardians, especially in publicly traded companies, have a proactive and strategic responsibility in both preventing and identifying Insider Trading. Their roles go beyond mere regulatory compliance; they also aim to promote a culture of transparency, accountability, and ethical decision-making throughout the organization.

Compliance for a \$5 Trillion India: The Silent Infrastructure of Trust and Growth

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CS Madhavan M K

The author describes Compliance as a real foundation for India's \$5 trillion ambition, posits Company Secretary as India's unsung builders, as their work is indispensable to the nation. Company Secretaries' responsibilities are not just limited to building trust within organisations, but they also serve as an important element in the National Building.

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CS Abhinav Kumar K P

In a time when investor activism and stakeholder accountability are on the rise, Related Party Transactions have transformed from a simple compliance task into an essential aspect of corporate governance. In India, there has been an increased regulatory emphasis on RPTs to guarantee appropriate disclosure, review, and approval of these transactions. This article outlines the reporting requirements concerning RPTs and the responsibilities of Company Secretaries.

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This article describes the process of Preferential Allotment of specified Securities and the relevant SEBI regulations and various stock exchanges, and ROC related formalities.

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Constituting a heterogeneous amalgam of large corporate conglomerates, financial institutions, and public sector undertakings, HVDLEs wield significant influence over credit intermediation and financial stability. In view of this SEBI took initiatives to progressively overhaul the corporate governance regime applicable to HVDLEs. The article interprets the legal and institutional implications arising from the regulatory shifts through amendments in SEBI LODR from 2021 till 2025. Further, it highlights the strategic necessity to preserve stakeholder confidence and financial market integrity.

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Significance and Importance of Secretarial Standards

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CS Sudhakar Saraswatula

Secretarial Standards intends to reduce the ambiguity in law as well as to initiate the best practices of the industry followed over a period of time. Secretarial Standards are a codified set of good governance practices, and the main objective of the standards is to harmonize, integrate, and standardize the prevalent diverse secretarial practices followed by companies and provide a uniform framework. Secretarial Standards also intends to institutionalize the Board processes which are evolved over a period of time through different phases of time and different business cultures.

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The Maritime sector in India forms a cornerstone of the Indian economy, with direct implications on trade, security, environment, and coastal communities. Governance of Maritime activities in India is shaped by a complex network of international conventions, national laws, and administrative bodies, and corporate Maritime entities such as shipping companies, port trusts, and logistics firms need to ensure compliance, governance, and risk management aligned with the regulatory landscape. The article highlights the role and responsibilities of Company Secretaries in Indian Maritime Companies.

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The article underscores the significance of ESG audits along with their emerging trends both nationally and globally. ESG Audits improve ESG scores of businesses, which facilitates easier and less expensive capital access and enables the business to be listed on major indexes, such as the FTSE and MSCI. The market is home to a variety of ESG rating agencies, including ISS-ESG, MSCI, and Sustainalytics.

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From Routine to Restricted: Expanding Scope of UPSI Under SEBI 2025 Amendment

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CS (Dr.) Pallavi Baghel

One of the fundamental aspects of the Securities and Exchange Board of India (SEBI) regulations encompasses insider trading that revolves around the concept of Unpublished Price Sensitive Information (UPSI), which pertains to information about a company or its securities that is not available to the public but could significantly affect prices if disclosed. This principle was initially established under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), but a significant shift occurred in 2025. SEBI introduced a new prescriptive deemed UPSI regime, featuring a broader and more event-oriented definition for identifying UPSI, moving away from the traditional price sensitivity assessment and implementing a predetermined list of events that are automatically classified as UPSI. This conceptual paper outlines the legal evolution of UPSI as regulated by SEBI.

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- **LMJ 08:08:2025** It cannot be doubted that in such capacity they were in charge of and responsible for the conduct of the business of the Company and were therefore deemed to be guilty of the said offence and liable to be proceeded against and punished under s. 47 of the Act.[SC]
- **LW 57:08:2025** The Corporate Debtor cannot take the shelter of Section 186 of the Act to deny its liability to return the amount taken by it being a corporate body which is due and payable. [NCLAT]
- **LW 58:08:2025** The understanding between the parties is a commercial effect of borrowing which is covered by Section 5(8)(f) of the IB Code. [NCLAT]
- **LW 59:08:2025** The intent of piercing the veil must be such so as to remedy a wrong done by the persons in control of the company. In that regard, the deceitful conduct of the petitioners in first issuing the cheques and then shifting to UAE and not joining the proceedings, makes it imperative to pierce the corporate veil.[DEL]
- **LW 60:08:2025** OP-1 does not appear to be dominant in the general insurance market. In the absence of dominance, the issue raised by the Informant does not raise any competition concerns. [CCI]
- **LW 61:08:2025** Use of the words “may be sought”, imply that there is no subsisting agreement between parties that they, or any one of them, would have to seek settlement of dispute(s) through arbitration.[SC]
- **LW 62:08:2025** The Limitation Act applies to arbitration proceedings under Section 18(3) of the MSMED Act. The Limitation Act does not apply to conciliation proceedings under Section 18(2) of the MSMED Act.[SC]
- **LW 63:08:2025** There was unity of finance inasmuch as the Hindu Undivided Family of Darshan Kataria and his family members funded both the companies, cumulatively establish beyond doubt that the two entities were rightly treated as common for the purpose of the EPF Act. [SC]
- **LW 64:08:2025** Similarly, in the instant matter there is no express prohibition in Section 49(6) read with Section 54 and 54(3) of the CGST Act, for claiming a refund of ITC on closure of unit. [Sikkim]

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- Mandatory Filing of Form IEPF-1A with Prescribed Excel Template under Rule 5 (4A) of the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 – Final Compliance Deadline: 30.08.2025
- Notice inviting comments on draft Companies (Meetings of Board and its Powers) Amendment Rules, 2025
- The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025
- The Companies (Listing of equity shares in permissible jurisdictions) Amendment Rules, 2025
- The Companies (Incorporation) Amendment Rules, 2025
- The Companies (Restriction on number of layers) Amendment Rules, 2025
- Frequently Asked Questions (FAQs) related to regulatory provisions for Research Analysts
- Master Circular for ESG Rating Providers (“ERPs”)
- Master Circular for Credit Rating Agencies
- Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitised Debt Instruments and/ or Commercial Paper
- Master Circular for Real Estate Investment Trusts (REITs)
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- Ease of Doing Investment – Special Window for Re-lodgement of Transfer Requests of Physical Shares
- Inclusion of “Deogiri Nagari Sahakari Bank Ltd., Chhatrapati Sambhajinagar” in the Second Schedule of the Reserve Bank of India Act, 1934
- Inclusion of “Ahmednagar Merchant’s Co-op. Bank Ltd., Ahmednagar” in the Second Schedule of the Reserve Bank of India Act, 1934
- Formation of new district in the State of Arunachal Pradesh – Assignment of Lead Bank Responsibility
- Inclusion of “NSDL Payments Bank Limited” in the Second Schedule of the Reserve Bank of India Act, 1934
- Lending Against Gold and Silver Collateral - Voluntary Pledge of Gold and Silver as Collateral for Agriculture and MSME Loans
- Basel III Capital Regulations – External Credit Assessment Institutions (ECAIs) – CareEdge Global IFSC Limited
- Foreign Exchange Management (Export of Goods & Services) (Amendment) Regulations, 2025
- Reserve Bank of India (Pre-payment Charges on Loans) Directions, 2025

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- NAVIGATING MARITIME LAW: OCEAN GOVERNANCE IN INDIA
- ESG AUDIT: PLACING SUSTAINABILITY AT THE CENTRE

Securities Laws: Compliance, Governance and Opportunity Rolled Together

This article summarizes the interplay between regulatory compliance and corporate governance and examines various regulatory frameworks set by SEBI, particularly focusing on the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 and the Prohibition of Insider Trading (PIT) Regulations, 2015. Further, the article postulates opportunities for professionals and corporates in India's journey towards a \$5 trillion economy.



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INTRODUCTION

India's capital markets have undergone a transformational shift over the last two decades, with regulatory frameworks being progressively strengthened to enhance transparency, investor confidence, and corporate accountability. Securities laws in India, primarily governed by the Securities and Exchange Board of India (SEBI), have evolved from being reactive to being proactive, integrating principles of compliance, governance, and opportunity into a cohesive structure.

In this context, the interplay between compliance and governance has become more critical than ever. On one hand, regulatory compliance ensures adherence to the law, safeguarding stakeholders' interests. On the other hand, corporate governance embeds ethical conduct, responsible decision-making, and long-term value creation into the DNA of corporate India. For professionals like Company Secretaries and capital market intermediaries, this convergence opens vast opportunities to play strategic roles in shaping governance structures while ensuring regulatory alignment.

The theme "Securities Laws: Compliance, Governance and Opportunity Rolled Together" encapsulates this holistic approach. It reflects not only the legal obligations under SEBI regulations but also the emerging professional landscape where regulatory proficiency is synonymous with strategic value addition. This article explores the various regulatory frameworks under SEBI, particularly the Listing Obligations and Disclosure Requirements (LODR)

Regulations, 2015 and the Prohibition of Insider Trading (PIT) Regulations, 2015 while identifying opportunities for professionals and corporates in India's journey towards a \$5 trillion economy.

CORPORATE GOVERNANCE DISCLOSURES & REPORTING UNDER LODR REGULATIONS

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, commonly known as LODR, form the backbone of corporate governance and disclosure requirements for listed entities in India. These regulations aim to ensure that listed companies maintain high standards of transparency, timely disclosure, and equitable treatment of shareholders.

One of the core tenets of the LODR Regulations is to mandate comprehensive disclosures encompassing corporate governance structures, financial results, material events, sustainability reporting, shareholder protections, and other continuous disclosures critical for informed investor decision-making. Regulation 17 to 27 specifically deal with corporate governance provisions applicable to listed entities with equity shares listed on a recognized stock exchange.

KEY GOVERNANCE DISCLOSURE REQUIREMENTS UNDER LODR

- 1. Board Composition and Independence (Regulation 17):** Companies are required to have an optimum combination of Executive and non-Executive Directors with at least one Woman Director and a defined number of Independent Directors based on the type of listing and market capitalization.
- 2. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee (Regulations 18 to 21):** These committees must be constituted with specific compositions, responsibilities, and meeting requirements to ensure checks and balances within the corporate structure.
- 3. Related Party Transactions (Regulation 23):** Enhanced disclosures are mandated including material RPTs which require shareholder approval through a special resolution. From April 2022, SEBI has expanded the definition of RPT and tightened compliance norms.

4. **Annual Secretarial Compliance Report (Regulation 24):** A report from a practicing Company Secretary, as per SEBI Circular CIR/CFD/CMD1/27/2019, certifying compliance with all applicable SEBI Regulations is a critical compliance element.
5. **Business Responsibility and Sustainability Report (BRSR) (Regulation 34):** To address growing investor interest in Environmental, Social and Governance (ESG) parameters, SEBI introduced BRSR as a mandatory reporting framework for the top 1000 listed companies (by market capitalization) from FY 2022-23 onwards, replacing the earlier Business Responsibility Report (BRR). BRSR aims to standardize ESG disclosures and align them with global sustainability benchmarks, enhancing comparability and reliability of reported data. The active regulation governing BRSR and ESG disclosures is the SEBI Circular dated May 10, 2021, titled 'Business Responsibility and Sustainability Reporting by listed entities' (SEBI/HO/CFD/CMD-2/P/CIR/2021/562), alongside relevant amendments in the LODR Regulations.

NEED AND IMPORTANCE OF BRSR AND ESG DISCLOSURES

- Increasing demand from global investors for sustainable investment avenues.
- Enhancing corporate accountability on non-financial parameters such as carbon footprint, employee welfare, community development, and governance practices.
- Aligning Indian disclosures with frameworks like GRI, SASB, and TCFD.

RECENT DEVELOPMENTS

- In January 2023, SEBI introduced amendments to improve disclosure norms related to credit ratings, ESG, and cyber risk disclosures.
- The SEBI (LODR) (Second Amendment) Regulations, 2023 introduced flexibility for high-value debt listed entities (HVDLEs) to adopt a phased approach to full-fledged corporate governance compliance.

These regulatory requirements not only promote transparency but also encourage companies to adopt global best practices in governance. For Company Secretary acting as governance professionals, this evolving regulatory landscape provides numerous opportunities to advise on compliance frameworks, strengthen disclosure mechanisms, and promote stakeholder confidence through governance excellence.

POSITION OF INSIDER – A TIGHT ROPE WALK [SEBI (PIT) REGULATIONS, 2015]

The SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) form the cornerstone of India's framework to curb insider trading. The concept of an "insider" is precisely defined under Regulation 2(g) of the PIT Regulations as any person who is:

1. A connected person; or
2. In possession of or having access to Unpublished Price Sensitive Information (UPSI).
 - a. Who qualifies as a Connected Person?

As per Regulation 2(d), "connected person" means any person who is or has been, during the six months prior to the concerned act, associated with the company in any capacity, directly or indirectly, including by reason of:

- frequent communication with its officers;
- contractual, fiduciary, or employment relationship;
- holding a directorship or officer position;
- professional or business relationship (temporary or permanent);

where such association allows, directly or indirectly, access to unpublished price sensitive information (UPSI) or is reasonably expected to allow such access.

- b. Deemed Connected Persons (Unless Proved Otherwise):

- Relatives of connected persons.
- Holding company, associate company, or subsidiary company.
- Intermediaries registered under Section 12 of SEBI Act or their directors/employees.
- Investment company, trustee company, asset management company, or their employees/directors.
- Officials of stock exchanges, clearing houses, or corporations.
- Members of board of trustees or board of directors of mutual funds or asset management companies, or their employees.
- Directors or employees of public financial institutions (as defined in Section 2(72) of Companies Act, 2013).
- Officials/employees of SEBI-recognized self-regulatory organizations.
- Bankers of the company.
- Concern, firm, trust, HUF, company, or association where a director or relative of a company director or its banker holds over 10% interest.
- Firms or employees thereof where a connected person is a partner.
- Persons sharing a household/residence with a connected person.

c. What qualifies as a Generally available information?

As per Regulation 2(e) “Generally available information” refers to information that is accessible to the public on a non-discriminatory basis. It explicitly excludes unverified events or media reports, whether in print or electronic form.

d. What constitutes UPSI?

Regulation 2(n) defines UPSI as information relating to the company or its securities, directly or indirectly, that is not generally available and which, upon becoming generally available, is likely to materially affect the price of the securities. Examples include:

- Financial Results.
- Dividends.
- Change in Capital Structure.
- Mergers, De-mergers, Acquisitions, Delistings, Disposals, and Expansion of Business, including award or termination of orders/ contracts not in the normal course of business.
- Changes in Key Managerial Personnel (KMP), other than due to superannuation or end of term, and including resignation of a Statutory Auditor or Secretarial Auditor.
- Change in Rating(s) (excluding ESG ratings).
- Fund Raising Proposals, including issuance of securities or raising of capital in any form.
- Agreements, by whatever name called, which may impact the management or control of the company.
- Frauds or Defaults, including by the company, its promoters, directors, KMPs, or subsidiaries, and arrest of such persons, whether within India or abroad.
- Resolution Plan, Restructuring, or One-Time Settlement, in relation to loans/borrowings from banks/financial institutions.
- Insolvency Proceedings, including admission of winding-up petitions or corporate insolvency resolution process (CIRP) applications, approval/rejection of resolution plans under the Insolvency and Bankruptcy Code, 2016.
- Forensic Audit, initiation thereof by the company or any authority, aimed at detecting financial misstatements, misappropriation / siphoning /

diversion of funds, and receipt of the final forensic audit report.

- Regulatory, Statutory, or Judicial Actions, including orders or actions initiated or passed against the company or its promoters, directors, KMPs, or subsidiaries, within India or abroad.
- Litigation Outcomes, where the result of such disputes may impact the company.
- Provision of Guarantees, Indemnities, or Sureties for any third party by the company, if not in the normal course of business.
- Granting, Withdrawal, Surrender, Cancellation, or Suspension of Key Licenses or Regulatory Approvals.

Compliance Measures prescribed under PIT Regulations: To prevent insider trading, companies are mandated to implement the following measures:

- Formulation of a Code of Conduct for Prevention of Insider Trading.
- Maintenance of Structured Digital Database (SDD) to record sharing of UPSI.
- Implementation of Chinese Walls and designated person identification.
- Mandatory pre-clearance of trades beyond specified thresholds.
- Trading window closures during UPSI-sensitive periods.
- Disclosure of trades by insiders within prescribed timelines.

For India, strengthening compliance ecosystems, adopting global disclosure standards, and professionalizing governance roles (like Company Secretaries) will underpin the nation's economic progress. Securities law compliance serves as both a shield and a catalyst—ensuring market integrity while enabling India Inc. to participate more actively in global value chains.

For insiders, navigating these regulations is akin to a tight rope walk. Their access to sensitive information is often integral to their roles, yet they are under constant scrutiny regarding their personal trades.

Strict internal controls, continuous monitoring, and regular training are critical to ensuring that insiders do not inadvertently or deliberately misuse UPSI.

INSIDER TRADING – ANALYTICAL PERSPECTIVE

The objective of the SEBI (PIT) Regulations is to promote fairness and integrity in the securities market by prohibiting trading on the basis of UPSI, thereby ensuring that all investors operate on a level playing field.

a. Legal objective of PIT Regulations:

- Eliminate information asymmetry.
- Promote market integrity.
- Build investor trust in capital markets.

b. Insider Trading and Governance – The Direct Link

Preventing insider trading is fundamentally a governance function. The board of directors, through its oversight role, ensures that the company's internal controls, information barriers, and compliance mechanisms are robust and effective. Weak governance frameworks often correlate with insider trading incidents, reflecting poorly on the company's leadership and internal culture.

Effective governance, therefore, involves:

- Ensuring active board oversight of insider trading policies.
- Conducting periodic audits of compliance with PIT regulations.
- Empowering compliance officers with autonomy and resources.

In essence, insider trading controls act as a litmus test for a company's corporate governance standards. The failure to prevent such violations often signals deeper structural or cultural deficiencies within the organization.

CAPITAL MARKET INTERMEDIARIES – OPPORTUNITIES FOR PROFESSIONALS

Capital market intermediaries play a pivotal role in facilitating seamless transactions, maintaining market efficiency, and safeguarding investor interests in India's securities market. They are integral to primary market activities such as IPOs, rights issues, delisting, mergers & acquisitions (M&As), qualified institutional placements (QIPs), and migration of companies from SME to main boards. Intermediaries collectively ensure investor access, regulatory compliance, transparency, and transaction security throughout the securities lifecycle.

a. Inclusive List of Key Intermediaries in Capital Markets

1. **Merchant Bankers (MBs):** SEBI-registered entities authorized to manage and lead capital market transactions. They serve as transaction managers for IPOs, rights issues, open offers, delistings, mergers & acquisitions, QIPs, and SME board migrations. MBs oversee due diligence, regulatory filings (DRHP, RHP, Prospectus), issue structuring, valuation, marketing (including roadshows), and coordination with SEBI, stock exchanges, and other intermediaries.
2. **Registrar and Transfer Agents (RTAs):** Acting as operational bridges between companies and shareholders, RTAs manage investor applications, allotments, refunds, maintenance of shareholder records, and grievance handling. In public issues, RTAs play a central role in processing large-scale retail participation efficiently and transparently.
3. **Depositories (NSDL and CDSL):** These centralized institutions facilitate dematerialization of securities, electronic settlement, and

maintenance of beneficial ownership records. They play a foundational role in the functioning of the modern securities market by ensuring seamless transfer and safekeeping of securities in electronic form.

4. **Custodians:** Custodians hold securities on behalf of clients, including domestic institutional investors and Foreign Portfolio Investors (FPIs). They ensure safekeeping of securities, handle settlements, facilitate fund movements, and assist with regulatory reporting.
 5. **Underwriters:** Entities, including Merchant Bankers, who provide underwriting services by committing to subscribe to a portion or entirety of the issue if undersubscribed. This guarantees minimum subscription and imparts credibility and assurance to investors and regulators.
 6. **Stock Brokers:** SEBI-registered intermediaries who act as the principal access channel for investors. Stock Brokers facilitate account openings (demat and trading accounts), enable secondary market trading, and handle transaction awareness to primary market offerings like IPOs and rights issues. They play a vital role in investor awareness, handholding retail participants, and ensuring transactional accessibility to the securities market.
 7. **Syndicate Members and Sub-Syndicate Members:** Typically comprising stockbrokers and bankers, they assist Merchant Bankers in collecting applications during public issues. They help in outreach, investor onboarding, and preliminary application processing.
 8. **Bankers to Issue (BTIs):** Scheduled commercial banks authorized to collect application monies from investors during primary market offerings. BTIs facilitate smooth fund collection, verification, and reporting.
 9. **Credit Rating Agencies (CRAs):** Though primarily active in debt issuances, CRAs assess creditworthiness and assign ratings to securities, assisting investors in risk assessment and decision-making. CRAs also play crucial role in primary market transaction when appointed if issue exceeds certain size by overseeing proper deployment of fund raised.
 10. **Debenture Trustees:** Appointed primarily in debt offerings to protect the interests of debenture holders by ensuring compliance with issue terms and acting as a liaison between issuer and investors.
- b. **Scope and Role for Professionals:** In the expanding capital market, Company Secretaries acting as a governance professionals, can explore multifaceted roles with these intermediaries:

- **With Merchant Bankers:** Transaction structuring, legal due diligence, disclosure drafting, compliance advisory.
- **With RTAs, Escrow Banks, and Stock Brokers:** Process oversight, investor communication management, regulatory compliance monitoring.
- **With Issuer Companies:** End-to-end compliance management, liaison with intermediaries, secretarial due diligence, and ensuring disclosure accuracy.
- **In Investor Education and Grievance Redressal:** Collaborating with Stock Brokers and Depositories to enhance financial literacy and market participation.

RELATED PARTY TRANSACTIONS (RPTs) – RISK V/S. GOVERNANCE

By their very nature, businesses are built upon networks, and it is common for companies to engage in transactions with related entities. However, RPTs represent a double-edged sword: while operationally convenient, they are vulnerable to abuse if not transparently managed. RPTs, if misused, can result in siphoning of funds, shareholder oppression, and conflicts of interest. Recognizing the significance of this issue, SEBI has progressively tightened regulations governing RPTs. In 2021 and 2022, significant amendments to Regulation 23 of the LODR Regulations were introduced:

- Broader definition of related parties, now including entities connected at the promoter and subsidiary levels.
- Mandatory approval of material RPTs by shareholders, excluding related parties from voting.
- Enhanced disclosure obligations in quarterly reports and annual reports.

Role of Company Secretaries

- Identifying related parties accurately under the expanded definition.
- Assisting boards and audit committees in evaluating arm's length criteria and the ordinary course of business test.
- Drafting and implementing RPT policies.
- Ensuring transparent disclosures to shareholders.

Company Secretary professionals serve as compliance gatekeepers, helping companies distinguish between legitimate business transactions and those that could raise governance red flags. Ultimately, well-governed RPT frameworks can facilitate operational efficiencies while protecting minority shareholders and enhancing investor confidence, transforming RPTs from a governance risk to a strategic governance enabler.

DELISTING – OPPORTUNITIES FOR PRACTICING COMPANY SECRETARIES

Delisting, the process where a company voluntarily or compulsorily removes its securities from stock exchanges, is an essential aspect of capital market governance. Companies may choose to delist for multiple strategic reasons: to reduce compliance costs, restructure ownership, privatize operations, or when listing no longer aligns with long-term corporate objectives. Delisting regulations are governed by the SEBI (Delisting of Equity Shares) Regulations, 2021, ensuring fair treatment to public shareholders and safeguarding their interests.

a. Key Governance Aspects of Delisting

- Ensuring equitable exit opportunity to public shareholders through Reverse Book Building (RBB).
- Transparency in disclosure of rationale and objectives for delisting.
- Board and shareholder approvals are mandatory before initiating delisting.
- Timely communication of timelines, pricing, and outcomes to shareholders.

b. Opportunities for Practicing Company Secretaries

- **Advisory Role:** Assisting companies in evaluating delisting feasibility, regulatory strategy, and timeline planning.
- **Compliance and Documentation:** Preparing delisting applications, drafting board/shareholder resolutions, and coordinating disclosures with stock exchanges.
- **Due Diligence:** Conducting secretarial due diligence to ensure statutory compliance before delisting.
- **Stakeholder Communication:** Advising on transparent communication with shareholders during the process.
- **Intermediary Coordination:** Liaising with Merchant Bankers, RTAs, and stock exchanges during RBB and final delisting formalities.

For Company Secretaries, delisting transactions offer a niche but growing area where specialized advisory services can be provided to both corporates and intermediaries.

CRITICALITY OF MATERIAL INFORMATION UNDER LODR – INDUSTRY PERSPECTIVE

Materiality assessment is a cornerstone principle embedded in the SEBI (LODR) Regulations, impacting disclosures, reporting, and corporate communications. Material information is defined not just through quantitative thresholds but significantly through qualitative judgments.

a. Key areas where Materiality plays a role:

1. **Framing Materiality Policy:** Regulation 30(4) mandates every listed entity to formulate a policy for determination of materiality. This policy guides the company in identifying events/information that require disclosure.
2. **Material Disclosure Announcements:** While determining whether any event qualifies as material, factors such as potential impact on stock price, reputational effect, sectoral sensitivity, and strategic importance must be considered alongside financial thresholds.
3. **Audit and Financial Reporting:** Material observations in audit reports (such as emphasis of matter, qualifications) must be disclosed in line with LODR mandates. Materiality in audit affects management decisions on financial statement disclosures and investor communications.
4. **Investor Presentations, Annual Reports, and Press Releases:** Disclosure of material changes, risks, opportunities, and corporate actions are scrutinized for their materiality impact.

b. Factors Considered in Assessing Materiality:

- Anticipated impact on the company's business operations, assets, or liabilities.
- Potential influence on investment decisions.
- Qualitative considerations such as legal, regulatory, strategic, and reputational implications.
- Board and management judgment based on past precedents, sector practices, and stakeholder expectations.

c. Role of Company Secretaries

- Timely and accurate identification of material events.
- Board sensitization on qualitative aspects of materiality.
- Drafting and updating materiality policy.
- Monitoring announcements and disclosures to ensure compliance with SEBI's continuous disclosure framework.
- Advising on material observations in audit and financial reports.

The complexity of materiality underscores the importance of professional judgment, regulatory understanding, and robust internal controls. Governance professionals thus play a strategic role in guiding boards and managements through the materiality maze, balancing regulatory compliance with transparent stakeholder communication.

SECURITIES COMPLIANCE AS DRIVER TO \$5 TRILLION ECONOMY

India's ambition to become a \$5 trillion economy is intrinsically linked to the strength and integrity of its corporate governance and compliance frameworks. In an interconnected global marketplace, where capital flows freely and investors demand transparency, governance is not a choice but a prerequisite for sustainable growth. Global companies, investors, talent pools, and institutional stakeholders assess governance quality before committing resources to any market.

Robust governance structures attract Foreign Direct Investment (FDI), promote ease of doing business, and inspire confidence among domestic and global investors. Inadequate governance, as evident from past corporate frauds, results in capital erosion and loss of investor trust. Therefore, securities compliance, driven by SEBI regulations, plays a dual role: ensuring investor protection and facilitating corporate growth, thus directly contributing to India's economic ambitions.

For India, strengthening compliance ecosystems, adopting global disclosure standards, and professionalizing governance roles (like Company Secretaries) will underpin the nation's economic progress. Securities law compliance serves as both a shield and a catalyst—ensuring market integrity while enabling India Inc. to participate more actively in global value chains.

NEW GOVERNANCE MECHANISM FOR HIGH VALUE DEBT LISTED ENTITIES (HVDLEs)

High Value Debt Listed Entities (HVDLEs) are companies that have listed non-convertible debt securities with an outstanding value of Rs. 500 crore or more. Recognizing the significant investor base and systemic importance of such entities, SEBI introduced differentiated governance standards for HVDLEs under the SEBI (LODR) Regulations.

Why HVDLE Mechanism was introduced

- Debt investors require similar levels of transparency and governance assurances as equity investors.
- To bridge regulatory gaps where companies having only debt listings but large borrowings were not subject to stringent governance norms.
- To ensure fair treatment of non-equity investors, including retail bondholders, by mandating governance mechanisms aligned with market realities.

Company Secretaries and compliance professionals can help HVDLEs implement these frameworks effectively by drafting governance policies, ensuring regulatory disclosures, and advising boards on compliance strategies.

FUND MANAGEMENT COMPLIANCE AND THE ROLE OF COMPANY SECRETARY

India's capital markets are witnessing unprecedented domestic participation, led by Alternative Investment Funds (AIFs), Portfolio Management Services (PMS), and Mutual Funds (MFs). As of 2025, Indian MFs manage over Rs. 50 lakh crore in assets under management, while AIFs and PMSs are growing rapidly, driven by investor demand for professional fund management.

With shareholder and investor participation at such scale, governance cannot be compromised. Investor protection, transparency in fund operations, conflict-of-interest management, and adherence to SEBI regulations are fundamental.

Why Compliance and Governance are Crucial in Fund Management:

- Prevent mismanagement and safeguarding investor funds.
- Ensure accurate reporting of Net Asset Values (NAVs) and portfolio disclosures.
- Maintain transparency regarding fees, fund performance, and investment strategies.
- Prevent insider trading and front-running through strict codes of conduct.

Role of Company Secretaries in Fund Management:

- Supporting compliance functions of AIFs, PMSs, and MFs by advising on SEBI regulations.
- Drafting compliance frameworks, investor communication policies, and internal control mechanisms.
- Ensuring accurate disclosures to investors and regulators.
- Acting as governance professionals in fund boards and advisory committees.

In India's expanding asset management industry, Company Secretaries can act as compliance and governance enablers, ensuring that fund houses meet regulatory expectations while maintaining investor trust and operational excellence.

CONCLUSION

In today's dynamic economic landscape, compliance and governance are no longer to be perceived merely as regulatory mandates or operational overheads. They have transformed into strategic imperatives that directly influence corporate reputation, investor confidence, and overall market integrity. For Indian corporates aspiring to participate in global markets and attract international capital, robust governance frameworks and meticulous

securities compliance stand as essential prerequisites rather than optional formalities.

Company Secretaries have emerged as pivotal catalysts in this transformation. By aligning regulatory adherence with business objectives, they bridge the traditional gap between compliance obligations and growth opportunities. Whether it is managing disclosures, overseeing insider trading controls, navigating capital market transactions, or implementing sustainability reporting standards like BRSR, the role of Company Secretaries extends beyond routine compliance to strategic governance advisory.

As India marches towards its \$5 trillion economic milestone, the evolving architecture of securities laws will play a central role in shaping this journey. From strengthening disclosure norms to enhancing investor protection and improving corporate governance standards, regulatory reforms continue to act as growth enablers. For Company Secretary professionals in the compliance and governance domain, this presents a unique opportunity to contribute not just to organizational success but to India's broader capital market development and economic progress.

Ultimately, a future-ready compliance culture, fortified governance practices, and empowered professionals will collectively catalyse India's aspirations of becoming a leading global economic powerhouse.

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Legal & Accounting Aspects of Redeemable Preference Shares and Convertible Preference Shares

The authors in this article interpret the provisions of Section 43 of the Companies Act, 2013 that defines 'Preferential Share Capital'. The article throws light on the conditions to be fulfilled for redemption of redeemable preference shares. The authors discuss the applicable provisions of the Companies Act, 1956 vis-à-vis the Companies Act, 2013.



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INTRODUCTION

STATUTORY FRAMEWORK

Section 55 of the Companies Act, 2013 (corresponding to Sections 80 and 80A of the Companies Act, 1956) contains the Statutory Framework concerning redeemable preference shares. The salient features of the Section are as follows:

(1) A company cannot issue irredeemable preference shares or preference shares redeemable after 20 years from the date of issue. But a company may issue preference shares redeemable after 20 years to finance its infrastructure projects (specified in Schedule VI). The preference shares must be redeemed on an annual basis at the option of such preference shareholders.

MEANING AND FEATURES OF 'PREFERENCE SHARE CAPITAL'

In ordinary parlance, a preference share is a type of share in a company that gives the owner the right to receive regular fixed payments (dividends) but does not usually give them the right to vote at meetings of shareholders. People who hold them must be paid before owners of all other shares. Preference shares are also called 'preferred shares'.

Section 43 of the Companies Act, 2013 (corresponding to Sections 85 and 86 of the Companies Act, 1956) defines 'preference share capital'. According to it, preference share capital, with reference to any company limited by shares, means that part of the issued share capital of the company which carries or would carry a preferential right with respect to —

- payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and
- repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the company.

Section 43 also provides that capital shall be deemed to be preference capital, notwithstanding that it is entitled to either or both of the rights specified in the Section.

The provisions of Sections 85 and 86 of the Companies Act, 1956 were elucidated with regard to preference share capital by P. N. Bhagwati J. in the Gujarat High Court case [*Juvansinhji Balusinhji v Balbhadrasinhji Indrasinhji* (1962) 32 Comp Cas 1162 (Guj); AIR 1963 Guj 209].

MEANING OF 'REDEEMABLE PREFERENCE SHARE'

One of the types of shares a company can issue is preference share and a preference share may be a redeemable preference share. The term 'redeemable' means capable of being redeemed and the term 'redeem' means to buy or pay off; to buy back; to pay back; to exchange shares for money. As against equity shares which are not capable of being redeemed, redeemable preference shares are bought back by the company which has issued them and thus redeemed.

These shares are issued subject to the condition that they will or may be redeemed, that is, bought back (at the option of the shareholder or the company) by the company. To redeem means to buy or pay off; clear by payment; to buy-back or repurchase. In the case of redemption, the company exchanges the redeemable shares for money and the relevant shares are cancelled and nominal value of the shares redeemed is deducted from the subscribed and paid-up capital of the company. The term 'redemption' implies repurchase or the repayment at maturity of a debenture or bond. Buyback of shares is different from redemption of share capital, e.g., redemption of redeemable preference shares, but conceptually both signify the same as redemption. Redemption is exchange of shares for cash.

Generally, repayment of share capital amounts to reduction of share capital and requires compliance with the provisions of the Companies Act, 2013 as applicable to the reduction of share capital. However, redemption of redeemable preference shares, is not a case of reduction of share capital.

Not with standing the fundamental principle of maintenance of capital and that no part of the capital shall be returned to the shareholders except under certain circumstances and by following a certain procedure requiring the scrutiny of the court, redeemable preference shares can be repaid in accordance with the terms of issue otherwise than on a formal reduction of capital approved by the court.¹

A redeemable preference share is a share for which a company reserves the right to redeem, either out of profits or out of the proceeds of a further issue of shares. It may or may not have a fixed redemption date. The rights of preference shareholders are set out in the memorandum of association or articles of association. A company can issue redeemable preference shares with a tenure of not exceeding 20 years. Provided that a company may issue preference shares for a period exceeding 20 years for infrastructure projects listed in Schedule VI subject to redemption of certain percentage of shares as may be prescribed on an annual basis at the option of the shareholder.

When a preference share is redeemed by a company, what the shareholder does in effect is to sell the share to the company. The company redeems its preference shares only by paying the preference shareholders the value of the shares and taking back the preference shares. In effect, the company buys back the preference shares from the shareholders. If redemption of preference shares did not amount to sale, it would not have been necessary, in Section 77 of the Companies Act, 1956 (corresponding to Section 67 of the Companies Act, 2013), to specifically provide that the restriction imposed upon a company in respect of buying its own shares will not apply to redemption of shares issued under Section 80 of that Act (corresponding to Section 55 of the Companies Act, 2013).²

¹. *Shashibala Navnitlal v CIT* [1964] 34 Comp Cas 985; (1964) 54 ITR 478 (Guj); [1965] 1 Comp L.J 137.

². *Anarkali Sarabhai v CIT* [1997] 89 Comp Cas 28 (SC).

AUTHORISATION TO ISSUE REDEEMABLE PREFERENCE SHARES

This Section enables a company limited by shares to issue redeemable preference shares, on the condition that the articles of the company authorise the company to issue these shares. The articles must authorize the company to issue redeemable preference shares. Table F contains such a provision in its Regulation 8, which provides that:

"8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine." If the articles do not contain a regulation authorising the issue of such shares, before any steps are taken to issue such shares, the articles must be amended to insert therein a provision authorising the company to issue such shares."

Where the memorandum of association of a company gave power to the company in express terms to issue preference shares as a part of the original capital, but in the articles there was no express provision for preference shares as a part of the original capital it was held that under such circumstances in the absence of any article clearly restricting the company in that respect, the company was entitled to exercise the powers expressly conferred on it by the memorandum and to issue preference shares as part of the original capital.³

REDEMPTION OF REDEEMABLE PREFERENCE SHARES: CONDITIONS TO BE FULFILLED FOR REDEMPTION

The redemption of redeemable preference shares may be effected on such terms and in such manner as is provided in the articles of the company. If the articles do not contain any provisions in this regard, the terms and conditions for redemption may be inserted in the articles by amending the articles by a special resolution. Alternately, as provided in regulation 8 of Table F, such terms and conditions may be determined by a special resolution before the issue of shares.

The conditions to be satisfied in regard to the redemption of redeemable preference shares are:

- (a) they must be redeemed out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
- (b) they must be fully paid before redemption;
- (c) if the company wants to redeem them out of the company's profits, a sum equal to the nominal amount of the shares to be redeemed must be transferred to Capital Redemption Reserve Account. Application of this reserve will attract the provisions of this Companies Act, 2013 relating to reduction of share

³. *Alexander Ewan Campbell v Thomas Ernest Rofe* (1933) 3 Comp Cas 81 (PC); AIR 1933 PC 39; 64 MLJ 277; 141 IC 526; 37 MLW 373.

capital, except when it is applied for issue of fully paid bonus shares;

- (d) in case of the prescribed class of companies, whose financial statement comply with the accounting standards prescribed for such class of companies under Section 133, Companies Act, 2013 any premium payable on redemption shall be provided for out of the profits of the company, before the shares are redeemed. A premium payable on redemption of any preference shares issued on or before the commencement of this Companies Act, 2013 by any such company shall be provided for out of the profits of the company or out of the company's securities premium account, before such shares are redeemed;
- (e) in the case of a company not falling in the class above, a premium payable on redemption shall be provided for out of the profits of the company or out of the company's securities premium account, before such shares are redeemed.

If new shares equal to the amount of the face value of the redeemable preference share, are issued, stamp duty chargeable under the relevant Stamp Act will be paid, unless the old redeemable preference shares are redeemed within one month after the issue of the new shares.

Terms of redemption or conversion (if any), of any redeemable preference capital are required to be stated, together with earliest date of redemption or conversion, in the balance sheet.

Normally, preference shares are issued subject to redemption any time after specified period. Where the shares are issued for a fixed period, the company can extend the date of redemption of preference shares by obtaining approval of the shareholders. In such a case, procedure for variation of rights under Section 48 of the Companies Act, 2013 have to be followed.

Unless the terms of the issue provide for conversion of preference shares into equity shares, the preference shares have to be redeemed only in cash.

INTERPRETATION OF CLAUSE (A) OF PROVISO TO SUB-SECTION (2) OF SECTION 55

As per clause (a) of the second proviso to Section 55(2), redemption of redeemable preference shares can be done only: (a) out of profits which would otherwise have been available for dividend, or (b) out of the proceeds of a fresh issue of shares made for the purpose of redemption. If a company intends to redeem its preference shares out of profits, it must have not only profits sufficient to be reduced by a sum of the face value and of the premium payable on the redemption but also liquid cash sufficient to meet its obligation of payment to the shareholders whose shares are to be redeemed.

When CPS are converted into equity shares, it cannot be said to be a case of 'redemption' because the term 'redemption' is used only in the context of repayment of capital paid on redeemable preference shares and not when the shares are converted into equity shares.

The sanction of the court under Section 66 of the Companies Act, 2013 would be necessary even where preference shares are to be redeemed out of capital redemption reserve account created out of the profits of the company. Again, the principle of maintenance of the capital is preserved for the protection of the creditors of the company and sanction of the court is necessary for reduction of the capital even for redemption of preference shares out of capital redemption reserve account.

It was held in respect of Section 100 of the Companies Act, 1956 (corresponding to Section 66 of the Companies Act, 2013) that a company can pay back to the shareholder any paid-up share capital which is in excess of wants of the company. Redemption of the preference shares is nothing but paying back to the shareholders their preference share capital. This can be done subject to confirmation by the court if the capital is in excess of the wants of the company and the company is so authorised by its articles and the company passes a special resolution to that effect. Therefore, preference shares can be redeemed not only in accordance with Section 80 but, also in accordance with the provisions of Section 100 of the 1956 Act. If the shares are

to be redeemed not out of the fresh issue of shares made for that purpose nor out of the profits which would otherwise be available for dividend as required under Section 80, provisions of Section 100 of the Act would have to be complied. Two independent procedures are available to a company for redemption of preference shares. It may redeem the shares by following the procedure laid down under Section 80 of the Act which is a special provision meant for redemption of preference shares or it may take recourse to the general provision under Section 100 of the Act which is applicable for reduction of any capital including

preference capital, in any manner.⁴

MEANING OF 'OUT OF PROFITS'

As noted above, one of the two sources permitted by Section 55 Companies Act, 2013 for redemption of redeemable preference shares, is "out of the profits of the company which would otherwise be available for dividend". The word "profits" is not defined. Every account that represents profits earned by the company which is available for distribution can be utilized, such as current year's profit, accumulated profits of past year(s); any reserve created out of revenue profits and available for distribution by way of dividend, etc.

As noted, before, redemption involves payment of money since when a company redeems its redeemable shares, it buys back those shares for money paid to the holders of those shares. But redemption "out of profits" does not mean that the company pays its profits to the holders of the redeemable preference shares, because the expression "out of profits" contemplates only book entry and not outflow of

⁴ *Birla Global Finance, in re (2005) 126 Comp Cas 647 (Bom): (2004) 58 CLA 154 (Bom).*

money (since the profits are only book profits). It should be noted that, balance of profits as appearing in the balance sheet in any form cannot, strictly speaking, be called a source of funds to meet the requirement of funds (cash) for redemption of shares.

In such a case, the account representing profit will be debited and capital redemption account will be credited for the amount of face value of the shares redeemed.

Nonetheless, the redemption, of course, will need cash to be paid to the shareholders whose shares are redeemed.

If the redemption is at a premium, clause (d) of sub-section (2) restricts the payment of premium only out of profits or securities premium account, as specified in its two sub-clauses.

FRESH ISSUE

According to clause (a) of the second proviso, a company may redeem its redeemable preference shares out of the proceeds of a fresh issue of shares made for the purpose of such redemption.

A company may raise money by issuing new shares of any kind or class, either at par or at a premium, and make use of the money so raised to redeem redeemable preference shares. The company may, however, make an issue of higher amount than the amount required for the redemption and use the extra money so raised for its other business purposes. There is nothing in Section 55 or elsewhere in the Companies Act prohibiting making an issue of shares of a higher amount. But the objects of the issue must be stated to be redemption of the redeemable preference shares.

It should be noted that, there is no bar to the use of money received from the shareholders on a fresh issue (including premium received). There is also no bar to making a fresh issue of an amount higher than the money required for payment on redemption and use the balance amount so raised for other business purposes. One of the objects of the fresh issue should, however, be stated to be the redemption of the redeemable preference shares.

In this situation, as against redemption out of profits, the company makes an issue of shares at least of the amount equal to the face value of the redeemable preference shares to be redeemed and thus the place of redeemable preference shares is taken by the new shares issued since the share capital is credited by the amount of the shares issued.

According to clause (c) of the second proviso, premium, if any, payable on redemption shall be provided for out of the profits of the company or out of the company's securities premium account, before such shares are redeemed.

Two things are apparent from this provision of clause (c): first, a company can make use of the amount equal to the face value of the new shares issued (being equal to the face value of the shares being redeemed); and second, the premium, if any, payable on redemption shall be provided

for only out of the profits of the company or out of the company's securities premium account, and the premium (if any) received on the shares issued for the purpose of the redemption cannot be used to pay the premium on redemption.

The words "before such shares are redeemed" in clause (c) are significant in this regard. These words qualify both the preceding statements, namely profits and securities premium account, and they thus indicate that premium payable on redemption of the redeemable preference shares may be provided for out of the profits or out of the securities premium account which existed before such shares are redeemed. If there are profits or securities premium account, before the redemption of the shares, premium payable on the redeemable preference shares cannot be debited against the premium collected on fresh issue of shares.

One more provision of the Act needs to be noted in this regard. Section 52 of the Companies Act, 2013 provides that any amount of the premium received on shares issued by a company must be transferred to a "securities premium account" and it can be utilized only for the purposes stated in sub-section (2) without treating it as reduction of capital, and one of the purposes for which it can be so used is as stated in clause (d) of sub-section (2), namely "in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company".

This does not mean that the money received by the company by way of premium received on any fresh shares issued by a company can be used by the company only for payment of the premium payable on the redemption of any redeemable preference shares or of any debentures, and it cannot be used for payment of the face value of the shares or debentures being redeemed. It only means that if any premium is payable on redemption of redeemable preference shares, the amount equal to the amount of premium payable must be debited to the profits or securities premium account already existing before the redemption.

Thus, what Section 55, read with Section 52, really intend to provide is that-

- Firstly, the amount equal to the amount of premium received on the new shares issued must be transferred to securities premium account; and
- Secondly, the appropriate account representing the profits or securities premium must be debited by the amount of premium payable on the redemption.

There is no bar on the use of the money received from the shareholders by way of premium on the shares issued for the purpose of redemption, because paying premium "out of 'profits' only means that the profit must stand reduced to the extent of the amount of premium payable on redemption. But that does not mean that the company cannot use money received by it through premium. As noted above, the expression "out of profits" contemplates only book entry and not outflow of money.

CAPITAL REDEMPTION RESERVE

A company which redeems its redeemable preference shares otherwise than out of the proceeds of a fresh issue, *i.e.* out of its accumulated profits, the company must set aside out of profits which would otherwise have been available for dividend, a sum equal to the nominal amount of the shares redeemed. This sum must be transferred to a reserve fund, to be called the capital redemption reserve account. This account is created out of retained profits; it appears on the liabilities side of the balance sheet under the head 'Reserves & Surplus' and it is part of the 'Shareholders' Funds'.

The words "out of profits" are crucial to determine the obligation of creation of Capital Redemption Reserve (CRR) account. A company is not obligated to create CRR unless it has profits. In other words, it is mandatory to create CRR (and it cannot be created) if the company has no current or accumulated profits during the currency of the redeemable preference shares or at the time of redemption. A company may redeem the shares out of proceeds of a new issue (because it has no profits at all available for redemption). In such a situation, CRR cannot be created and yet shares are redeemed.

Creation of a Capital Redemption Reserve is possible only when redemption of preference shares is done from the free reserves which also means out of profits of earlier years as mentioned hereinabove. Creation of CRR signifies that so much of free reserves or profits of earlier years have been used for redemption of preference shares, hence the same are now not available for the purpose of any likely distribution as dividend in future.

If a company doesn't want to make a new issue to raise money for redemption of preference shares, meaning thereby that the company has enough funds available to redeem the preference shares, it may follow the route of redemption of the preference share capital as mentioned in the above para.

This Capital Redemption Reserve account is similar to the share capital account in that it cannot be applied for any purpose unless the provisions regarding reduction of capital are complied with as is required in the case of paid-up share capital, with one exception. It can be applied for issuing fully paid bonus shares. It cannot be applied for distribution as dividend.

Capital redemption reserve is not a 'fund' in the sense this word is understood in accounting parlance. The word "fund" in relation to any reserve should be used only where such reserve is specifically represented by earmarked investments. It is a reserve created by appropriation of profits to an account opened by the name "Capital Redemption Reserve Account" in the company's books.

On redemption, the redeemable preference shares are treated as cancelled and thus the preference share capital is reduced by their nominal value. Correspondingly, the balance in the Bank account is reduced by the amount of preference share capital redeemed.

As noted above, if redeemable preference shares are to be redeemed out of profits, the company must transfer to an

account to be called Capital Redemption Reserve (CRR), a sum equal to the nominal amount of the shares redeemed. When this provision refers to "redeemed out of profits which would otherwise be available for dividend" what it means is that the company should debit the amount equal to face value of the shares to be redeemed only to those profits (such as general reserve or credit balance in profit and loss account or any other credit balance comprising accumulated and unutilised profits which can be used for distribution as dividends) and thus apply the same for redemption of redeemable preference shares. The profits which are not otherwise available for dividend (such as CRR, Capital Reserve, Securities Premium Account, Revaluation Reserve) cannot be applied for redemption of the redeemable preference shares.

According to this Section, if the company wants to apply the CRR for any purpose (except for issue of bonus shares), the provisions of the Act relating to the reduction of the share capital of a company must be complied with as if the CRR were paid-up share capital of the company.

In *Aurobindo Pharma Ltd, In re*⁵, a single judge of the A.P. High Court, while dealing with a petition for a scheme of compromise or arrangement, has explained the above provision and held that under Section 80(1)(d) of the 1956 Act, the company is entitled to transfer funds to the capital redemption reserve from out of the profits if it resolves to redeem the preference shares issued from out of the profits. As the statute itself permits the company to transfer funds to the capital redemption reserve as and when the profits accrue, no permission is required at the stage of transfer. But having regard to the language used in clause (d) of proviso to sub-section (1) of Section 80 of the 1956 Act, it is clear that when once the capital redemption reserve is used for redemption of preference shares, the company has to necessarily move an application before the court and obtain permission for utilising the capital redemption reserve for redemption, because if the capital redemption reserve, is used for redeeming preference shares, it results in diminishing of the capital. Therefore, unless and until the resolution of the company to create the capital redemption reserve and use it for redemption of fully paid-up preference shares is sanctioned and approved by the court, no such redemption can be resorted to.

WHETHER REDEEMED PREFERENCE SHARES PART OF NOMINAL CAPITAL

When a company issues redeemable preference shares, it does not obtain a loan as it would by issuing debentures.⁶ Redemption of preference shares as such does not have any impact on the authorized share capital of the company. The redemption does not amount to diminution of the authorized capital, unless the resolution authorizing the redemption seeks to do so.

In *Re, Serpell & Co*⁷ the original capital of a company consisted of redeemable preference shares and ordinary shares. Some of the preference shares were redeemed

⁵ (2011) 167 Comp Cas 458 (AP).

⁶ *Hindustan Gas & Industries Ltd v CIT* (1979) 117 ITR 549 (Cal).

⁷ (1944) 1 Ch 233; (1944) 14 Comp Cas 223 (Ch D).

before April, 1939. An extraordinary general meeting of the company was held on April 28, 1943, when the following resolution was carried: "That the capital of the company which now consists of £1,85,000, divided in 85,000 7 per cent, redeemable preference shares and 1,00,000 ordinary shares both of £1 each all fully paid up, be reduced to £1,00,000 divided into 1,00,000 ordinary shares of £1 each and that such reduction be effected by extinguishing the said redeemable preference shares." It was held that according to the provisions of Sections 46(1) and (4) of the English Companies Act, 1939 (corresponding to Section 80 of 1956 Act), the effect of the redemption of the preference shares was to extinguish them, not only as issued capital, but as part of the nominal capital of the company.

REDEMPTION OF PREFERENCE SHARES BY REDUCTION OF CAPITAL

As noted earlier, there is requirement under Section 55 that no redeemable preference shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption.

However, when a company having redeemable preference shares wants to redeem such shares but which does not have profits sufficient to redeem the preference shares and is also not in a position to issue new shares to raise funds for redemption, but can raise funds in some other way, can resort to reduction of the capital under provisions of Section 66 of the Companies Act, 2013.

Answering the question whether preference shares can be redeemed in any other manner by following the procedure laid down in Sections 100 and 101 of the Companies Act, 1956 (corresponding to Section 66 of the 2013 Act), in the affirmative in *Re Birla Global Finance Ltd.*,⁸ the Bombay High Court held that if the shares are to be redeemed not out of the fresh issue of shares made for that purpose, nor out of the profits which would otherwise be available for dividend as required under Section 80, provisions of Section 100 of the Act would have to be complied. Two independent procedures are available to a company for redemption of preference shares. It may redeem the shares by following the procedure laid down under Section 80 of the Act which is a special provision meant for redemption of preference shares, or it may take recourse to the general provision under Section 100 of the Act which is applicable for reduction of any capital including preference capital, in any manner.

WHETHER SECTIONS 62 AND 42 OF THE COMPANIES ACT, 2013 ARE APPLICABLE

Section 62 applies to every issue of further shares. Clause (a) of sub-section (1) deals with issue of further shares on a rights basis and clause (c) of sub-section (1) deals with issue of further shares on a private placement basis (also called preferential basis). Since the Section 62 uses the word 'shares', a *prima facie* inference is that whenever any company proposes to issue preference shares on rights basis

or private placement basis, it must comply with Section 62(1)(a) or (1)(c) as the case may be. However, rule 13 of the Companies (Share Capital and Debentures) Rules 2014, makes the provisions of Section 62(1)(c) applicable only to equity shares or instruments convertible into equity shares [see *Explanation (ii)* in rule 13(1)]. Accordingly, Section 62(1)(a) does not apply to issue of preference share which are not convertible (fully or partly) into equity shares.

Section 42 applies to every issue of any kinds of securities on a private placement basis. So, *prima facie*, it applies to issue of preference shares on a private placement basis. But Section 42 defines the expression 'private placement' as "any offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) through issue of a private placement offer letter and which satisfies the conditions specified in this section." Thus, the statutory definition of private placement is very specific and clear and therefore Section 42 is not applicable to an offer or invitation for subscribing for any securities if it is not made to a select group of persons. Section 2(81) adopts the definition of "securities" as given in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956. Going by that definition, Section 42 is applicable to a private placement offer or invitation of every kind of securities, such as shares, debentures, bonds, etc and also to equity and preference shares as well as convertible and non-convertible preference shares and debentures. However, in order to attract this Section, the offer or invitation must be made to "a select group of persons". Accordingly, an offer or invitation must be made to a group of persons; there must be two or more persons to whom an offer or invitation is to be made and an offer or invitation made to a single person (or a single entity) cannot attract this Section. The ordinary meaning of the word 'group' is a number of people or things located, gathered, or classed together; a number of individuals assembled together or having some unifying relationship.

CONVERTIBLE PREFERENCE SHARES

The Companies Act, 2013 does not contain a specific provision authorizing CPS; but it does not contain a provision prohibiting it either. The Central Government had issued guidelines for the issue of Cumulative Convertible Preference Shares (CCP) on August 19, 1985. The SEBI Guidelines on Investor Protection and Disclosure also recognize this instrument. Therefore, a company may issue CPS.

When CPS are converted into equity shares, it cannot be said to be a case of 'redemption' because the term 'redemption' is used only in the context of repayment of capital paid on redeemable preference shares and not when the shares are converted into equity shares. Section 55 of the Act specifically provides that redemption of shares must be done either out of profits or out of proceeds of a fresh issue. Redemption contemplates payment and thus outflow of money. Although in conversion the preference shares extinguish, there is no repayment of capital. There is no outflow of money. "The term 'redemption' implies repurchase of a share or debenture and repayment of capital. Redeemable shares are issued subject to the condition

⁸. [2005] 126 Comp Cas 647 (Bom)

that they will or may be bought back (at the option of the shareholder or the company) by the company.” [see Oxford Law Dictionary]. In the case of redemption, there is no effect on the assets of the company. The only change that takes place is that preference share capital is replaced by equity share capital and (sometimes as in the present case) creation of a share premium account. These changes take place only on the liabilities side of the balance sheet.

Under Section 55, a company which redeems its redeemable preference shares otherwise than out of the proceeds of a fresh issue, *i.e.* out of its accumulated profits, must set aside out of profits which would otherwise have been available for dividend, a sum equal to the nominal amount of the shares redeemed. This sum must be transferred to a reserve fund, to be called the capital redemption reserve account. This account is created out of retained profits; it appears on the liabilities side of the balance sheet under the head ‘Reserves & Surplus’ and it is part of the ‘Shareholders’ Funds’.

Clause (d) of the proviso to Section 55(1) provides that *where any such shares are redeemed* otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the capital redemption reserve account], a sum equal to the nominal amount of the shares redeemed; and the provisions of this Act relating to the reduction of the share capital of a company shall, except as provided in this Section, apply as if the capital redemption reserve account were paid-up share capital of the company.

CONVERSION OF REDEEMABLE PREFERENCE SHARES INTO EQUITY SHARES

Section 48 of the Companies Act, 2013 provides for variation of shareholders’ rights. If a company has different classes of shares with different rights attached to them, any of such rights may be varied or altered in any manner. Any variation must, however, be within the limitation of the Companies Act. In other words, no variation must be contrary to any provision of the Act; otherwise, it will be void. In other words, the variation should be of rights alone and the same should not impinge on the liability of the members except to the extent permitted by any other provision of law. Any company, listed or unlisted, public or private, articles of association of which provide for variation of shareholders’ rights may vary the rights of the shares as provided in Section 48 of the Act.

Variation includes addition, deletion, substitution, modification, cancellation, abrogation. Section 2(50) of the 1956 Act provided that “variation” shall include abrogation; and “vary” shall include “abrogate”. The word ‘abrogate’ literally means to end or cancel something in a formal and official way; to abolish by formal or official means; annul by an authoritative act; repeal; to abolish by authoritative action; to treat as non-existent; to do away with. There is no such definition in the 2013 Act. However, aid of the definition in the erstwhile Act may be taken to interpret the word variation.

When shares of one class are converted into another class, those in the former class get abrogated or extinguished and such an action can be brought within the ambit of Section 48 of the Companies Act, 2013 because the definition of ‘variation’ includes abrogation. Accordingly, when preference shares are converted into equity shares, the preference shares get abrogated and this case falls within the ambit of Section 48.

In *Re Stewart Precision Carburetor Co* 1912 TLR 335, a company, whose capital was divided by its memorandum into ordinary and preference shares, proposed to convert certain unissued preference shares into ordinary shares and to attach to the preference shares a right to participate *pari passu* with the ordinary shareholders in the surplus profits. A resolution to that effect was passed and confirmed at a general meeting, and also at meetings of the preference shareholders, but there were no separate meetings of the ordinary shareholders. The Court confirmed the special resolution, holding that it was unnecessary that there should have been separate meetings of the ordinary shareholders.

In *Sitaram Reddy v Bellary Spinning & Weaving Co Ltd* [1984] 56 Comp Cas 281 (Kar), at a class meeting of redeemable cumulative preference shares a special resolution was passed to sanction the variation of class rights as follows:

“Resolved that the preference share amount and the accrued preference interest/ dividend at 9 1/2% from the date of allotment on respective shares up to December 31, 1981, be converted into equity shares from January 1, 1982.”

On an application under Section 107, the court set aside the special resolution as illegal, on the ground that it was not passed as a special resolution by the requisite majority of votes. But the court did not say that the resolution was illegal because what was proposed to be done by the Company was not a variation of class rights.

Variation of the rights by re-organization of share capital by converting one class of shares into another, *e.g.* equity into preference or *vice versa*, without reduction of the total capital, as in the present case, would not be outside the scope of this Section. Such re-organization can be in relation to unissued share capital or issued and subscribed share capital.⁹ In such a case, the share capital after the conversion must be within the capital clause of the Memorandum and the Articles must authorize such alteration.

The Company can vary the rights of the preference shareholders by following either of the two procedures laid down in Section 48. If the preference shares are held by only one party, a written consent of the shareholder will suffice. Before and after this consent, the Board of the Company (IndusInd Media) should pass a resolution; before the consent, proposing the variation and after the consent taking on record the consent and approving the variation. Thereafter, the shareholder will be informed about the variation.

⁹ See *Re Stewart Precision Carburetor Co* 1912 TLR 335; see also *Sitaram Reddy v Bellary Spinning & Weaving Co Ltd* [1984] 56 Comp Cas 281 (Kar).

CONVERSION OF REDEEMABLE PREFERENCE SHARES INTO EQUITY SHARES AS PART OF A SCHEME OF COMPROMISE OR ARRANGEMENT

A scheme of compromise or arrangement by a company with its shareholders or creditors or any class of them or with both, invariably involves reorganization of the company's existing share capital, as has been proposed by *Sterlite Industries Ltd.* in a shareholders' meeting convened pursuant to the directions of the Bombay High Court. Section 391 of the Companies Act, 1956 facilitates this. According to Section 390(b), the expression *arrangement* includes a reorganization of the share capital of the company by the consolidation of shares of different class, or by the division of shares into shares of different classes or by both these methods. Apart from this, a scheme of compromise or arrangement may involve increase, consolidation or subdivision of shares, or reduction of share capital, especially by writing-off the capital lost or un-represented by the existing assets of the company.

The UK's House of Lords' decision in *Carruth v Imperial Chemical Industries Ltd* [1937] 2 All ER 422; [1938] 8 Comp Cas 181 (HL) is relevant in this regard. The respondent company, which was incorporated with a capital of £95,000,000 consisting of cumulative preference, ordinary and deferred shares, petitioned the court to sanction a reduction of capital to £89,565,859 by cancellation of half the amount of each of the 21,736,564 deferred shares of 10s each, and by conversion and consolidation of each four deferred shares into one £1 ordinary share carrying full dividend rights as from 1 January 1935. The scheme was as follows:

The proposed re-organisation of the company's capital, in which the reduction figures as the last step, involves conversion of every £2 of deferred share capital into £1 of ordinary share capital, the company's capital - apart from the preference shares being thus unified into one class of ordinary share capital. It is obvious that this operation involves the disappearance of one-half of the paid-up deferred share capital, namely, in round figures, five and a half million pounds, and it is the reduction of the company's capital by this figure which was submitted for confirmation to the court.

The scheme, which was submitted by the directors for the purpose of simplifying and strengthening the company's financial structure, was approved by more than the statutory majority at the extraordinary general meeting, and by more than the majority prescribed by the articles of association of the company at each of the separate class meetings of the ordinary and deferred shareholders. It was provided by the memorandum and articles of association that the special rights or privileges of any class of shareholders should not be varied or extinguished without the approval of a separate class meeting of the shareholders so affected. It was held by the House of Lords (confirming the sanction to the scheme given by the lower court) that as the articles of association empowered the company to reduce its share capital in the ways specifically mentioned therein, "or otherwise as may

seem expedient," the company thus became entitled to reduce its capital in any way authorised by the Companies Act, 1929; that the reduction so proposed was not ultra vires the company, as upon the true construction of article 44, company had power to reduce its capital in any way authorised by the Companies Act, 1929.

The Kerala High Court has held that when the company unilaterally, without the participation of the preference shareholders, decides to redeem their stake, naturally, it shall be in terms of Section 80(1) of the Companies Act, 1956 and not otherwise. But where an arrangement under Section 391 of the Act was proposed to release the preferential shareholders by converting their stake in the company as loan due to them from the company and the preference shareholders who were if at all adversely affected, had no objection to the arrangement proposed by the company. In such circumstances, it was not prejudicial to the interest of such shareholders but it was as consented to by them. Therefore, there was no reason to withhold the sanction in terms of Section 391(2) of the Act.¹⁰

BUYBACK OF PREFERENCE SHARES

Section 68 of the Companies Act, 2013 facilitates buyback of securities of a company. That section permits a company to purchase its own shares or other specified securities. The word "shares" in this provision includes both equity shares and preference shares. The word "share" is defined in Section 2(84) of the Act as "share" means a share in the share capital of a company and includes stock."

The paid-up share capital of company includes preference share capital. It is only when a statutory provision excludes it expressly or impliedly preference share capital that it should be excluded. For example, according to the proviso to Section 68(2) nothing in clause (b) shall apply to a case where the buyback is, ten per cent. or less of the total paid-up equity capital and free reserves of the company. Therefore, equity shares as well as preference shares of any kind can be purchased by a company under Section 68.

Redemption and buyback of shares are two different and distinct things. As noted above, under Section 43, one of the types of shares a company can issue is preference share. A preference share may be a redeemable preference share. The term 'redeemable' means capable of being redeemed and the term 'redeem' means to buy or pay off; to buy back; to pay back; to exchange shares for money.

The subject of redemption of preference shares is dealt with by Section 55; whereas buyback is dealt with by Section 68. Section 68 starts with the words "Notwithstanding anything contained in this Act".

Section 67 prohibits companies from buying their own shares. But Section 68 creates an exception to Section 67 and allows companies to buy their own shares or other securities. It is also an exception to Sections 55 and

¹⁰ *PSI Data Systems Ltd In re* [1999] 98 Comp Cas 1 (Ker).

66. Section 68 overrides Sections 55, 66 and 67 by the use of *non obstante* clause, “Notwithstanding anything contained in this Act”. It was held by the Bombay High Court that the non obstante clause in Section 77A namely, “notwithstanding anything contained in this Act”, only means that notwithstanding the provisions of Section 77 and Section 100, the company can buy back its shares subject to compliance with the conditions mentioned in that Section without approaching the court under Sections 100 to 104 or Section 391.¹¹

When a company redeems its redeemable preference shares, it must comply with the provisions of Section 55 and the Rules made thereunder; whereas when a company buys back its preference shares, it must comply with the provisions of Section 68 and the Rules made thereunder.

RULES AND FORMS

For the purpose of issue and redemption, rules 9 and 10 of the Companies (Share Capital and Debentures) Rules, 2014 have to be complied with.

ACCOUNTING OF REDEEMABLE PREFERENCE SHARES (RPS)

Accounting of RPS will vary as per the Indian Accounting Standards (Ind AS) and Indian GAAP (I-GAAP), though not so significantly.

A. Accounting as per Ind AS

As per the Ind AS, the relevant Standards are: 1) Ind AS 32 – Financial Instruments: Presentation 2) Ind AS 109 – Financial Instruments 3) Ind AS 107 – Financial Instruments: Disclosures 4) Ind AS 1 – Presentation of Financial Statements and 5) Ind AS 113 – Fair Value Measurement.

Classification of RPS: Liability vs. Equity: As per Ind AS 32, Paras 15–16, a financial instrument shall be classified as a financial liability if the issuer is under an obligation to deliver cash or another financial asset to the holder. Thus, Redeemable Preference Shares (RPS), which are mandatorily redeemable at a fixed date or at the option of the holder, are classified as financial liabilities, even if they carry features typical of equity (e.g., fixed dividend). Only perpetual preference shares with no obligation to repay (i.e., non-redeemable) and with discretionary dividends are classified as equity instruments under Ind AS 32, Para 11.

Initial Recognition: As per Para 5.1.1 of Ind AS 109, at the initial stage the RPSs are to be recognized at fair value. Any transaction cost is added to the liability in accordance with Ind AS 109, Appendix A.

Subsequent Measurement: Measured at amortized cost using the effective interest method under Ind AS

109, Paras 5.4.1 & B5.4.1. Dividends are recognized as interest expense in the Statement of Profit and Loss under Ind AS 32, Para AG37.

Redemption Accounting: On redemption, the financial liability is derecognized under Ind AS 109, Para 3.3.1. Any difference between carrying amount and amount paid is recognized in profit or loss. If redeemed out of profits, the company need to create Capital Redemption Reserve (CRR) under the Companies Act, 2013, but from an accounting perspective under Ind AS, this is a disclosure/reserve movement, not a measurement issue.

Disclosures Under Ind AS 107, disclosures are required for:

- nature and extent of risks from financial instruments;
- classification between liability and equity; and
- fair value disclosures under Ind AS 113.

B. Accounting under Indian GAAP (I-GAAP)

From the perspective of I-GAAP, the relevant Standards are 1) AS 13 – Accounting for Investments and 2) AS 1 – Disclosure of Accounting Policies.

Classification: Under I-GAAP, RPS are usually treated as equity (i.e., part of share capital) as long as they are legally termed as “shares” and not explicitly structured as debt. There is no mandatory bifurcation between liability and equity as per contractual terms, as required under Ind AS. This leads to lesser alignment with substance over form.

Dividend Treatment: Dividend on RPS is treated as appropriation of profits, not as an expense in the profit and loss account. It is debited from reserves and shown under ‘Appropriations’ in the P&L statement.

Redemption Accounting: As per law when RPS are redeemed out of profits, an amount equal to the face value of shares redeemed must be transferred to Capital Redemption Reserve (CRR). But, if redeemed out of fresh issue, creation of CRR is not required.

Redemption at Premium: Premium on redemption is adjusted against, Securities Premium Account, or General Reserve, as per Section 52 of the Companies Act, 2013.

C. Accounting Treatment of Redeemable Preference Shares (RPS)

In the following table we have summarised the accounting treatment/entries of Redeemable Preference Shares as per the Ind AS as well as the I-GAAP frameworks.

¹¹. *SEBI v Sterlite Industries (India) Ltd.*, (2003) 113 Comp Cas 273 (Bom); (2003) 53 CLA 41 (Bom)

Scenario	Ind AS Treatment	Ind AS Journal Entry	I-GAAP Treatment	I-GAAP Journal Entry
Initial Recognition of Redeemable Preference Shares (RPS)	Classified as financial liability if redemption is mandatory (Ind AS 32); equity only if perpetual with discretionary dividends.	Dr. Bank A/c Cr. Financial Liability – RPS A/c	Classified as part of share capital (equity) unless explicitly stated as debt.	Dr. Bank A/c Cr. RPS Capital A/c
Dividend on RPS	Treated as finance cost (P&L) if classified as liability.	Dr. Finance Cost / Interest Expense A/c Cr. RPS Liability A/c	Appropriation from profits (not P&L item); shown in the appropriate Section.	Dr. Profit & Loss Appropriation A/c Cr. Dividend Payable A/c
Redemption of RPS out of Profits	Reduce financial liability; create Capital Redemption Reserve (CRR) if required.	Dr. Financial Liability – RPS A/c Cr. RPS Holders A/c Dr. Retained Earnings Cr. CRR A/c Dr. RPS Holders A/c Cr. Bank A/c	Transfer nominal value to CRR; treat redemption amount as liability till payment.	Dr. RPS Capital A/c Cr. RPS Holders A/c Dr. General Reserve A/c Cr. CRR A/c Dr. RPS Holders A/c Cr. Bank A/c
Redemption out of Fresh Issue	No CRR needed if a fresh issue substitutes capital.	Dr. Bank A/c Cr. Equity Share Capital A/c Dr. Financial Liability – RPS A/c Cr. RPS Holders A/c Dr. RPS Holders A/c Cr. Bank A/c	CRR not required; redemption funded from issue proceeds.	Dr. Bank A/c Cr. Equity Share Capital A/c Dr. RPS Capital A/c Cr. RPS Holders A/c Dr. RPS Holders A/c Cr. Bank A/c
Redemption at Premium	Premium treated as finance cost; adjusted via P&L or Securities Premium.	Dr. P&L / Securities Premium A/c Cr. Premium on Redemption A/c Dr. Financial Liability – RPS A/c Dr. Premium on Redemption A/c Cr. RPS Holders A/c	Adjusted from Securities Premium or free reserves before redemption.	Dr. Securities Premium A/c / General Reserve Cr. Premium on Redemption A/c Dr. RPS Capital A/c Dr. Premium on Redemption A/c Cr. RPS Holders A/c
Conversion of RPS to Equity	Derecognize liability and recognize equity.	Dr. Financial Liability – RPS A/c Cr. Equity Share Capital A/c Cr. Securities Premium A/c (if any)	Considered variation of rights; shown as equity conversion.	Dr. RPS Capital A/c Cr. Equity Share Capital A/c Cr. Securities Premium A/c (if any)

CONCLUSION

Redeemable Preference Shares (RPS) serve as a versatile financial instrument offering a blend of equity and debt characteristics, governed by a robust legal and regulatory framework under the Companies Act, 2013. Legally, their issuance and redemption are tightly regulated to preserve capital and protect creditors, mandating compliance with conditions such as creation of the Capital Redemption Reserve and treatment of redemption premium. From an accounting standpoint, the treatment of RPS diverges sharply under Ind AS and I-GAAP. While I-GAAP largely adheres to the legal form—treating RPS as equity with

dividend as an appropriation of profits—Ind AS, aligning with international financial reporting standards, classifies RPS based on substance over form, often recognizing them as financial liabilities with dividends expensed as finance costs. These differences not only affect recognition, measurement, and presentation but also have implications for financial ratios, stakeholder perception, and corporate decision-making. A sound understanding of both legal provisions and applicable accounting standards is therefore essential for correct and compliant treatment of RPS in financial statements.



Fund Management, Compliance and the Role of Company Secretary

Fund management is a critical function in the financial services industry, encompassing the professional management of various securities and assets to meet specified investment goals. Compliance, in this context, ensures that these operations adhere to legal, regulatory, and internal policies. The Company Secretary (CS) plays a vital role in aligning fund management strategies with compliance frameworks. This article explores the intricacies of fund management, the regulatory environment, and the pivotal role of CS in ensuring legal and ethical operations.



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INTRODUCTION

Fund management refers to the process of managing investment portfolios on behalf of investors. It involves analysis, selection, and oversight of financial assets with the objective of maximizing returns. Compliance, meanwhile, serves as the backbone that ensures these activities are conducted within the bounds of prevailing laws and regulations. The CS, traditionally seen as a compliance officer, is now a strategic advisor involved in fund governance and ethical oversight.

In the ever-evolving financial ecosystem, fund management and regulatory compliance have gained prominence as core components of corporate governance. The dynamic regulatory framework, heightened scrutiny from regulators, and the growing expectations of investors have underscored the need for robust compliance frameworks and professional oversight. Fund management, typically associated with the oversight of pooled investments, involves strategic decision-making, risk mitigation, and adherence to financial and legal norms.

Within this context, the CS plays a pivotal role—not only as a governance expert but also as a facilitator of ethical fund management and regulatory conformity. Compliance ensures that organizations abide by applicable laws, standards, and internal controls. CSs bridge the two by serving as a compliance officer, governance advisor, and internal watchdog.

FUND MANAGEMENT: CONCEPTS AND CHALLENGES

1. What is Fund Management?

Fund management refers to the professional handling of various securities (shares, bonds, assets) and other investment tools to meet specific investment goals for the benefit of investors. It involves asset allocation, financial analysis, stock selection, implementation, and continuous monitoring of investments.

Broadly, fund management can be segmented into:

- Institutional Fund Management (Mutual Funds, Pension Funds, Hedge Funds, Insurance Funds).
- Corporate Treasury Management.
- Sovereign or Public Sector Fund Management.

2. Types of Funds

- **Mutual Funds:** Pooled investment vehicles regulated by specific rules depending on the jurisdiction.
- **Hedge Funds:** Private funds with a wider range of strategies, often less regulated.
- **Pension Funds:** Institutional investors managing retirement savings.
- **Exchange Traded Funds (ETFs):** Funds traded on stock exchanges, offering liquidity and transparency.

3. Objectives and Strategies

Fund managers aim to achieve capital appreciation, income generation, or capital preservation. Strategies vary from active management (stock picking and market timing) to passive management (index tracking).

4. Regulatory Environment

Fund management activities in India are primarily governed by:

- SEBI (Mutual Funds) Regulations, 1996.

- SEBI (Portfolio Managers) Regulations, 2020.
- Companies Act, 2013.
- Foreign Exchange Management Act (FEMA), 1999.
- Income Tax Act, 1961.
- RBI Guidelines on investments by NBFCs and AIFs.

Globally, fund managers also align with:

- MiFID II in the EU,
- Investment Company Act of 1940 in the US,
- IOSCO Principles for Collective Investment Schemes.

COMPLIANCE IN FUND MANAGEMENT

Compliance ensures fiduciary responsibility, protecting investors and the fund's sustainability. Key components include KYC/AML, insider trading compliance, adherence to investment norms, regulatory filings, and internal controls. Trends include RegTech, cybersecurity, cross-border compliance, and ESG.

Compliance ensures adherence to regulatory requirements and ethical standards. Key compliance areas include:

a. Regulatory Compliance Framework

A robust compliance function within fund management includes:

- Know Your Customer (KYC)/Anti-Money Laundering (AML) Compliance.
- Insider Trading and Fair Dealing Compliance.
- Adherence to Investment Restrictions.
- Timely Regulatory Filings.
- Internal Control over Financial Reporting (ICFR).

b. Emerging Trends and Challenges in Compliance

- **Use of Technology:** RegTech and AI-based compliance monitoring tools.
- **Cybersecurity:** Managing data privacy and digital infrastructure risks.
- **Cross-border Compliance:** Funds operating in multiple jurisdictions must adhere to global tax and transparency norms (e.g., FATCA, CRS).
- **Environmental, Social and Governance (ESG) Compliance:** Mandatory disclosures and ethical investing.

ROLE OF COMPANY SECRETARY IN FUND MANAGEMENT AND COMPLIANCE

CSs ensure statutory compliance, governance, and stakeholder communication. In AMCs, they draft compliance manuals, coordinate filings, and facilitate audits. They also handle code of conduct, segregation of duties, and whistleblower systems.

The Company Secretary, as defined under Section 2(24) of the Companies Act, 2013, is a Key Managerial Personnel responsible for ensuring legal and regulatory compliance, corporate governance, and communication between stakeholders.

a. Strategic Role in Governance and Compliance

- **Ensuring Statutory Compliance:** Filing returns with SEBI, ROC, RBI, etc.
- **Board Meeting and Committee Facilitation:** Especially crucial for Audit Committee, Investment Committee, and Risk Management Committee.
- **Corporate Governance Advisory:** Ensuring adherence to Clause 49 (now SEBI LODR Regulations) and secretarial standards.
- **Liaison with Regulators:** Coordinating with SEBI, RBI, MCA, etc., in matters of fund registration, reporting, and investor grievances.

b. Company Secretary in Asset Management Companies (AMCs)

In Mutual Fund and Portfolio Management setups, the CS plays an essential role by:

- Drafting and monitoring the **Compliance Manual**.
- Handling periodic **disclosure and reporting obligations** under SEBI Regulations.
- Facilitating audits (statutory, internal, compliance, forensic).
- Conducting board evaluation and policy reviews.

c. Internal Controls and Ethics Oversight

The CS, in collaboration with the CFO and compliance team, oversees:

- **Segregation of Duties** to avoid conflict of interest in fund management.
- **Code of Conduct Implementation**, including dealing with gifts, entertainment, and personal trading by employees.
- **Whistleblower Mechanisms** for ethical disclosures.

COMPLIANCE CALENDAR AND RISK CONTROLS

A compliance calendar is a planning tool used by fund managers and CSs to track regulatory deadlines and internal compliance obligations. It includes:

- Periodic filings with regulators (e.g., SEBI, MCA, RBI).
- Disclosure deadlines for financial reports and investor communications.
- Taxation-related compliance (TDS, GST returns, advance tax).
- Board meeting schedules and AGM timelines.
- Internal audit and compliance review dates.

A well-maintained compliance calendar reduces the risk of default and regulatory penalties.

Key tasks include quarterly compliance certificates, annual financial filings, NAV disclosures, KYC/AML audits, and grievance redressal, governed by SEBI, PMLA, Companies Act, 2013.

Particulars	Frequency	Applicable Regulation	Role of CS
Compliance Certificate to Board	Quarterly	SEBI (LODR), 2015	Drafting and presentation
Filing of Financials	Annually	Companies Act, 2013, SEBI, MFs	Timely submission and ROC filings
Disclosure of NAV	Daily/Monthly	SEBI Circulars	Coordinating with fund ops
KYC/AML Audit	Annual	PMLA, SEBI	Liaising with external auditors
Investor Complaints Redressal	Ongoing	SEBI SCORES	Tracking and response

GLOBAL PRACTICES

Globally, compliance officers manage fund regulations while CS ensure governance and board reporting. Frameworks like COSO and OECD recommend integrated collaboration.

In the global fund industry (e.g., BlackRock, Fidelity), compliance is typically led by a **Chief Compliance Officer (CCO)**, but the role of a Company Secretary (or equivalent) still remains relevant, especially in jurisdictions with common law structures (UK, Australia).

While the **CCO focuses** on:

- Transaction-level monitoring.
- Compliance with fund mandates.
- Reporting breaches to the regulator.

The Company Secretary ensures:

- Corporate governance.
- Legal adherence.
- Board disclosures.
- Stakeholder communication.

Best practice frameworks such as **COSO** and **OECD Corporate Governance Principles** recommend close collaboration between the compliance officer, CFO, and Company Secretary.

CS IN AIFs AND PRIVATE EQUITY

CS in AIFs

Alternative Investment Funds (AIFs), regulated by SEBI (AIF) Regulations, 2012, include private pooled investment vehicles that invest in real estate, private equity, venture capital, hedge funds, etc. The Company Secretary's role in AIFs is central to regulatory compliance, investor transparency, and fund governance.

Regulatory Compliance

Company Secretaries ensure compliance with the SEBI (AIF) Regulations, 2012. This includes:

- Filing of periodic reports with SEBI.
- Ensuring adherence to investment limits and diversification norms.
- Coordinating audits and custodian reporting.

Fund Structuring and Setup

CSs play a pivotal role in the structuring of AIFs (trust, company, LLP formats), ensuring compliance with FEMA, Companies Act, 2013 and taxation laws. They assist in drafting trust deeds, contribution agreements, and placement memorandums.

Investor Onboarding and Disclosures

CSs are responsible for:

- KYC/AML compliance for contributors.
- Drafting and dispatch of offer documents, Private Placement Memorandums (PPM).
- Ensuring clear and periodic disclosures to investors regarding performance and risk factors.

Governance and Fiduciary Oversight

CSs assist in setting up investment committees, drafting governance policies, and ensuring related-party transactions and conflict-of-interest management are well-documented and disclosed.

SEBI Inspection Preparedness

AIFs are often subject to inspections by SEBI. CSs maintain audit trails, minutes, investor communications, and risk registers to demonstrate compliance readiness and robust internal governance.

CS IN PRIVATE EQUITY

a. Role of Company Secretaries in Private Equity

Private equity (PE) involves investment in unlisted companies through capital infusion, often leading to strategic control. The role of a Company Secretary in the PE ecosystem is multi-dimensional, combining governance, legal, and compliance responsibilities.

• Deal Structuring and Documentation

CSs assist in evaluating and drafting deal documentation, such as Share Purchase Agreements (SPAs), Shareholders' Agreements (SHAs), and term sheets. They ensure compliance with Companies Act, FEMA, SEBI regulations (if applicable), and FDI norms.

• Legal Due Diligence

CSs play a key role in coordinating due diligence on target companies, particularly related to corporate records, statutory filings, board compositions, and past non-compliances.

• Post-Investment Compliance

Following the investment, CSs ensure compliance with covenants outlined in investment agreements, such as:

- Board rights and observer nominations.
- Affirmative voting rights.
- Reporting obligations.
- Exit strategy planning (IPO, buyback, third-party sale).

• Fundraising and Exit Transactions

In cases where PE funds are raising capital or executing exits, CSs support legal and secretarial due diligence, regulatory clearances (e.g., RBI, SEBI), and drafting of necessary disclosures.

• ESG and Governance Oversight

PE investors are increasingly conscious of environmental, social, and governance metrics. CSs lead the charge in building robust governance frameworks, ensuring ESG disclosures, and integrating sustainability into boardroom discussions.

With rising ESG investments, SEBI has made **Business Responsibility and Sustainability Reporting (BRSR)** mandatory for the top 1000 listed companies. Funds with ESG mandates must:

- Verify source and use of ESG funds.
- Ensure alignment with SDG goals.
- Disclose ESG scoring methodologies.
- Prevent green washing.

Here, the Company Secretary's role becomes vital in:

- Drafting ESG Policies.
- Coordinating with ESG rating agencies.
- Assisting in ESG assurance audit.
- Facilitating board-level ESG disclosures

CASE LAWS

Relevant Case Laws in Fund Management and Compliance

- **Franklin Templeton Case – SEBI vs Franklin Templeton Asset Management (India) Pvt. Ltd.**

Citation: SEBI Adjudication Order, 2021

Key Issue: Irregularities in the winding-up of six debt schemes without obtaining unitholders' consent.

Outcome: SEBI imposed penalties and held that unitholder consent is mandatory before winding up any scheme.

Relevance: Highlights the critical role of investor protection, disclosure compliance, and regulatory oversight.

- **Sahara India Real Estate Corp Ltd. & Ors. vs SEBI**

Citation: (2012) 10 SCC 603.

Key Issue: Raising funds from investors through Optionally Fully Convertible Debentures (OFCDs) without SEBI's approval.

Outcome: Supreme Court ruled in favor of SEBI, directing Sahara to refund over ₹24,000 crore to investors.

Relevance: Emphasizes compliance with SEBI fundraising norms and consequences of regulatory breaches.

- **SEBI vs PNB Housing Finance Ltd. (Adjudication Proceedings)**

Citation: SEBI Interim Order, June 2021.

CSs ensure statutory compliance, governance, and stakeholder communication. In AMCs, they draft compliance manuals, coordinate filings, and facilitate audits. They also handle code of conduct, segregation of duties, and whistleblower systems.

ESG FUND COMPLIANCE

With SEBI's BRSR mandate, CS roles include drafting ESG policies, coordinating audits, engaging with ESG agencies, and managing disclosures.

Key Issue: Alleged breach of governance norms in a preferential allotment deal approved by the board without independent valuation.

Outcome: SEBI directed PNB Housing to halt the deal until independent valuation was obtained.

Relevance: Stresses on board independence, valuation transparency, and fiduciary responsibilities.

- **NSEL Crisis – Financial Technologies (India) Ltd. vs Forward Markets Commission**

Citation: Bombay High Court Orders, 2013–2015.

Key Issue: Illegal paired contracts and lack of regulatory oversight in commodity spot exchange.

Outcome: Cancellation of NSEL's license, freezing of assets, and investigation by multiple agencies.

Relevance: Underlines need for fund transparency, risk controls, and regulatory coordination.

CHALLENGES FACED BY COMPANY SECRETARIES IN FUND MANAGEMENT

CSs play a pivotal role in the governance and compliance ecosystem of fund management entities. However, they face several operational, regulatory, and strategic challenges, such as:

- **Rapid Regulatory Changes**

With evolving SEBI guidelines, new ESG mandates, and overlapping regulations from MCA, RBI, and international standards, staying updated and compliant is an ongoing challenge.

- **Increased Accountability**

CSs are expected to be the Key Managerial Personnel responsible for governance lapses. They must maintain high standards of diligence under increasing scrutiny from regulators and investors.

- **Technology Adaptation**

The integration of RegTech, cybersecurity systems, AI-led compliance tools, and digital disclosures demands upskilling and adaptation to new tech tools.

- **Multi-Jurisdictional Compliance**

Global funds and cross-border investments involve compliance with multiple international regimes (e.g., FATCA, CRS, MiFID II), increasing complexity for CSs.

- **Investor Activism and ESG Scrutiny**

Rising investor expectations in areas like ESG governance, sustainability disclosures, and ethical investing place adds pressure on CSs to align internal frameworks accordingly.

- **Conflict Management**

In private equity or AIF environments, CSs often navigate sensitive conflicts between investor rights, management interests, and regulatory boundaries.

- **Volume and Timelines**

High volume of filings, tight timelines, and overlapping submission windows across regulatory platforms like SEBI, MCA, RBI, and exchanges lead to stress and risk of non-compliance.

Despite these challenges, CSs continue to evolve into strategic partners and risk stewards in the fund management space.

CONCLUSION

The CS is a strategic partner in governance, compliance, and ethical fund management in the evolving financial ecosystem.

As the Indian financial markets matures and funds become more complex, the convergence of fund management and compliance will continue to strengthen. The CS, traditionally a legal compliance expert, is now an enabler of investor trust, fund transparency, and governance assurance.

From drafting investment committee minutes to ensuring the legality of fund launches, and from managing SEBI filings to guiding ESG compliance, the CS today is not just a regulatory functionary—but a **strategic partner in fund integrity and compliance governance**.

In conclusion, CSs are essential professionals in fund management and compliance, providing crucial support to the board and ensuring the organization operates ethically, efficiently, and in accordance with legal and regulatory requirements. Their expertise in corporate governance, legal and regulatory matters, and risk management makes them indispensable to any organization, particularly those involved in fund management.

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- iii. PMLA, 2002
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- viii. OECD Governance Principles
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- xii. IOSCO Principles
- xiii. FATCA/CRS
- xiv. RBI NBFC Directions

Delisting: Opportunities for Practicing Professionals

This article explores the regulatory framework of Delisting. In a Delisting process the company recalls its equity shares from a recognized stock exchange, thereby removing their availability for trading in the public market. The article highlights the factors that determine the Delisting decision taken by companies, such as restructuring, cost-cutting measures, making the company closely owned, and reduced compliance obligations. These motives differ majorly based on the long-term plan of the company and its size, profitability etc.



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INTRODUCTION

In recent years, several companies in India have opted for voluntary delisting of their equity shares. Delisting refers to the removal of a company's equity shares from a recognized stock exchange, thereby removing their availability for trading in the public market. The decision to delist by companies is influenced by a variety of factors, including restructuring, cost-cutting measures, making the company closely owned, and reduced compliance obligations. These motives differ majorly based on the long-term plan of the company and its size, profitability etc.

Delisting of equity shares may be either voluntary or compulsory. In the case of voluntary delisting, promoters initiate the process as a strategic decision either to restructure the company or prepare for an eventual closure. On the other hand, compulsory delisting may be due to persistent regulatory non-compliance. Both scenarios are subject to a stringent regulatory framework to safeguard the interests of public shareholders and ensure market transparency.

TREND FOR DELISTING OF EQUITY SHARES

The following table provides the details of companies that have delisted their equity shares from BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), under the Voluntary delisting and Compulsory delisting over the last four financial years.

The Voluntary delisting has been a strategic route for many companies, to achieve business restructuring, reduce regulatory burden, or consolidate shareholding. In

FY 2021–22, 31 companies voluntarily delisted from BSE and 28 from NSE. Although the numbers have lowered slightly in subsequent years, the data still indicates a strong interest in delisting process. This denotes the priorities of Regulators and Stock Exchanges in regulatory compliance.

Financial Year	Number of Companies Delisted			
	Voluntary Delisting		Compulsory Delisting	
	BSE	NSE	BSE	NSE
2021-22	31	28	24	9
2022-23	17	12	76	4
2023-24	21	12	196	2
2024-25	10	2	67	4
Total	133		382	

Source: BSE and NSE website

OVERVIEW OF REGULATORY FRAMEWORK

Earlier the process of delisting of equity shares was governed by the SEBI (Delisting of Equity Shares) Regulations, 2009. In order to strengthen the framework and address the lacunae in the erstwhile regulation, SEBI notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("Delisting Regulations") with a goal to streamline the delisting process with respect to certainty and clarity in the time taken for the process, rationalised exit price mechanism to shareholders and bringing accountability to the role of promoters, merchant bankers, stock exchanges and other stakeholders involved. These new regulations were introduced following consultations with the stakeholders. It aims to strike a balance between regulatory compliance and ease of doing business. The emphasis on timelines and protecting interest of shareholders marks an evolution in India's securities market framework.

A significant milestone for practicing professionals in the Delisting Regulations, is the recognition of role of **Peer-reviewed Company Secretaries**. For the first time, it has assigned a specific responsibility for practicing professional in the delisting process with the advent of Due-diligence Certificate and Certification of Inactive Shareholders.

SCOPE FOR PRACTICING PROFESSIONALS IN THE VOLUNTARY DELISTING PROCESS

The delisting process being a complex corporate event, is compliance intensive, in the interest of shareholders. With now mandating that only peer-reviewed Company Secretaries can issue certain certifications, the delisting process has opened up a specialized role for practicing Company Secretaries. While the most prominent roles under the Delisting Regulations is with respect to the issuance of the Due Diligence Certificate (under Regulation 10) and the Certificate of Inactive Shareholders (under Regulation 21), the support of a practicing Company Secretary extends beyond these two certifications. In many cases, a practicing professional also acts as a liaison between the company and stock exchanges, ensuring smooth coordination. Their role is not limited to compliance but also extends to strategic advisory. As delisting becomes more process-intensive, their expertise becomes crucial in navigating procedural nuances efficiently.

OPPORTUNITIES FOR PRACTICING PROFESSIONALS

In the following sections, we will explore the two major certifications in detail—starting with the Due Diligence Certificate under Regulation 10.

A. Due Diligence Certificate:

Regulation 10 of the SEBI (Delisting of Equity Shares) Regulations, 2021 mandates the issuance of a Due Diligence Certificate by a peer-reviewed practicing Company Secretary. This certificate is issued as a foundation for the delisting proposal before proceeding ahead by seeking the approval of the shareholders.

A peer-reviewed Company Secretary shall certify that:

- the buying, selling, and dealing in the equity shares of the company carried out by the **acquirer** or its related entities and the **top twenty-five shareholders** is in compliance with the applicable provisions of securities laws and;
 - no acquirer shall, directly or indirectly, employ any device, scheme or artifice to defraud any shareholder or other person or engage in any transaction or practice that operates as a fraud or deceit upon any shareholder or other person or engage in any act or practice that is fraudulent, deceptive or manipulative.
- a) **Objective and Scope of the Due-Diligence:** The list of applicable securities laws that may apply to buying, selling and dealing of securities by the acquirer and their related persons are provided herein. This list contains illustrative items

The Voluntary delisting has been a strategic route for many companies, to achieve business restructuring, reduce regulatory burden, or consolidate shareholding.

that may have an impact in the context of due-diligence for delisting of equity shares. Although some aspects overlap with the Secretarial Audit or the Annual Secretarial Compliance Report, putting the magnifying lens on the Acquirer and top 25 shareholders underscores the significance of this process from the delisting angle.

List of applicable securities laws relating to buying, selling and dealing in the equity shares by Acquirer and Top 25 Shareholders is as given below:-

(i) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST Regulations)

- Verify if any acquisition triggered open offer obligations that were duly complied with.
- Compliance with initial and continual disclosures by acquirers and promoters pertaining to their shareholding.
- Examine if any shares held by the promoters/ acquirer are subject to pledge, lien, or other encumbrances, and whether such encumbrances were properly disclosed to the stock exchanges.

(ii) SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations)

- Scrutinize any trades executed by designated persons during the trading window closure period.
- Verify whether any dealings were made with pre-clearance and whether approved trading plans are in place.
- Identify the designated persons who are in possession of the Unpublished Price-Sensitive Information (UPSI) relating to Delisting of shares and checking their trading activity.

(iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)

- Verification of the quarterly shareholding pattern filed under Regulation 31 of LODR.
- Addition and deletion of persons/ entities from Promoter/ Promoter Group.
- Disclosure of material events relating to delisting. Any delay or missed out disclosure may be viewed as prejudicial to shareholder interests.

(iv) SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SBEB)

- Verify whether ESOPs or other share-based schemes were exercised prior to or during the delisting window.
- Verify whether allotments made under ESOP Scheme are in compliance and disclosed.

b) Documents to be Reviewed and an Overview of Due Diligence

- First step is the identification of a record date and ascertaining the top 25 shareholders from the list of shareholders. This is a critical reference point. Once the peer-reviewed Company Secretary is appointed this date can be identified as the most practicable date considering the Board meeting to be held for approving the proposal for delisting.
- The data furnished by the Registrar and Share Transfer Agents (RTA) of the Company plays a crucial role in the due diligence process. The Company can verify buying, selling and dealing of shareholders based on the 'Weekly BENPOS Reports' (Beneficial Owner Position Report) furnished by the RTA which is sourced from the Depositories.
- Disclosures submitted under SEBI PIT Regulations.
- Disclosures submitted under SEBI SAST Regulations.
- Details of Off-market transfers.
- Latest Shareholding pattern and shareholding filed during the last 4 quarters.
- Audited Financial Statements of the company for the review period.
- Undertaking from the company that the company complies with the applicable provisions of the Securities laws.
- Undertaking from the Acquirer that no acquirer or related persons shall directly or indirectly, employ any device, scheme or artifice to defraud any shareholder or other person or engage in any transaction or practice that operates as a fraud or deceit upon any shareholder or other person or engage in any act or practice that is fraudulent, deceptive or manipulative.

To sum up, the Due Diligence Certificate plays an important role in ensuring that the delisting process is carried out in a fair and compliant manner. The practicing professional, especially a peer-reviewed Company Secretary, is expected to look into every aspect of compliance by the acquirer and key shareholders. This certificate helps bring confidence to regulators, investors, and all stakeholders involved in the delisting. As more companies look at delisting as a strategic option, the role of professionals in this space is only going to grow stronger.

B. Inactive Shareholders Certificate under Regulation 21

In addition to the Due Diligence certificate, for the purpose of determining the minimum number of equity shares to be acquired, the peer reviewed Company Secretary appointed by the Board of Directors shall

certify shares held by inactive shareholders such as vanishing companies and struck off companies, shares transferred to the Investor Education and Protection Fund's account and shares that remain unclaimed or under escrow account.

The Delisting offer made by the promoters shall be considered successful, only if the post offer shareholding of the acquirer, along with the shares tendered/offered by public shareholders reaches ninety percent of the total issued shares of that class. For this purpose, shares held by custodian against which depository receipts have been issued, shares held by ESOP trusts, and shares held by inactive shareholders as mentioned above shall be excluded.

In this context, this certificate plays a crucial role in the delisting process, in which the shares held by inactive shareholders are excluded in the calculation of 90% total issued shares, to determine the success of delisting offer. The list of shareholders of the company shall be compared with the lists as mentioned below, and such shareholders shall be excluded.

a) Objective and Scope of the Certificate

To determine the number of shares held by inactive shareholders of:

- vanishing companies and struck off companies;
- transferred to the Investor Education and Protection Fund's (IEPF) account and;
- shares held in unclaimed or lying escrow account under Regulation 39(4) of SEBI (LODR) Regulations.

b) Documents to be Reviewed

- List of existing shareholders as furnished by RTA.
- List of vanishing companies issued by Regulatory authorities from time to time.
- List of companies struck-off from the Ministry of Corporate Affairs website.
- Shares held in IEPF account as per the shareholding pattern of the company.
- IEPF forms filed for transfer of shares to IEPF account from unclaimed dividend account.
- Share under any Escrow Account or Demat Suspense Account.
- Disclosures with respect to demat suspense account/ unclaimed suspense account made in the Annual Report.

This certification has direct impact on the success or failure of the delisting offer and must be handled with diligence. By certifying these, the practicing professional helps in determining whether the acquirer has met the 90% shareholding post the open offer.

C. Reconciliation of Share Capital Audit Report for In-Principle approval of Stock Exchanges

The Delisting process requires the in-principle approval of the recognised stock exchanges. As per Regulation 12 of Delisting Regulations, the application seeking in-principle approval shall be accompanied with a Reconciliation of Share Capital Audit Report as required under regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

A practicing Company Secretary is eligible to issue the reconciliation of share capital audit for this purpose. This report shall cover equity shares sought to be delisted, for a period of six months prior to the date of the application. The reconciliation of share capital covers the details of shares held in physical and dematerialised form, the break-up of issued capital, paid-up capital and the listed capital. The details for these shall be obtained from the RTA for verification.

OTHER ROLES FOR PRACTICING PROFESSIONALS IN THE DELISTING PROCESS

In addition to the above certifications recognised under the Delisting Regulations, a practicing professional can play other roles as recognised under the Companies Act, 2013 and the Securities Laws to anchor the delisting process, offering both regulatory and strategic value.

- **Strategic Advisor:** In the initial stages of planning, Company Secretaries act as advisors, guiding the company on studying the feasibility of delisting, regulatory pathways available, and its implications. Going ahead, they assist in planning timelines, identifying compliance requirements, and aligning the company's actions with SEBI regulations.
- **Valuation of Shares:** Regulation 2(1)(cc) of Delisting Regulations, recognises valuer as Registered Valuer under Section 247 of the Companies Act, 2013. A Company Secretary in practice is recognised to be a Registered Valuer for Securities and Financial Assets under the Companies (Registered Valuer and Valuation) Rules, 2017. This creates opportunities for Company Secretaries to contribute to the determination of fair value, which is a critical step in Delisting process. A fair exit price ensures that the interest of public shareholders are protected.
- **Scrutiniser for e-voting:** Practicing Company Secretaries are frequently appointed as scrutinisers for the postal ballot and e-voting process involving public shareholders. Their

Delisting: Opportunities for Practicing Professionals

independent certification of voting results ensures that shareholder approval is obtained in compliance with regulations. Further as per Delisting regulations, the special resolution shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are at least two times the number of votes cast by the public shareholders against it.

- **Restructuring of company post delisting:** Once the delisting is complete, Practicing Company Secretaries can support the company in restructuring its corporate framework, including changes in shareholding, and compliance with unlisted company requirements under the Companies Act, 2013. Their advice becomes vital as the company transitions from a listed to an unlisted entity.

CONCLUSION

With the existing regulatory frameworks in place and interest of companies in voluntary delisting, the role of Practicing Company Secretaries is significantly increased. The scope is now widened from mere procedural involvement into a multidimensional role, ranging from due diligence certification and compliance verification, to advisory, valuation, and post-delisting restructuring support.

The recognition provided to peer-reviewed Company Secretaries under the Delisting Regulations, 2021 reflects growing confidence in the value added by them to the process and the standards they uphold.

For professionals in practice, this will serve not just as another dimension for expanding practice, but a platform to contribute meaningfully to governance and restructuring. As more companies explore delisting as a strategic option, this is a promising avenue for those looking to expand their professional horizons.

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Fund Management, Compliance, and the Role of Company Secretary: Building Financial and Legal Backbone for Modern Enterprises

While Fund Management prioritizes effective capital distribution and financial strategy, compliance ensures that business operations adhere to legal and regulatory standards. Together, they cultivate a disciplined operational atmosphere where financial success is attained without sacrificing ethical principles or regulatory responsibilities. The Company Secretary plays a central role in bridging governance, legal obligations, and strategic decision-making. This article delves into these three areas in detail, emphasizing how they work together to promote strong corporate governance and sustainable value creation.



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INTRODUCTION

In an era marked by rapid business transformation driven by global economic fluctuations, digital disruption, and increasing regulatory pressures, three foundational pillars emerge as critical to fostering corporate resilience and long-term sustainability.

- Compliance
- Fund Management
- Role of Company Secretary

While fund management focuses on efficient capital allocation and financial strategy, compliance ensures that business practices align with legal and regulatory frameworks. Together, they create a disciplined operating environment where financial performance is achieved

without compromising ethical standards or regulatory obligations. The company secretarial function further complements this dynamic by facilitating governance processes, maintaining statutory records, and ensuring board decisions are executed within the boundaries of law and best practice. When integrated, these functions form a robust foundation for transparent, accountable, and resilient corporate operations.

The Company Secretary plays a central role in bridging governance, legal obligations, and strategic decision-making, making this triad indispensable to any company, especially in a regulated environment.

Let us explore these three areas in depth, highlighting how they integrate to support robust corporate governance and long-term value creation.

FUND MANAGEMENT – LIFEblood OF CORPORATE STRATEGY

Fund management refers to the strategic planning, organization, and execution of investment and financial operations aimed at achieving an organization's objectives.

Fund managers or advisors play a critical role in this process by maximizing returns, maintaining adequate liquidity, and ensuring that capital deployment is aligned with overall business goals. Their responsibilities extend beyond investment decisions to include risk assessment, performance monitoring, and aligning financial strategy with the company's broader vision for growth and sustainability.

It encompasses:



Capital Budgeting and Planning involves evaluating and selecting long-term investment projects. The goal is to allocate resources efficiently and maximize returns over time.



Cash Flow Management refers to monitoring, analysing, and optimizing the cash inflows and outflows to ensure the business has enough liquidity to meet its obligations and avoid cash shortages.

Investment in Assets or Securities includes investing surplus funds in physical assets or financial securities to generate returns or support business operations.

Financial Risk Management involves identifying, analysing, and mitigating financial risk such as market risk, credit risk, and operational risk, to protect the business from potential losses.

Working Capital Optimization focuses on managing short-term assets and liabilities like inventory, receivables, and payables to ensure efficient operations and maintain healthy liquidity levels.

INTERNAL FUND MANAGEMENT

Company shall manage its own funds within the organization without external help. It focuses on daily financial operations and strategic use of funds.

a. Treasury Operations

- Manages the company's liquidity, funding, and financial risk.
- Ensures cash availability for operations, debt servicing, and investment opportunities.
- Handles foreign exchange (forex), interest rate risk, and banking relationships.
- Maintains an optimal capital structure (balance of debt and equity).

Example: If a company raises funds from a foreign investor, it must comply with FEMA, FDI norms, pricing guidelines, and submit filings to RBI (through AD banks) using forms such as FC-GPR.

b. Working Capital Control

- Focuses on managing current assets and liabilities (inventory, receivables, payables).
- Aims to improve liquidity and operational efficiency.
- Involves cash conversion cycle management, credit terms, and inventory turnover.

c. Short-Term and Long-Term Investments

- Short-term: Idle cash is parked in instruments like fixed deposits, treasury bills, commercial papers, etc.
- Long-term: Investment in strategic business units, real estate, or acquisition of other firms to grow business value.

EXTERNAL FUND MANAGEMENT

This involves outsourcing the management of certain funds or utilizing external sources to handle specific financial assets or responsibilities.

a. Managing Pension Funds

- Companies set up pension schemes for employees (especially in large corporates).
- Pension funds are managed externally to ensure long-term return and security.
- Regulatory compliance and fiduciary responsibility are key concerns.

b. Hiring Professional Fund Managers

- Firms may appoint external financial advisors or Asset Management Companies (AMCs) to handle surplus capital.
- Offers specialized portfolio strategies, access to global markets, and risk diversification.

c. Dealing with Mutual Fund Investments or Financial Products

- Corporates invest in mutual funds (debt, liquid, or equity) to earn returns on idle funds.
- Also includes investing in structured financial products, bonds, or ETFs based on liquidity needs and return expectations.

PROJECT-BASED FUND MANAGEMENT

Funds are allocated and managed specifically for a defined project, usually with distinct budgets, goals, and timelines.

a. Infrastructure Funding

- Large investments in roads, ports, factories, IT systems, or logistics setups.
- May involve public-private partnerships (PPP), government grants, or external funding.
- Requires long-term financial planning, cost control, and risk assessment.

b. Joint Ventures

- Corporates enter into partnerships to share investment and risks for new business opportunities.
- Fund management involves setting up common accounts, clear profit-sharing mechanisms, and monitoring use of funds across stakeholders.

c. Capex and Expansion Plans

- Funds set aside for capital expenditures like new plants, technology upgrades, or market expansion.
- Requires approval from senior management and often involves cost-benefit analysis or ROI evaluation.
- Might be funded via internal accruals, bank loans, or external equity.

KEY PRINCIPLES OF EFFECTIVE FUND MANAGEMENT

- **Diversification:** Reducing risk by spreading investments across various sectors.
- **Asset Allocation:** Allocating capital to high-return or strategic assets.
- **Time Horizon Planning:** Matching investment duration with business objectives.
- **Risk Management:** Hedging currency risk, inflation, or interest rate risks.
- **Liquidity Monitoring:** Ensuring operational liquidity for smooth functioning.

FUND RAISING MECHANISMS

Companies raise funds via:

- **Equity:** Private placement, public issues, rights issues.
- **Debt:** Bonds, debentures, term loans, ECBs (External Commercial Borrowings).
- **Grants/Subsidies:** From government or international bodies.
- **Alternative Finance:** Venture capital, private equity, crowdfunding, etc.

The choice depends on the cost of capital, risk appetite, and strategic goals.

REGULATORY CONSIDERATIONS IN FUND MANAGEMENT

- The Companies Act, 2013.
- Foreign Exchange Management Act, 1999.
- SEBI Regulations for listed companies.
- RBI Guidelines for foreign borrowing.
- Income Tax Act, 1961 provisions on TDS, capital gains, etc.

Example: If a company raises funds from a foreign investor, it must comply with FEMA, FDI norms, pricing guidelines, and submit filings to RBI (through AD banks) using forms such as FC-GPR.

COMPLIANCE – LEGAL ANCHOR OF CORPORATE OPERATIONS

a. Compliance

Compliance refers to adherence to laws, rules, regulations, and standards set by government bodies and regulatory authorities. It includes both internal company policies and external legal frameworks.

b. Transparency

What it means: Open, honest, and timely disclosure of business practices, decisions, and financial performance.

Why it matters:

- Builds trust with investors, regulators, and the public.
- Enables informed decision-making by stakeholders.
- Prevents misreporting, fraud, or manipulation of data.

Example: Regular filing of audited financial statements, tax returns, and disclosure of related-party transactions.

c. Ethical Business Conduct

What it means: Ensuring actions and decisions are guided by integrity, fairness, and respect for laws and social values.

Why it matters:

- Promotes a healthy corporate culture.
- Encourages fair treatment of employees, customers, suppliers.
- Prevents unethical practices like bribery, insider trading, or exploitation.

Example: Adopting and enforcing a Code of Conduct or Whistleblower Policy.

d. Legal Risk Mitigation

What it means: Reducing the risk of legal penalties, fines, or sanctions by following laws, regulations, and internal policies.

Why it matters:

- Protects the company from lawsuits, penalties, and business disruption.
- Ensures operations are within the legal framework (e.g., tax laws, environmental laws, labour laws).
- Supports business continuity and brand protection.

Example: Regular compliance audits and regulatory reporting under SEBI Laws, Companies Act, 2013 or other applicable laws.

e. Protection of Stakeholders' Interests

What it means: Safeguarding the rights and expectations of those affected by the company's actions – including shareholders, employees, customers, and the community.

Why it matters:

- Builds long-term stakeholder confidence and loyalty.
- Enhances reputation and corporate image.
- Ensures fair returns and sustainable practices.

Example: Ensuring timely dividend payments, fair disclosures during mergers, and grievance redressal mechanisms.

CORPORATE COMPLIANCE: A PILLAR OF RESPONSIBLE GOVERNANCE

Corporate compliance is not merely about adhering to legal requirements, it serves as the **foundation for responsible and resilient governance** in modern organizations.

It helps to:

1. Prevent Scandals and Reputational Damage

Enforcing accountability and internal controls, compliance helps detect and deter fraud, corruption, and unethical behaviour before they escalate.

2. Improve Investor Confidence

Transparent and compliant organizations attract investors by reducing perceived risk and demonstrating good governance practices.

3. Foster Sustainability and Ethical Leadership

Compliance encourages long-term thinking, respect for stakeholder rights, environmental responsibility, and fair corporate behaviour essential for sustainable growth.

CATEGORIES OF COMPLIANCE

1. Statutory Compliance

- ♦ Income tax, GST.
- ♦ Labour laws (EPF, ESI, Gratuity).
- ♦ ROC compliance (filings, board meetings).
- ♦ Environmental and factory laws.

2. Financial Compliance

- ♦ Audits and disclosures.
- ♦ Tax compliance and returns.
- ♦ Internal control over financial reporting (ICFR).

3. Operational and Safety Compliance

- ♦ Health and safety (OSH).
- ♦ Environmental norms.
- ♦ Fire safety, hazardous waste disposal.

4. Sector-Specific Compliance

- ♦ Banking: RBI, Basel norms.
- ♦ Insurance: IRDA.
- ♦ Pharmaceuticals: DCGI, CDSCO.

5. International Compliance (if applicable)

- ♦ OECD Guidelines.
- ♦ US FCPA (Foreign Corrupt Practices Act).
- ♦ GDPR for data privacy.

COMPLIANCE MANAGEMENT PROCESS

Compliance is a continuous and structured process that ensures organizations operate within legal and ethical boundaries.

1. Policy Creation

- Internal policies and procedures are developed based on applicable laws, standards, and industry norms.
- Includes HR, financial, environmental, cybersecurity, and anti-corruption policies.
- Ensures **alignment with regulatory frameworks** like Companies Act, 2013, SEBI regulations, GST, etc.

2. Training & Awareness

- Regular training programs to educate employees and management on compliance responsibilities.
- Helps build a **compliance culture** across the organization.
- Includes orientation programs, refresher courses, and e-learning modules.

3. Monitoring

- Continuous monitoring using internal audits, control mechanisms, and surveillance systems.
- Identifies gaps or red flags in compliance.
- Real-time monitoring using tools to ensure **proactive risk management**.

4. Reporting & Documentation

- Timely filing of mandatory reports with regulators like:
 - a. MCA (Ministry of Corporate Affairs)
 - b. SEBI
 - c. GSTN
 - d. RBI
- Maintains evidence for audits and inspections, ensuring **regulatory transparency**.

5. Corrective Actions

- Investigating compliance violations.
- Implementing disciplinary measures or system-level changes.
- Ensures **continuous improvement** through feedback and updates.

CONSEQUENCES OF NON-COMPLIANCE

Failure to comply with legal or regulatory requirements can lead to serious consequences:

1. Legal Penalties

- Hefty fines, lawsuits, prosecution of directors or executives.
- Suspension or cancellation of business licenses or registrations.

2. Reputation Damage

- Negative media coverage or social backlash.
- Loss of stakeholder and public trust, affecting **brand equity**.

3. Financial Losses

- Cost of legal settlements, loss of business opportunities.
- Higher borrowing costs due to risk perception.

4. Operational Disruptions

- Project delays, supply chain interruptions, trade bans.
- Increased scrutiny from regulators and stakeholders.

5. Digital Tools for Effective Compliance Management

Technology plays a vital role in automating and simplifying compliance tasks:

6. ERP Systems with Compliance Modules

- Integrates financial, HR, tax, and legal compliance under one system.
- Examples: SAP, Oracle, Tally Prime with compliance add-ons.

7. GRC Tools (Governance, Risk, and Compliance)

- Manages risks, controls, audits, and compliance in an integrated manner.
- Examples: MetricStream, RSA Archer, Logic Manager.

8. AI-Based Monitoring for AML/KYC Compliance

- Detects suspicious transactions, fraud patterns, or identity mismatches.
- Widely used in BFSI (Banking, Financial Services, and Insurance) sectors.

9. E-Filing Platforms

- Seamless regulatory filing and tracking through online portals:
 - a. **MCA21** – Company filings (ROC, financial statements, etc.)
 - b. **GSTN** – GST returns and compliance
 - c. **TRACES** – TDS compliance and reconciliation
 - d. **ITD Portal** – Income tax e-filing

ROLE OF THE COMPANY SECRETARY – GUARDIAN OF GOVERNANCE

A Company Secretary is a highly qualified governance and compliance professional responsible for ensuring that the company adheres to legal, regulatory, and ethical standards. In large organizations and listed companies, the CS acts as:

- Chief Governance Officer
- Key Managerial Personnel (KMP) under the Companies Act, 2013
- Advisor to the Board of Directors
- Custodian of Statutory and Regulatory Compliance

The role has evolved from secretarial duties to a strategic leadership position.

1. Corporate Governance

- Ensures that the board and general meetings are convened as per statutory requirements.
- Advises directors on fiduciary responsibilities and governance best practices.
- Maintains statutory registers, records of minutes, and resolutions as mandated by the law.

2. Compliance Oversight

- Tracks and monitors changes in company law, SEBI regulations, FEMA, etc.
- Files essential forms and returns with authorities like:
 - a. MCA (Ministry of Corporate Affairs)
 - b. SEBI (Securities and Exchange Board of India)
 - c. RBI (Reserve Bank of India)
- Ensures compliance with:
 - a. CSR rules
 - b. Director KYC requirements
 - c. Income tax and GST provisions

3. Legal Advisory

- Reviews and drafts contracts, MoUs, NDAs, and other legal documents.
- Advises on:
 - a. Corporate restructuring
 - b. Mergers and Acquisitions
 - c. Joint ventures and amalgamations
- Coordinates with legal teams and regulatory bodies during litigation or inspections.

4. Board Support

- Prepares and circulates board agendas, notices, and board packs.
- Drafts board and shareholder resolutions, ensuring proper approval procedures.
- Maintains records of board composition, ensuring independence criteria and other statutory mandates are met.

5. Investor and Stakeholder Relations

- Manages communication with shareholders, investors, and debenture holders.
- Ensures timely dividend declarations and credit of shares.
- Handles grievance redressal, disclosures to stock exchanges, and annual report communication.

INTEGRATION – A HOLISTIC CORPORATE FRAMEWORK

Why Integration Matters

In modern corporate environments, fragmented governance can be a serious risk. When Fund Management, Compliance, and Company Secretarial functions operate in silos, organizations are exposed to:

Risk of Critical financial or legal updates not reaching the right stakeholders in time, leading to delayed or misinformed decisions.

Uncoordinated efforts in documentation, reporting, or approvals cause inefficiencies and increase operational costs.

Inconsistent filings, missed deadlines, or conflicting interpretations of regulations can lead to fines, sanctions, or reputational harm.

BENEFITS OF INTEGRATED OPERATIONS

Integrated governance ensures:

a. Smooth Financial Planning

With finance and legal teams working together, companies can align funding decisions with regulatory requirements and future obligations.

b. Timely and Accurate Regulatory Reporting

Integrated calendars and workflows reduce filing errors and delays across MCA, SEBI, RBI, and other regulators.

c. Board Decisions Grounded in Legality and Foresight

Cross-functional insights ensure board discussions are informed by accurate financial data, regulatory trends, and strategic risks.

d. Integrated Governance Models in Practice

Leading organizations adopt **cross-functional collaboration** to enhance effectiveness:

e. Collaborative Governance Teams

CFO, Company Secretary (CS), and Compliance Officer work in unison during:

- Board meetings
- Strategic planning sessions
- Risk assessments

f. Dual Roles

In agile or mid-sized companies, the **CS may also serve as the Compliance Officer**, ensuring unified oversight.

CONCLUSION

Integration: Strengthening the Corporate Backbone

In today's complex corporate environment, the integration of fund management, compliance, and the company secretarial function goes far beyond achieving operational efficiency. It represents a strategic imperative that strengthens governance, ensures regulatory alignment, improves financial stewardship, and enables timely, informed decision-making at the board level. When these functions work in unison, organizations are better equipped to anticipate risks, respond to regulatory changes, and drive sustainable growth.

- Strengthen legal and ethical foundations.
- Support investor trust and market credibility.
- Prevent compliance breaches and financial missteps.
- Drive long-term, sustainable, and profitable growth.

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- SEBI (LODR & other regulations) – Securities and Exchange Board of India.*

Insider Trading on the Rise: A CS-Led Ethical Response

Robust regulatory mechanisms like the SEBI (Prohibition of Insider Trading) Regulations, 2015 have been successful in curbing Insider Trading practices. Company Secretary (CS), as ethical gatekeeper and compliance officer, plays a pivotal role in prevention, detection, and culture-building. This article aims to explore the regulatory evolution of Insider Trading and the strategic role of CS in advancing ethical corporate conduct.



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INTRODUCTION

In the Indian context, the landscape of regulatory mechanisms to curb Insider Trading cases has evolved significantly. The Securities and Exchange Board of India (SEBI) has intensified its surveillance mechanisms and enforcement actions under the SEBI (Prohibition of Insider Trading) Regulations, 2015. Data analytics and digital trail-mapping have enabled regulators to trace unusual trading patterns more efficiently, while recent amendments have expanded the ambit of 'connected persons' and strengthened compliance requirements. In India, Company Secretaries (CS) are uniquely positioned to lead this charge, given their statutory roles, governance expertise, and ethical stewardship responsibilities. By fostering a culture of transparency, strengthening internal control systems, and aligning corporate conduct with long-term stakeholder interests, CS professionals can serve as ethical gatekeepers against cases of Insider Trading.

SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015: A BRIEF OVERVIEW

Insider Trading is a significant concern to the fairness, efficiency, and credibility of financial markets. Recognizing the gravity, the Securities and Exchange Board of India (SEBI) introduced a comprehensive legal framework under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This regulatory reform marked a pivotal shift from a reactive enforcement regime to a more proactive compliance-oriented mechanism aimed at protecting market integrity and ensuring investor confidence. Further, the 2015 Regulations were formulated based on the recommendations of the High-Level Committee

chaired by Justice N.K. Sodhi. These regulations repealed the earlier 1992 framework and introduced a more precise, principle-based, and enforceable set of provisions. The key objective of these regulations is to prohibit the dealing in securities by 'Insiders' who possess unpublished price-sensitive information (UPSI), thereby upholding the tenets of transparency, fairness, and equity in the Securities Market. Again, a central highlight of the 2015 Regulations is the clear definition of UPSI, which includes information relating to financial results, dividends, mergers, acquisitions, changes in key managerial personnel, and other material events. These regulations also broaden the definition of an Insider, extending it to include not only connected persons such as directors, employees, and officers but also anyone in possession of or having access to UPSI, irrespective of how the information was acquired.

The regulations introduce robust compliance requirements for listed companies, including:

- (a) Appointment of a Compliance officer, typically the CS, responsible for monitoring and implementing the trading code and reporting violations to SEBI.
- (b) Formulation of a Code of Conduct to regulate, monitor, and report trading by designated persons and their immediate relatives.
- (c) Mandatory Structured Digital Database (SDD) for maintaining records of persons with whom UPSI is shared.
- (d) Trading Window Mechanism, restricting trading during sensitive periods such as prior to financial disclosures.

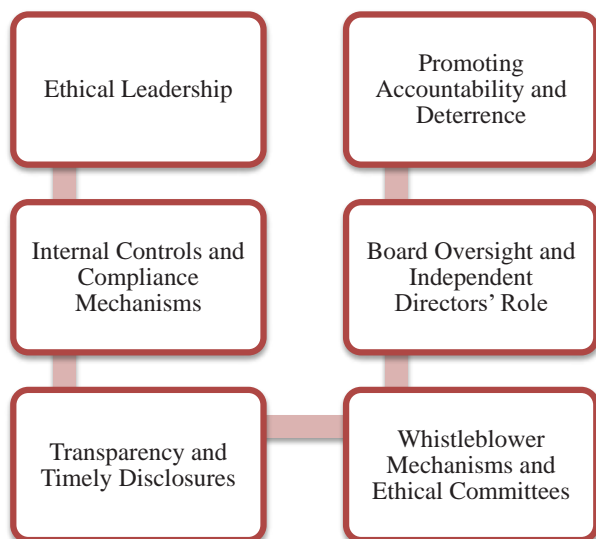
Another noteworthy feature is the inclusion of legitimate purposes for sharing UPSI under the 'Need-to-Know' principle, provided such sharing is accompanied by appropriate safeguards such as confidentiality agreements and internal controls. However, in recent years, SEBI has strengthened the framework through several amendments such as:

- (a) Enhanced penalties for violations.
- (b) Greater clarity on contra trade restrictions and disclosures.
- (c) Introduction of informant mechanisms and whistleblower protections, offering monetary rewards for individuals who expose Insider Trading violations.

Despite these regulatory advances, enforcement challenges remain. Many organizations still grapple with the operationalization of compliance mechanisms, particularly in tracking informal channels of communication and establishing robust monitoring systems. Nevertheless, the framework represents a significant advancement in India's capital market governance.

IMPORTANCE OF CORPORATE GOVERNANCE IN PREVENTING INSIDER TRADING

Corporate governance serves as the cornerstone of ethical, transparent, and accountable business conduct. It plays a vital role in preventing Insider Trading that involves trading in a company's securities based on unpublished price-sensitive information (UPSI). Insider Trading practices not only gives unfair advantage to a few but also erodes investor trust and hampers the efficient functioning of capital markets. Effective corporate governance mechanisms help address these concerns by institutionalizing checks, balances, and ethical behavior. However, these mechanisms are presented below (Figure – 1) and a brief discussion of the same.



- **Establishing Ethical Leadership and Tone at the Top:** Strong governance begins with an ethical board and senior management that sets the tone for organizational conduct. When leaders demonstrate a zero-tolerance policy toward Insider Trading and emphasize ethical behavior, it permeates throughout the organization. The board's commitment to compliance fosters a culture where misuse of insider information is neither tolerated nor overlooked.
- **Robust Internal Controls and Compliance Mechanisms:** Corporate governance frameworks mandate the establishment of internal controls to monitor the flow of UPSI. A well-functioning governance system ensures that there are clearly

Good governance promotes secure channels for whistleblowers to report unethical practices, including Insider Trading.

Insider Trading on the Rise: A CS-Led Ethical Response

defined roles, such as appointing a compliance officer (often the CS) responsible for:

- Implementing the Code of Conduct.
- Managing trading windows.
- Overseeing structured digital databases.
- Monitoring trades by insiders and connected persons.

These controls are essential for both prevention and early detection of potential Insider Trading activities.

- **Transparency and Timely Disclosures:** Transparency is a key principle of corporate governance. Prompt public disclosure of material events reduces the window of opportunity for insiders to misuse UPSI. Corporate governance ensures that:
 - Financial results and corporate actions are announced as per SEBI's disclosure norms.
 - Information asymmetry is minimized.
 - All stakeholders have equal access to material information.
- **Whistleblower Mechanisms and Ethical Committees:** Good governance promotes secure channels for whistleblowers to report unethical practices, including Insider Trading. A strong governance framework encourages employees to report violations without fear of retaliation. Ethical committees and audit committees also play an oversight role in investigating complaints and ensuring accountability.
- **Board Oversight and Independent Directors' Role:** Independent directors and audit committees provide objective oversight over the management's conduct. Their role is crucial in ensuring that Insider Trading policies are not only in place but are also implemented effectively. They can question unusual trading patterns, evaluate UPSI access controls, and hold executives accountable.
- **Promoting Accountability and Deterrence:** Corporate governance sets forth clear consequences for violations of Insider Trading norms. Accountability structures ensure that individuals who breach ethical boundaries are penalized, reinforcing a deterrent effect across the organization.

ROLE OF COMPANY SECRETARIES IN PREVENTION AND DETECTION OF INSIDER TRADING

CS occupy a pivotal position in the corporate governance structure of organizations, particularly in listed companies. As compliance professionals, governance advisors, and ethical stewards, they play a proactive and strategic role in both the prevention and detection of Insider Trading. Their functions are not just limited to regulatory compliance, but extend to fostering a culture of transparency, accountability, and ethical decision-making within the organization.

(1) **Compliance Officer Under SEBI Regulations:** Under the SEBI (Prohibition of Insider Trading) Regulations, 2015, the CS is designated as the Compliance Officer for listed companies. In this role, the CS is responsible for:

- a) Formulating and enforcing the code of conduct for prevention of Insider Trading.
- b) Ensuring adherence to trading window norms and supervising its closure during sensitive periods.
- c) Monitoring trades by designated persons and their immediate relatives.
- d) Reporting any violations to SEBI and the Board.

This statutory recognition highlights the CS's central role in enforcing regulatory discipline.

(2) **Maintaining the Structured Digital Database (SDD):** One of the most critical tasks assigned to the compliance officer is maintaining a Structured Digital Database that logs:

- a) Names of persons with whom UPSI is shared.
- b) Nature of the information shared.
- c) Date and time of communication.

This digital trail is vital for tracking unauthorized disclosures, aiding in internal audits, and facilitating SEBI investigations.

(3) **Policy Formulation and Board Advisory:** The CS assists the board and senior management in framing and updating internal policies such as:

- a) Code of Fair Disclosure and Conduct.
- b) Whistleblower and grievance redressal mechanisms.
- c) Information sharing protocols based on 'Need-to-Know' principles.

By advising the Board on these matters, the CS ensures that the company's approach to Insider Trading is aligned with legal requirements and global best practices.

(4) **Training, Awareness, and Culture Building:** Prevention of Insider Trading depends significantly on awareness. The CS plays a key role in:

- a) conducting periodic training sessions for employees, directors, and designated persons;
- a) circulating updates on regulatory amendments, and;
- b) promoting ethical awareness and reinforcing the consequences of violations.

This creates an informed and responsible workplace that is less likely to indulge in or tolerate Insider Trading.

(5) **Surveillance and Detection Mechanisms:** A vigilant CS sets up systems to:

- a) monitor trading activity in real-time;
- b) identify unusual trades or patterns and;
- c) conduct internal inquiries into suspicious behavior.

They also coordinate with auditors, forensic teams, or external agencies, if needed, for detailed investigations.

(6) **Whistleblower Facilitation:** The CS acts as a bridge between whistleblowers and the Board or Audit Committee, enabling safe and confidential reporting of unethical conduct, including Insider Trading.

CONCLUSION

From the foregoing discussion, it can be concluded that despite progressive reforms under the SEBI (Prohibition of Insider Trading) Regulations, 2015, and intensified enforcement, the persistent rise in violations indicates systemic vulnerabilities and evolving tactics of information misuse. CSs, as central figures in corporate governance, are uniquely equipped to combat this threat through proactive compliance, ethical leadership, and strategic oversight. However, their effectiveness is often hindered by limited authority, organizational resistance, and resource constraints. Besides, a multi-stakeholder approach is essential strengthening whistleblower protections, enhancing digital surveillance tools, and fostering an ethics-driven corporate culture. Only through such concerted efforts can India safeguard its markets, protect investors, and uphold its global reputation as a fair and trusted investment destination.

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Compliance for a \$5 Trillion India: The Silent Infrastructure of Trust and Growth

This article decodes how compliance, when embedded with intent and integrity, becomes the actual growth engine of a \$5 trillion India. Diving into the elements such as Trust, Organisational culture, Investors' confidence, the author exemplifies the expanding role of Company Secretaries as Corporate Strategic Advisors.



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INTRODUCTION

India's \$5 trillion ambition is not just a fiscal forecast — it's a governance milestone. While headlines celebrate investment, infrastructure and innovation, the real foundation is quieter but stronger compliance.

Compliance doesn't shout, but it speaks volumes. It builds trust where there is doubt, creates order where there is speed, and ensures that growth is not just big, but right.

In a world of scrolling attention spans and rising expectations, Company Secretaries — the ultimate compliance professionals — are India's unsung builders. Their work is often invisible in the news, but it is indispensable to the nation.

This is not just a technical journey — it is a national responsibility. A call to those who uphold discipline in the background while the spotlight stays on valuations and velocity.

Let's decode how compliance, when embedded with intent and integrity, becomes the actual growth engine of a \$5 trillion India.

TRUST: THE INVISIBLE INFRASTRUCTURE

In any growing economy, trust is the hidden force that holds everything together. It doesn't make the news, but it moves the markets. For India, aiming at a \$5 trillion future, trust is not an accessory — it is an asset, and compliance is what builds that trust, piece by piece.

Each regulatory filing, board disclosure, or audit trail is more than a formality. It signals that we mean business —

the right way. When a company follows the rules, shares its risks and stays transparent, it sends a clear message: "You can count on us." That message matters to investors, partners, regulators, and even the average citizen.

Think of it like a bridge. Trust is what allows capital to cross over uncertainty, and compliance is the blueprint. Without it, confidence collapses. With it, credibility compounds.

What's often seen as routine — quarterly reports, fair valuations, insider trading disclosures — is the silent infrastructure behind every funding, expansion, and market listing. The world doesn't just look at India's growth; it watches how we grow. Are we ethical? Are we accountable?

That's where compliance professionals, especially Company Secretaries, step in. They are the quiet builders of this invisible infrastructure. While others chase speed, they ensure direction.

Because in a \$5 trillion vision, trust isn't optional. It's everything.

Every SEBI circular, MCA filing, or audit trail isn't just paperwork — it's a promise. A promise that India honours its word. In a capital-thirsty economy, trust is currency. Compliance builds that invisible bridge where capital walks in and confidence flows out.

FROM HURDLE TO HALO

There was a time when compliance felt like a hurdle. But that mindset is changing. Today, compliance is no longer seen as a speed breaker. It's a badge of honour.

Startups, family-run businesses, and even large corporates are beginning to realise something powerful: good governance is good business. Investors today don't just ask about revenue or scale; they also ask about values in terms of diversity of the Boards, timely disclosures, risk mitigation strategies.

When a company is compliant, that message resonates in boardrooms, investor calls, and IPO pitches. It's not about looking good on paper — it's about being strong at the core.

This cultural shift is also generational. Young founders are embracing governance early. They see it not as a chore but as a smart move. Compliance offers clarity, reduces risk, and builds lasting relationships with stakeholders.

The role of the Company Secretary is central to this transition. They bring structure to vision and ethics to ambition. As gatekeepers of integrity, they help businesses grow with confidence.

The red-tape narrative is fading. In its place stands a new image: the compliant enterprise — agile, ethical, and ready for tomorrow.

Today's entrepreneurs wear compliance like a badge of honour. It says, "We play fair, and we think long-term." Compliance has become the new credibility, especially for start-ups seeking global capital.

CAPITAL HAS A BACKBONE

Money doesn't just follow opportunity. It follows order. That is why governance is now at the heart of capital markets. Investors look beyond profits — they look for purpose, process, and principles. A company's governance determines whether its investment is safe, respected, and future-ready.

Initial Public Offerings (IPOs) are no longer just about valuations and revenue figures. They are trust transactions. Every investor, from a retail buyer to an institutional fund is asking one key question: "Can I trust this company with my money?" The answer lies in how transparent, ethical, and responsive the organisation is.

Elements such as timely disclosures, robust audit trails, adequate insider trading controls, and well-structured boards are no longer optional. They are expected. Companies that take governance seriously attract not just capital — they attract commitment. They don't have to convince; their record speaks for itself.

Good governance also builds resilience. It cushions against crises, prevents reputational damage and helps companies to navigate uncertainty with clarity. That's why well-governed firms often enjoy better market performance and long-term valuation.

Company Secretaries play a defining role in this ecosystem. They ensure that the rules are not just known but lived. They turn compliance into culture and checks into confidence.

In India's quest to become a \$5 trillion economy, capital will come. However, to make it stay—and grow—we need a strong backbone. That backbone is governance. And it stands taller when it's honest, visible, and led by professionals who care.

IPOs don't just need numbers; they need narratives of trust. Transparent disclosures, risk reports, and ethical leadership are now expected, not applauded. When governance deepens, markets open up wide and willingly.

CS: THE CONSCIENCE OF CORPORATES

In every successful organisation, there's someone quietly ensuring that the right things are done in the right way. That person is often the Company Secretary. They may not always be in the spotlight, but their influence touches every corner of governance.

Traditionally seen as Compliance Officers or legal record-keepers, today's Company Secretary professionals are so much more. They are strategic advisors, governance architects, and ethical anchors for the board and management. When decisions are made in a boardroom, the Company Secretary ensures they are both bold and balanced, aligned with law and long-term interest.

From advising on regulatory changes to ensuring proper disclosures, from enabling fair board processes to safeguarding stakeholder interests, the Company Secretary holds the compass.

They ask the questions, others hesitate to:

Is this ethical?

Is this compliant?

Is this in the best interest of the company and its shareholders?

Today's entrepreneurs wear compliance like a badge of honour. It says, "We play fair, and we think long-term." Compliance has become the new credibility, especially for startups seeking global capital.

In fast-moving environments where risk and innovation collide, the Company Secretary brings clarity. Company Secretary transforms regulatory challenges into business-friendly compliance. Their role is not just to enforce governance but to embed it in the company's culture.

In India's growth journey, as enterprises scale and diversify, the Company Secretary becomes even more critical.

They ensure that ambition does not outpace accountability.

Simply put, the Company Secretary is the conscience of the corporate world. They don't chase headlines — they build legacies. And in a \$5 trillion economy, we will need many more who can lead with both insight and integrity.

Today, Company Secretaries are culture carriers — shaping boardrooms, mentoring disclosures, and ensuring that ethics don't just stay on paper. When a Company Secretary speaks, the strategists pause and rethink.

JOBS IN JUDGMENT

When we think of job creators, we often picture startups, factories, or tech hubs. But there is another powerful source of employment rising quietly: compliance. As India sharpens its focus on governance it's not just building better companies — it's creating new careers.

Every new regulation — from ESG reporting to data protection norms — sparks demand for specialised professionals. Legal advisors, internal auditors, compliance

officers, ESG analysts, and RegTech developers are now indispensable to modern business. These roles don't just support operations — they inform decisions, mitigate risks, and maintain credibility.

Even traditional firms are evolving. What once needed a small legal team now demands full-fledged compliance departments. From managing board protocols to handling investor communications, the demand for trained governance professionals is increasing across various sectors.

At the centre of this talent ecosystem stands the Company Secretary. As the regulatory landscape becomes more complex, Company Secretary professionals bring both knowledge and judgment. Their skills are transferable, scalable, and future-proof. Whether it's a listed company, a unicorn, or an NGO, every entity needs someone who understands governance deeply and practically.

This job creation is not only limited to metros, Tier-2 and Tier-3 cities are also seeing a rise in Practicing Company Secretary firms for governance and compliance startups consulting. This wave is driven both economically and equitably.

Compliance doesn't just ensure rules are followed — it ensures careers are formed. In the next decade, judgment won't just be valued; it will be hired. And that's good news for India's talent and trust economy.

From RegTech developers to ESG analysts, governance is creating jobs across sectors. Compliance isn't a support function — it's a sunrise sector. In India's growth story, it's not just startups that are hiring, but also standards.

WHEN TECH MEETS TRUST : INDIA'S DIGITAL LEAP INTO REGTECH

India's digital revolution didn't stop with UPI or Aadhaar. It is now transforming compliance. From MCA21 and GSTN to SEBI online surveillance systems, technology is becoming the backbone of governance. The future of compliance is not manual — it is intelligent, automated and real-time.

RegTech, short for regulatory technology is already changing how businesses handle compliance. No longer do companies need to dig through rulebooks or manually prepare complex filings. Today, with smart dashboards, AI-powered alerts, and workflow automation, compliance can be monitored like a heartbeat — constantly and clearly.

In 2023, SEBI consolidated its cybersecurity and operational risk frameworks into a Master Circular — a clear signal that governance must now be digital-first. This was followed by the 2024 Cybersecurity and Cyber Resilience Framework (CSCRF), which sets higher expectations around digital governance, incident response, and board-level cyber accountability.

It's about preventing crises, increasing transparency and building confidence in how companies operate. The digital infrastructure India has built for governance can become as globally admired as its fintech success.

For Company Secretaries and governance professionals, this shift demands new skills — tech fluency, data literacy, and strategic foresight. The Company Secretary of tomorrow is not just a legal mind, but a digital navigator.

In short, compliance is shifting from an effort-based to an intelligence-based approach. And in that journey, India is leading the way. Just as UPI became a trust engine for payments, RegTech will become the trust engine for India's \$5 trillion economy.

Whether it is AI dashboards, MCA21 upgrades, SEBI's e-monitoring — India is becoming a lab for digital compliance. The 2023 SEBI Master Circular and the 2024 CSCRF framework demonstrate that this is no longer a pilot — it is the future. UPI redefined money; RegTech will redefine trust.

ESG: ETHICS THAT SCALE

In today's world, investors are not just interested in profits. They are looking for purpose. That is where ESG — Environmental, Social, and Governance — steps in. It is no longer just a reporting requirement. It is a way of demonstrating to the world that a company is responsible, responsive, and prepared for the future.

Global funds are increasingly flowing toward businesses that show climate consciousness, social responsibility and strong governance structures. For India, this is a golden opportunity. By embedding ESG into the heart of our corporate culture, we don't just comply — we compete on a global stage.

From renewable energy adoption to inclusive workplaces, from fair supply chains to transparent leadership — ESG tells a story beyond numbers. It speaks of intent, integrity, and impact. For startups and listed companies alike, ESG is fast becoming the passport to international funding.

Indian regulators are also stepping up. SEBI's mandates on Sustainability Disclosures and Business Responsibility and Sustainability Reporting (BRSR) are setting the pace. Ticking boxes is not enough. Companies must build a culture where ESG is not just an annual report but a daily habit.

Company Secretaries play a crucial role in this process. They ensure ESG is not sidelined, but spotlighted — guiding boards, aligning policies and making sure compliance reflects conscience.

In the \$5 trillion economy we are building, ESG will be more than a checkbox. It will be the compass. Because growth with values is not just possible — it is powerful. And in this journey, India's ethics must evolve in tandem with its economy.

Global investors now ask, "What's your carbon footprint?" not just "What's your profit margin?" ESG compliance is India's bridge to green funds and global faith. Goodness and governance now go together.

GOVERNANCE: INDIA'S NEW SOFT POWER

India has long been known for exporting IT services and engineering talent. However, a new kind of export is growing quietly — governance. Indian compliance professionals, especially Company Secretaries, are stepping onto global platforms, bringing with them not only expertise but also a uniquely disciplined and value-driven approach to corporate responsibility.

Across Dubai, Singapore, London, and beyond Company Secretary professionals are contributing to boards, advising multinational firms, and embedding structure into startups and conglomerates alike. What sets them apart? Their deep understanding of law, ethics, and real-world application, all shaped in one of the world's most dynamic regulatory environments.

India's governance ecosystem is not easy to navigate. It is layered, evolving, and demands agility. But those who master it emerge ready for the world. That is why Company Secretary professionals are now seen not just as administrators, but as global governance architects.

Soft power is about influence without force. And governance is becoming one of India's most dignified expressions of that soft power. Through discipline, transparency, and ethical consistency, our professionals are showing the world how governance can be both efficient and empathetic.

As the demand for ESG alignment, digital disclosures, and board diversity rises globally, India's governance talent is ready. The language of compliance may differ from country to country, but the principles remain universal. And India speaks those principles fluently.

Compliance is no longer a domestic affair. It is a global currency. And India, through its CS professionals, is becoming a trusted mint.

India once exported IT; now, it exports governance intellect. Our Company Secretaries, risk officers, and audit professionals are shaping boardrooms in Dubai, London, and Singapore. Governance is the new global dialect — and India is fluent.

THE \$5 TRILLION DREAM NEEDS COMPLIANCE CHAMPIONS

Every economic revolution has its heroes. In India's \$5 trillion journey, that hero is not just a policymaker or a billionaire founder — it is the Company Secretary. They are the compliance champions, not in title, but in truth.

They work behind the scenes — drafting resolutions, interpreting circulars, guiding board conduct, and ensuring that every dotted line is backed by discipline. In a world chasing speed, they defend stability. In a market obsessed with returns, they remind us of responsibility.

Company Secretary professionals are no longer mere facilitators. They are transformers — shaping how businesses behave, grow, and sustain. With every MCA update, SEBI mandate, or RBI instruction, the Company Secretary is the first responder and the final enabler.

They do not build the highway — they ensure the guardrails are strong. And in a journey as ambitious as India's economic leap, those guardrails matter.

What makes this role so powerful is not just its technical skill but its moral centre. Company Secretaries are not enforcers — they are enablers. They bring the law to life. They ensure that ambition walks hand in hand with accountability.

As the compliance ecosystem deepens, we do not just need more Company Secretary professionals — we need them elevated, empowered, and recognised. Not because they demand it. But because the economy deserves it.

India will not reach \$5 trillion by breaking rules — but by honouring them. And that honour begins in the hands of the Company Secretary. Quietly competent. Unshakably ethical, and always one step ahead.

CONCLUSION: GOVERNANCE IS THE NEW PATRIOTISM

This Independence Day, let us redefine what it means to serve the nation, not just by saluting the flag but by upholding the frameworks that allow India to grow with dignity and trust.

As we chase the \$5 trillion milestone, let us ensure the scaffolding beneath our growth is strong, ethical, and future-ready. Because when compliance rises, the country does not just grow — it **grows up**.

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Related Party Transactions: A Governance Deep Dive

Related Party Transactions (RPTs) are central to Corporate Governance and regulatory compliance in India, impacting Transparency, Risk Management, and Stakeholder Confidence. This article offers a comprehensive overview of the legal and regulatory framework for RPTs. The article addresses governance best practices to manage risks from complex ownership structures, emphasizing the need for continuous updated registers and proactive board oversight. It advocates adopting advanced technologies and underscores the grave consequences of non-compliance, including penalties, reputational damage, and director disqualifications, positioning effective RPT governance as both a legal necessity and a strategic advantage aligned with evolving ESG expectations.



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INTRODUCTION

Related Party Transactions (RPTs) have long been a subject of close regulatory scrutiny due to their potential to obscure the transparency of financial reporting and compromise governance standards. While such transactions are often a normal part of doing business, particularly in corporate groups, they become challenging when conducted without due process or transparency, risking conflicts of interest and shareholder value erosion. In an era of increasing investor activism and stakeholder accountability, RPTs are no longer merely a compliance checklist item but a vital component of corporate governance. The evolution of laws in India and globally, reflects the growing emphasis on ethical business conduct, disclosure, and board-level oversight.

In India, the regulatory focus on RPTs has intensified with a series of amendments in the Companies Act, 2013, SEBI (LODR) Regulations, and adoption of Ind AS 24. These frameworks aim to ensure that RPTs are disclosed, reviewed, and approved appropriately. Yet, implementation challenges persist, which range from identification to disclosure, often requiring significant effort from compliance professionals, particularly Company Secretaries.

SPECTRUM OF LEGAL AND REGULATORY PROVISIONS

India's legal framework around RPTs is multi-layered and integrates regulatory requirements of corporate, securities, accounting and tax laws. The primary regulatory sources include:

Companies Act, 2013

- **Section 2(76):** Defines 'related party' comprehensively to include directors, KMPs, their relatives, and entities over which they exercise significant influence.
- **Section 188:** Governs transactions with related parties and mandates board and, in certain cases, shareholder approval, especially if the transaction exceeds prescribed thresholds.
- **Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014:** Specifies thresholds for prior approvals and procedural nuances.

SEBI (LODR) Regulations, 2015

- **Regulation 23:** Applies to listed companies. It mandates prior approval of the Audit Committee, disclosure of material RPTs to stock exchanges, and shareholder approval for significant transactions. Audit Committees must grant omnibus approval where needed, with disclosures recorded in the minutes and periodic reviews ensured.

Income-Tax Act, 1961

- Transfer pricing provisions under **Sections 92–92F** apply to international and specified domestic RPTs. The arm's length principle governs pricing and disclosure to ensure tax neutrality.

These interlinked laws aim to ensure fairness, transparency, and accountability in RPTs.

GLOBAL PERSPECTIVE

Globally, corporate regulators recognize RPTs as a source of potential abuse if left unchecked. Hence, most jurisdictions have robust laws governing disclosure and approval processes:

- **United States:** SEC mandates disclosure of material RPTs in financial statements (e.g., in Form 10-K). The Sarbanes-Oxley Act restricts certain types of insider transactions, such as personal loans to executives. Independent Directors play a key role in approval and oversight.
- **United Kingdom:** Under the UK Listing Rules, shareholder approval is mandatory for significant RPTs. The UK Corporate Governance Code emphasizes Board independence and oversight of RPTs.
- **OECD Guidelines:** Encourage disclosure and fairness in RPTs, especially in state-owned enterprises. Recommend that all material RPTs be approved by the board and, where applicable, shareholders.
- **IFRS (IAS 24):** Like Ind AS 24, it mandates disclosure of relationships, nature of transactions, amounts involved, and outstanding balances.
- **Financial statement disclosures:** If the company is compliant with Indian Accounting Standards (Ind AS), disclosures for RPTs must be included under Ind AS 24 in the financial statements.
- **Transparency expectations:** Private companies, particularly those engaged in transactions with institutional investors or involved in mergers and acquisitions, are expected to uphold transparency like public companies despite a nominally lighter compliance burden.

PUBLIC LIMITED COMPANIES

Public and listed companies are subject to a far more rigorous and comprehensive governance structure for related party transactions, aimed at safeguarding minority shareholders and maintaining investor confidence.

Despite differences in thresholds and procedures, the common global theme is: transparency, independence, and accountability.

REPORTING REQUIREMENTS

a. Private Limited Companies:

Private limited companies in India are required to adhere to specific statutory reporting and governance requirements for related party transactions (RPTs). While the compliance regime is somewhat less burdensome compared to public companies, it still prioritizes transparency and regulatory discipline.

b. Key compliance obligations

- **Section 188 compliance:** Transactions with related parties that exceed prescribed thresholds under Section 188 of the Companies Act, 2013, mandate board approval. In some cases, shareholder approval may be exempt if specific conditions outlined in the Act are satisfied.
- **Board approvals:** Approval from the Board of Directors is mandatory for RPTs beyond certain monetary limits, ensuring oversight and accountability.
- **Shareholder approval:** While relaxed for private companies, shareholder approval might be required unless they meet exemption criteria based on the nature of the transaction and the parties involved.
- **Registers and disclosures:** Maintenance of Register MBP-4 is compulsory for recording contracts or arrangements in which Directors are interested. Directors must make disclosures in Form MBP-1 regarding their interests in any company, body corporate, or association of individuals.

Effective board oversight and transparent stakeholder communication are essential to managing risks associated with Related Party Transactions (RPTs). These risks pose a governance challenge that extends well beyond regulatory compliance, especially in closely-held or promoter-driven companies where conflicts of interest are more likely.

a. Mandatory approvals and controls

- **Audit committee approvals:** All RPTs require approval by the audit committee before execution, ensuring independent scrutiny.
- **Board approvals:** Certain related party transactions necessitate formal Board approval in addition to audit committee clearance.
- **Shareholder approvals for material transactions:** If a related party transaction qualifies as 'material' under Regulation 23 of SEBI Listing Obligations and Disclosure Requirements (LODR), shareholder approval by way of an ordinary resolution is mandatory.

b. Disclosure and reporting requirements

- **Half-yearly RPT disclosure:** Listed companies must make half-yearly disclosure of RPTs to stock exchanges, increasing periodic transparency.
- **Annual confirmation under regulation 23(9):** Companies must submit an annual confirmation of RPTs to stock exchanges, certifying compliance with LODR norms.
- **Mandatory inclusions in statutory reports**
 - **Board's Report:** Summary of related party transactions to be included.
 - **Notes to financial statements:** Detailed disclosures in the annual financial statements as per Ind AS 24.
 - **Annual Return (Form MGT-7):** RPTs must be reported in the annual return submitted to the Registrar of Companies.

CONSEQUENCES OF NON-COMPLIANCE

Failure to comply with RPT reporting and approval requirements can attract significant repercussions:

- **Penalties:** Monetary penalties may be imposed on the company and officers in default.
- **Reputational damage:** Non-compliance can lead to adverse publicity and erosion of stakeholder trust.
- **Disqualification of Directors:** In grave cases, Directors may face disqualification under the Companies Act, 2013 impacting their professional standing and eligibility to serve on boards.

Overview of compliances

Criterion	Private Limited Companies	Public Limited Companies
Required Approvals	Board approval (above threshold); shareholders in exceptional cases.	Audit Committee, Board, and shareholders for material RPTs.
Registers/ Disclosures	MBP-4, MBP-1, Ind AS 24 (if applicable).	Ind AS 24, Board's Report, Notes, Annual Return, Exchange filings.
Periodic Reporting	None mandated except statutory reports.	Half-yearly and annual stock exchange disclosures.
Stringency	Moderate, with certain exemptions.	Highly stringent, minimal exemptions.
Penalties for Non-Compliance	Monetary, reputational.	Monetary, reputational, director disqualification.

OVERSEEING COMPLIANCE FOR RELATED PARTY TRANSACTIONS

A robust compliance framework for Related Party Transactions (RPTs) is essential to maintain transparency, legal soundness, and stakeholder trust. Below is a practical and professional overview of the key points in effectively overseeing compliance, humanized to reflect both the legal rigor and the realities companies face.

Identification: Accurate identification is the first critical step. Properly determining who qualifies as a related party prevents inadvertent non-compliance and ensures that all transactions receive the necessary scrutiny.

- **Comprehensive declarations:** Use statutory forms such as MBP-1 to collect disclosures from Directors and Key Managerial Personnels (KMPs) about their interests in other entities.
- **Registers and documentation:** Maintain and routinely update a register of contracts in which Directors are interested. Utilize group structure charts to visualize subsidiaries, associates, and joint ventures.
- **Beneficial ownership disclosures:** Look beyond formal shareholding, to identify those who exert actual, possibly indirect, influence over the company.
- **Cross-verification:** Regularly check internal declarations and lists against official shareholding records and data from the Registrar of Companies (ROC) for completeness and accuracy.

- **Update:** The dynamic nature of business requires that related party lists and registers reflect current reality.
- **Periodic declarations:** Set up a schedule like quarterly or biannual, for directors and KMPs to update their disclosures.
- **Automated triggers:** Employ workflow tools to prompt register updates following events like new appointments, resignations, or significant changes in ownership.
- **Ongoing review:** Ensure that updates aren't left to annual cycles; make the process continuous and responsive to changes.
- **Tracking:** Consistent tracking allows companies to catch potential compliance issues early.
- **ERP tagging:** Classify vendors, customers, and intercompany accounts as "related" within ERP and accounting systems, so RPTs are flagged as soon as they're initiated.
- **System integration:** Link finance, procurement, legal, and secretarial platforms to eliminate informational silos, a transaction entered in one department should be visible and alert the compliance team everywhere.
- **Audit trails and reconciliations:** Schedule regular audits comparing contractual documents, invoices, and payment trails to ERP records to verify nothing falls through the cracks.
- **Approval and reporting:** Approvals provide the formal green light and increase accountability.
- **Routing of transactions:** Direct all RPTs to the audit committee (for listed/public companies) or Board of Directors (for private companies) for review and sign-off.
- **Documentation repository:** Retain supporting documents like pricing justifications, comparable, legal and fairness opinions, to support decisions in case of future reviews.
- **Timely approvals:** Use workflow calendaring to adhere to regulatory deadlines for committee/board reviews and shareholder meetings, critical for omnibus approvals.
- **Disclosures:** Transparent disclosure is both a statutory mandate and a best governance practice.
- **Notes to financial statements:** Report all RPTs in the notes to accounts as per AS 18 or Ind AS 24, detailing nature, scope, and amounts.
- **Statutory filings:** Include RPT details in Board reports, Annual Returns (MGT-7), and ROC filings, keeping regulators and stakeholders informed.
- **Stock Exchange filings:** For listed companies, comply with SEBI LODR norms by submitting half-yearly and annual RPT disclosure filings, making key information available to the public and investors.
- **Internal dashboards:** Use MIS dashboards to provide ongoing, real-time summaries of RPTs for the leadership team, enabling active oversight and early action if trends warrant.

CHALLENGES IN MANAGING RELATED PARTY TRANSACTIONS: A PROFESSIONAL PERSPECTIVE

Managing compliance around Related Party Transactions is inherently complex and fraught with obstacles that require vigilance, robust processes, and a culture of transparency. Below are some of the key challenges companies encounter and practical reflections on each.

a. Completeness of related party identification

- **Uncovering indirect, layered relationships remains a significant challenge:** Companies often operate within intricate ownership and control networks that include subsidiaries, associates, joint ventures, trusts, or family-owned entities. These layers can obscure the true nature of relationships, making it difficult to comprehensively identify related parties. Basic registers or direct shareholding information often do not reveal such indirect connections, risking inadvertent non compliance.
- **Beneficial ownership can be concealed, intentionally or unintentionally:** There are cases where ultimate beneficial owners use nominee shareholders, cross-holdings, or offshore entities to mask control. Even when not designed to evade compliance, limited access to up-to-date ownership data and insufficient due diligence frequently leaves beneficial ownership hidden. Without leveraging legal disclosures, third-party data providers, and enhanced due diligence measures, related party lists risk being incomplete and unreliable.

b. Tracking mechanisms and systems

- **Manual registers and spreadsheets are error-prone and lack scalability:** Many organizations still rely on traditional, manual methods such as Excel spreadsheets or paper registers. These systems are vulnerable to data entry mistakes, inconsistencies, outdated information, and may fail to scale as businesses grow. These issues not only impede compliance rigor but can undermine stakeholder confidence during audits or regulatory scrutiny.
- **Decentralization of data across departments weakens oversight:** RPT-related information often resides in silos like procurement, finance, legal, and secretarial functions may possess fragmented data with limited cross-communication. Without integrated approaches, this decentralization can lead to missed transactions, duplicated effort, and inconsistent compliance application.
- **ERP systems require customization to effectively capture all related party transactions:** While Enterprise Resource Planning systems offer structured transaction processing, most out-of-the-box configurations do not actively flag related party relationships, especially indirect or complex ones. Companies must invest in configuring or customizing their ERP workflows so that related party transactions are automatically identified, routed for approval, and reported in a timely fashion.

c. Approvals and authorization

- **Backdated or informal transactions outside established board processes still occur:** Despite regulatory mandates, some related party transactions bypass required prior approvals. These may be retroactively ‘approved’ or negotiated informally to avoid scrutiny. Such practices pose significant risks, including regulatory penalties, reputational damage, and loss of trust among minority shareholders and investors.
- **Audit Committees may lack full documentation when reviewing transactions:** Effective oversight depends on comprehensive information. However, audit committees sometimes receive incomplete files lacking detailed pricing rationales, market comparable, or independent legal opinions. This compromises their ability to challenge proposals effectively, potentially resulting in approvals despite gaps, thereby elevating compliance and fairness risks.

d. Defining “Ordinary Course of Business”

- **Absence of a clear legal definition creates ambiguity:** The term “ordinary course of business” is not explicitly defined under company law or related regulations, leading to subjective interpretations by management, auditors, and regulators. What qualifies as “ordinary” varies not only by industry but also by company-specific context, complicating uniform compliance.
- **Internal frameworks and benchmark policies are essential:** To mitigate uncertainty, organizations must develop well-documented internal policies defining what constitutes ordinary business transactions in their own context. This includes clear pricing guidelines, benchmarking against prior comparable transactions, and detailed justifications for each classification decision.
- **Auditors and regulators frequently scrutinize these determinations critically:** Even with internal policies, external reviewers often challenge assertions around “ordinary course” status, especially concerning high-value or unusual transactions. Without robust supporting evidence, companies risk objections, delayed approvals, or penalties. Preparing thorough documentation and engaging in transparent dialogues with stakeholders are critical defensive measures.

ROLE OF COMPANY SECRETARIES IN RELATED PARTY TRANSACTION (RPT) COMPLIANCE

The Company Secretary (CS) plays a significant role in establishing and maintaining a rigorous framework for governance around Related Party Transactions (RPTs). To embed strong compliance and ethical practices, the following prescriptive measures should be implemented:

a. Establish robust compliance systems

- **Develop clear SOPs:** Companies should have comprehensive Standard Operating Procedures for identifying, approving, and disclosing RPTs. These SOPs must foster consistent application of governance standards at every level.

- **Implement real-time monitoring Tools:** Deploy compliance management platforms equipped with dashboards to monitor adherence continuously and promptly flag anomalies or risks, enabling proactive management.
 - **Create risk matrices:** Risk assessment frameworks must prioritize transactions based on value and complexity, ensuring heightened oversight for high-risk or high-value RPTs.
- b. Maintain dynamic and accurate documentation**
- **Keep statutory registers updated:** Registers such as MBP-4 should be diligently maintained and periodically reviewed to reflect current director interests and related party relationships, ensuring transparency and regulatory readiness.
 - **Automate documentation workflows:** Automation of the collection, archival, and retrieval of RPT-related documentation will reduce human errors and support timely access during audits and investigations.
- c. Ensure effective reporting to the Board**
- **Provide periodic compliance reports:** Detailed compliance reports supplemented by visual analytics should be presented regularly, enabling the board to understand the RPT landscape clearly.
 - **Highlight compliance gaps and exceptions:** Boards must be promptly informed about any delays, exceptions, or recurring compliance challenges to enable timely mitigations.
 - **Document Board deliberations meticulously:** Drafting clear board resolutions, explanatory notes, and minutes ensures all compliance decisions are transparent and enforceable.
- d. Oversee comprehensive disclosure practices**
- **Align with accounting and regulatory standards:** Disclosures of RPTs in financial statements and statutory filings must fully comply with Ind AS 24 and applicable legal requirements.
 - **Adhere to filing timelines:** Regulatory submissions to bodies like SEBI and the Ministry of Corporate Affairs require strict adherence to deadlines.
 - **Integrate Governance with ESG and investor relations:** Disclosure practices should support broader governance goals, including transparency benchmarks relevant to ESG commitments and investor expectations.
- e. Build organizational capability**
- **Conduct training programs:** Regular training sessions should be held to increase awareness across business units on RPT identification, risks, and reporting obligations.
 - **Orient new directors thoroughly:** Onboarding processes must include detailed education on RPT regulations and the company's governance policies.
 - **Act as a communication bridge:** The CS should facilitate effective, cross-functional communication to embed compliance culture within day-to-day business operations.

f. Leverage AI and technology

- **Implement AI-enabled relationship mapping:** AI tools should be used to automatically identify and analyze complex and indirect related party relationships, enhancing accuracy and scope beyond manual methods.
- **Use machine learning for risk alerts:** Deploy ML algorithms to continuously monitor transactions, detect unusual patterns, and provide early-warning signals for possible non-compliant or suspicious RPTs.
- **Integrate AI with existing systems:** Compliance technology stacks must be integrated across finance, legal, procurement, and secretarial functions to optimize tracking, approvals, and reporting.

CONCLUSION

Related Party Transactions (RPTs) pose a governance challenge that extends well beyond regulatory compliance, especially in closely-held or promoter-driven companies where conflicts of interest are more likely. Effective board oversight and transparent stakeholder communication are essential to managing these risks. As businesses grow more complex, RPT management requires a blend of legal expertise, ethical judgment, and process automation. The role of the Company Secretary in designing and overseeing these frameworks has become vital, shifting from a routine compliance task to a strategic leadership function.

Emerging technologies such as AI-powered ERP systems, blockchain for contract management, and advanced data analytics are transforming how companies approach RPT compliance enabling real-time detection, tracking, and predictive governance. Moreover, global investors and rating agencies increasingly consider RPT governance a key factor in ESG and risk assessments. A transparent, system-driven, and board-supported RPT regime not only satisfies legal mandates but also serves as a strategic advantage, turning a potential compliance burden into a hallmark of strong governance and sustainable growth.

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Preferential Allotment of Specified Securities by Listed Entities

Preferential allotment offers efficiency in terms of time and cost and facilitates targeted capital infusion from the selected investors and aids in strengthening the promoters' stake or bringing in new stakeholders possessing financial or strategic value. Under the Companies Act, 2013, preferential allotment for the listed entities is more layered and includes compliance with various regulations of the Securities and Exchange Board of India. This article throws light on issue from a Non-Banking Financial Company (NBFC), such an issue must also consider sectoral regulations imposed by the Reserve Bank of India (RBI), particularly in relation to the Net Owned Fund (NOF) requirements introduced through the Scale Based Regulatory (SBR) framework under RBI Circular No. DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021.



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investors, venture capitalists, or strategic partners. It also aids in strengthening the promoters' stake or bringing in new stakeholders possessing financial or strategic value. While unlisted entities commonly resort to methods such as private placements, rights issues, and initial public offerings (IPOs), listed companies primarily rely on rights issues and preferential allotments as their principal fundraising avenues.

Under the Companies Act, 2013, preferential allotment by the unlisted companies is governed by the provisions of Section 42 and Section 62 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014. Whereas for the listed entities, the legal framework is more layered and includes compliance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR Regulations), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), the SEBI (Prohibition of Insider Trading) Regulations, 2015, and the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 SEBI SAST Regulations) circulars and clarifications issued by SEBI and stock exchanges from time to time.

Additionally, where the issuer is a Non-Banking Financial Company (NBFC), it must also consider sectoral regulations imposed by the Reserve Bank of India (RBI), particularly in relation to the Net Owned Fund (NOF) requirements introduced through the Scale Based Regulatory (SBR) framework under RBI Circular No. DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021.

INTRODUCTION

WHAT IS THE PREFERENTIAL ALLOTMENT OF SECURITIES?

Preferential allotment is a strategic capital-raising mechanism employed by companies, particularly listed entities, to issue equity shares or other specified securities to a select group of investors, rather than through a public offering including right issue. This method offers efficiency in terms of time and cost and facilitates targeted capital infusion from the selected investors such as promoters, institutional

NET OWNED FUND

The regulatory landscape for NBFCs has undergone a calibrated transition with the introduction of the SBR framework, which seeks to strengthen the resilience of NBFCs through revised capital adequacy norms. One of the salient features of the SBR framework is the enhancement of the minimum Net Owned Fund (NOF) requirements for various NBFC categories. For instance, the NOF threshold for NBFC-Investment and Credit Companies (NBFC-ICC), NBFC-Microfinance Institutions (NBFC-MFI), and NBFC-Factors has been increased to ₹10 crore, with a transitional glide path laid out for compliance by March 31, 2025, and March 31, 2027.

The term “Net Owned Fund” has been defined under Section 45-IA(7) of the RBI Act, 1934. It refers to the aggregate of paid-up equity capital, free reserves, share premium, and capital reserves representing profits from asset sales, from which certain deductions such as accumulated losses, intangible assets, and excessive exposures to subsidiaries, group companies, and other NBFCs (beyond specified thresholds) are subtracted. It is imperative that the NOF is calculated based on the most recent audited balance sheet of the NBFC. Importantly, capital raised post the balance sheet date does not form part of the NOF calculation, underscoring the importance of timing in capital infusion through instruments such as preferential allotment.

To ensure compliance, the RBI has provided a phased glide path for existing NBFCs to meet this requirement:

a) Net Owned Fund – Regulatory minimum Net Owned Fund (NOF) for NBFC-ICC, NBFC-MFI and NBFC-Factors shall be increased to ₹10 crore.	Current NOF	By March 31, 2025	By March 31, 2027
The following glide path is provided for the existing NBFCs to achieve the NOF of ₹10 crore: NBFCs			
NBFC-ICC	₹2 crore	₹5 crore	₹10 crore
NBFC-MFI	₹5 crore (₹2 crore in NE Region)	₹7 crore (₹5 crore in NE Region)	₹10 crore
NBFC-Factors	₹5 crore	₹7 crore	₹10 crore

Net Owned Fund is defined under Section 45-IA (7) of the **RBI Act, 1934** as:

Net Owned Fund (NOF) is calculated by taking the aggregate of certain components and deducting specific items. The calculation process ensures the NBFC maintains a sufficient capital base.

Components to be aggregated: Paid-up Equity Capital, Free Reserves, Balance in Share Premium account, and Capital Reserves (representing surplus from asset sales).

Deductions:

- Accumulated loss balance.
- Book value of intangible assets.
- Investments in shares, debentures, or loans of subsidiaries and group companies exceeding 10% of the NOF.
- Investments in shares of other NBFCs exceeding 10% of the NOF.

In essence, NOF is calculated as: Paid-up Capital + Free Reserves + Share Premium + Capital Reserves - Accumulated Losses - Intangible Assets - Excessive investments in Subsidiaries, Group companies, and other NBFCs.

The NOF calculation is based on the NBFC's latest audited balance sheet. Any capital raised after the balance sheet date is not included in the NOF calculation. The NOF is a critical measure of an NBFC's financial strength and stability.

LEGAL COMPLIANCES AND PROCEDURE FOR ISSUING SHARES ON PREFERENTIAL BASIS

1. Initial decision on Fundraising

The Board of directors of the Company shall decide on the mode of fundraising and the object of the same. Without deciding the object and/or purpose of fundraising, the company cannot decide which mode of fundraising will be suitable for them.

2. Notice to Board of Directors

The Company is required to give at least seven days' notice before the date of the Meeting. The Notice of the Board Meeting can be sent by registered post or speed

post or by electronic means. However, if company opts to send Notice by speed post or registered post, an additional two days shall be added for the service of the Notice.

3. Advance intimation by the Company before conducting the proposed Board Meeting

As per Regulation 29(1) of the SEBI (LODR) Regulations, 2015, the listed company shall give notice of at least 2 working days in advance, excluding the date of the intimation and the date of the meeting to stock exchange about the meeting of Board of directors in which they will consider the fund raising by various modes.

4. Eligibility criteria of the proposed allottees as prescribed under SEBI (ICDR) Regulations, 2018

- Preferential issue of specified securities shall not be made to any person who has sold or transferred any equity shares of the company during 90 trading days preceding the relevant date.

Where any person belonging to promoter or the promoter group has sold/transferred their equity shares in the issuer during the 90 trading days preceding the relevant date, the promoter and the promoter group shall not be ineligible for the allotment of specified securities on preferential basis.

- Where any person belonging to promoter(s) or the promoter group has previously subscribed to warrants of an issuer but has failed to exercise

the warrants, the promoter(s) and promoter group shall be ineligible for issue of specified securities of such issuer on preferential basis for a period of one year from:

- i. the date of expiry of the tenure of the warrants due to non-exercise of the option to convert; or
- ii. the date of cancellation of the warrants, as the case may be.

5. Convening Board Meeting for considering fund raising and increase in authorised capital of the company, if required

The company shall convene the Board Meeting and take the decision for approving the preferential issues. The company shall comply with the requirement of Secretarial Standard 1 issued by ICSI w.r.t. Meeting of Board of directors. Further, the Company shall also take into consideration the requirement of increasing the authorised share capital of the Company, if any.

6. Outcome of the Board Meeting to be submitted to the Stock Exchange

The decision of the Board of directors meeting approving the preferential issue shall be disclosed to the Stock Exchanges within thirty minutes from the closure of the meeting of the Board of directors in which the decision pertaining to the event or information has been taken. In case the meeting of the Board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the Board meeting.

The Board shall also consider the option of taking shareholders' approval for the preferential issue of shares whether through EGM or AGM or Postal Ballot.

7. Compliance with Section 42 read with Section 62 and Rule 13 of the Companies Act, 2013 and SEBI (ICDR) Regulations, 2018

While drafting the notice and the explanatory statement for the shareholders' approval, the company is required to ensure that the information as prescribed under the Companies Act, 2013 and rules made thereunder and SEBI (ICDR) Regulations, 2018 are complied with. The information required to be included in the explanatory statement as per the Companies Act, 2013 and rules made thereunder are provided below:



- The object of the issue.
- The total number of shares and other securities to be issued.
- The price or price band at/within which the allotment is proposed.
- The basis on which the price has been arrived at along with report of the registered valuer.
- Relevant date with reference to which price has been arrived at.
- The class or classes of persons to whom the allotment is proposed to be made.
- Intention of promoters, directors or Key Managerial Personnel to subscribe to the offer.
- The proposed time within which the allotment shall be completed.
- The names of the proposed allottees and the percentage of pre and post-preferential offer capital that may be held by them.
- The change in control, if any, in the company that would occur consequent to the preferential offer.
- The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price.
- The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.
- Requirement for appointment of monitoring agency if the issue size is more than Rs.100 Crores.
- The pre - issue and post - issue shareholding pattern of the company is prepared in the following format:

Capital raised post the balance sheet date does not form part of the NOF calculation, underscoring the importance of timing in capital infusion through instruments such as preferential allotment.

Sr. No.	Category	Pre-Issue		Post-Issue	
		No. of shares held	% of shareholding	No. of shares held	% of shareholding
A	Promoters' holding				
1	Indian				
	Individual				
	Bodies Corporate				
	Sub-total				
2	Foreign Promoters				
	Sub-Total (A)				
B	Non-promoters' holding				
1	Institutional investors				
2	Non-Institutional				
	Private corporate bodies				
	Directors and Relatives				
	Indian Public				
	Others (including NRI)				
	Sub-Total (B)				
	Grand Total				

Further as per Regulation 163 of SEBI (ICDR) Regulations, 2018, the company in addition to the disclosures required under the Companies Act, 2013 or any other applicable law, discloses the following in the explanatory statement to the notice for the general meeting proposed for passing the special resolution:

- Object of the preferential issue.
- Maximum number of specified securities to be issued.
- Intent of the promoters, Directors, Key Managerial Personnel, or senior management of the issuer to subscribe to the offer.
- Shareholding pattern of the issuer before and after the preferential issue.
- Time frame within which the preferential issue shall be completed.
- Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees.

Provided that if there is any listed company, mutual fund, scheduled commercial bank, insurance company registered with the Insurance Regulatory and Development Authority of India in the chain of ownership of the proposed allottee, no further disclosure will be necessary.

- The percentage of post-preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue.
- Undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.

- Undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

- Disclosures specified in schedule VI, if the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower.

- The current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter.

8. Opening of a separate bank account with a Scheduled Bank

The company making the preferential issue shall ensure that the amount of money so received shall be kept in a separate bank account of a scheduled bank and shall not be utilised for any purposes other than:

- For adjustment against allotment of securities.
- For the repayment of money where the company is unable to allot securities.

9. Valuation report

The company is required to take valuation report from the registered valuer if the specified securities issued on a preferential basis is for consideration other than cash. Further, if the shares of the company are infrequently traded the valuation report is required.

As per Regulation 166A of SEBI (ICDR) Regulations, 2018 it is the requirement to obtain valuation report from an independent registered valuer when any preferential issue, which may result in a change in control or allotment of more than 5% of the post-issue fully diluted share capital of the issuer, to an allottee or allottees acting in concert, and consider the same for determining the price.

As per the checklist provided by the stock exchanges, the company shall submit PCS/PCA certificate confirming the Pricing Methodology adopted for the proposed preferential issue along with a detailed working of the same or Valuation Report from independent registered valuer. In case the Valuation Report is being submitted, ensure that:

- i) The valuation report shall also display relative fair value per share/fair share exchange ratio, after considering all the 3 approaches for valuation namely Asset Approach, Income Approach and Market Approach.
- ii) In case comparable company multiples method is used by the valuer, the valuer shall provide the rationale for considering particular companies vis-à-vis comparable companies.
- iii) In case of control premium, valuer shall provide detailed working for arriving at such control premium.
- iv) A summary as per the below format shall be made part of the valuation report:

Valuation Approach	Value Per Share	Weight
Asset Approach		
Income Approach		
Market Approach		
Relative Value per share		

In case the shares of the company are frequently traded on all the stock exchanges, the above certificate shall specify the stock exchanges on which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

10. Lock-in requirements

- i. Apply for Lock in of shares and get the LOCK - IN confirmation/certificate from the depositories Viz. NSDL/ CDSL where the shares of the allottees are held. If the allottees are with one depository only apply to the depository. It is better applied for lock in before intimation of Board meeting to BSE and/or NSE as the case may be.
- ii. The first step will be to approach the RTA to send the Corporate Action application form. The company has to fill the Corporate Action Form and pay the fees to depositories and a fee to the RTA. On the correctness of the particulars on the Corporate Action form and ensuring that the fees have been paid, the RTA will initiate Corporate Action, and the depositories will respond with LOCK - IN certificate.
- iii. The pre-preferential allotment of shareholding of each of proposed allottee(s) has to be locked in, in accordance with Regulation 167(6) SEBI (ICDR) Regulations, 2018 of the allottee for 3 months from the trading approval. Here we must mention that Lock - in period will be granted for 90 trading days at a time from the date of application which will invariably be the date of Board Meeting.

- iv. Since lock-in is only for 90 days for pre preferential allotment, the issuing company will have to extend the lock - in period once they get the "in principle" approval as lock in period is to be reckoned on the basis of trading approval.

It is a three-stage process with Stock exchanges.

1. Getting in-principle approval.
2. Getting Listing approval.
3. Getting Trading approval.

11. In-principle application to be filed with the Stock Exchanges where the securities are listed

In accordance with Regulation 28 of SEBI (LODR) Regulations, 2015, the listed entity before issuing securities, shall obtain an 'in-principle' approval from all the stock exchanges where the securities of the company are listed.

Further, as per Regulation 160(f) of SEBI (ICDR) Regulations, 2018 the issuer is required to make an application seeking in-principle approval to the stock exchanges where its equity shares are listed, on the same day when the notice has been sent in respect of the general meeting seeking shareholders' approval by way of special resolution.

How to make an application to stock exchanges?

In case of a company listed on NSE, the application shall be made via NEAPS portal. The company shall submit the documents as per the requisition list provided by NSE which is available on the NSE website on <https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>.

In case of a company listed on BSE, the application shall be made via BSE listing centre. The company shall submit the documents as per the requisition list provided by BSE which is available on the BSE website on <https://www.bseindia.com/static/about/downloads.aspx>.

Processing Fees

BSE

Main Board: 0.03% of the Issue Size, subject to a minimum fee of Rs. 3 Lacs and a maximum of Rs. 6 Lacs plus GST.

SME Platform: 0.025% of the Issue Size, subject to a minimum fee of Rs.50,000/- and a maximum of Rs. 2 Lacs plus GST.

NSE

Main Board: (Non-Refundable) of 0.03% of the Issue Size, subject to a Minimum fee of Rs 3,00,000/- and a Maximum of Rs. 6,00,000/- plus applicable tax.

SME Emerge Listed Companies: 0.025% of the Issue Size, subject to a Minimum fee of Rs.50,000/- and a Maximum of Rs. 2,00,000/- plus applicable tax). The issuer has to make payment in the issuer respective virtual account.

12. Private Placement Offer Letter

On receipt of the stock exchange and shareholders' approval, the company shall circulate the private

placement offer letter to all the proposed allottees and get their intention to subscribe under the preferential issue in writing. The proposed allottees shall deposit the amount of their investment before the allotment of equity shares. In case the company makes an allotment of warrants, at least 25% of the warrants amount shall be paid by the proposed allottee before the allotment of warrants and the rest 75% shall be made before the conversion of warrant and allotment of equity shares. The company shall ensure that the amount has been deposited by the proposed allottee before passing Board resolution for allotment.

The allotment with respect to the in-principle approval and the shareholders' approval shall be made within 15 days from the date of receipt of in-principle approval or the shareholders' approval whichever is later.

13. Listing application to be made to Stock Exchanges

Once the equity shares are allotted, the company is required to make an application to all the stock exchanges where its equity shares are listed within 20 days from the date of allotment of securities. Further, the application shall be made via NEAPS portal and BSE Listing Centre as the case may be.

14. Corporate action

On receipt of Listing approval from the exchange, the company is required to apply to depositories for credit of specified securities in the proposed allottees demat account.

15. Trading approval application

The company shall make an application for trading approval within 7 working days from the date of receipt of listing approval from exchanges. In case, the shares of the company are listed on more than one stock exchange, the application shall be made from the date of receipt of last approval from the exchange. For example, if NSE provided Listing approval on June 9, 2025 and BSE provided on June 15, 2025, then the 7 working days shall be calculated from the date of receipt of Listing approval from BSE.

STOCK EXCHANGE RELATED FORMALITIES

1. Intimation to Stock Exchange as per Regulation 29 of SEBI (LODR) Regulations, 2015 in PDF and in XBRL.
2. Pass Board Resolution approving preferential issue and other items (e.g. appointment of scrutiniser, increase in authorised capital if required etc.)
3. Outcome of Board meeting to be submitted to the stock exchanges within 30 minutes or three hours as the case may be and should be in compliance with clause (i) of Regulation 30 (6) of SEBI (LODR) Regulations, 2015 as per SEBI Circular SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 – In PDF and in XBRL.

ROC RELATED FORMALITIES

File MGT 14 of the Board Resolution within thirty days of the Board Meeting and after allotment of shares file Form PAS-3 before transfer of the amount from the separate bank account to the normal bank account.

CONCLUSION

1. Expedited Capital Mobilization

Preferential allotment facilitates expedited access to capital, which is particularly advantageous in competitive or time-sensitive scenarios. For instance, in circumstances where regulatory authorities such as the Reserve Bank of India (RBI) prescribe a limited timeframe to augment Net Owned Funds (NOF), preferential issuance offers a viable solution. Compared to public offerings, preferential issues involve significantly lower compliance requirements, reduced timelines, and minimal associated costs. Moreover, in situations where the issuing company is undergoing operational or financial stress, the probability of successful subscription by retail investors may diminish. In such cases, a preferential allotment provides a strategic alternative to secure funding.

2. Enhancement of Borrowing Capacity

The issuance of equity shares through preferential allotment results in an increase in the company's subscribed share capital and, correspondingly, its net worth. This improves the debt-to-equity ratio, thereby strengthening the company's balance sheet and enhancing its eligibility to raise additional debt on favourable terms. Such financial fortification is instrumental in supporting future business expansion and maintaining fiscal stability.

3. Facilitation of Strategic Partnerships

Preferential allotments also serve as an effective mechanism to induct strategic investors, advisors, or long-term business partners on mutually beneficial terms. These stakeholders may contribute not only capital but also industry expertise, market access, or operational synergies, thereby aligning with the company's long-term growth and value creation objectives.

REFERENCES:

- Companies Act, 2013 and rules and regulations made thereunder.*
- Formats available on the Stock Exchanges website as indicated in the article.*
- RBI Notification: RBI Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021.*
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations).*
- SEBI (Prohibition of Insider Trading) Regulations, 2015.*
- SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI SAST Regulations).*
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR Regulations).*
- Various circulars issued by SEBI and Stock Exchanges from time to time.*

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Elevating Oversight: The New Governance Imperative for High Value Debt Listed Entities

High Value Debt Listed Entities (HVDLEs), as critical pillars of India's debt capital market architecture, mobilize significant financial capital through the issuance of non-convertible debt securities. In response to evolving market dynamics and the imperative for robust investor protection, the Securities and Exchange Board of India (SEBI) has initiated a progressive overhaul of the corporate governance regime applicable to HVDLEs. This transformation began with the 2021 amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and reached a pivotal juncture with the 2025 amendments, which raised the qualifying threshold to ₹1,000 crore and introduced a definitive sunset clause for transitional entities. This article undertakes a critical analysis of the legal and institutional implications arising from these regulatory shifts. It highlights the increasing imperative for heightened governance standards, not merely as a matter of compliance, but as a strategic necessity to preserve stakeholder confidence and financial market integrity. Furthermore, the article delineates the evolving role of Company Secretaries as central agents in orchestrating compliance, risk oversight, and governance strategy. It advocates for the convergence of global governance benchmarks, digital compliance ecosystems, and stakeholder-aligned accountability frameworks to reinforce the governance scaffolding of HVDLEs in the contemporary regulatory landscape.



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INTRODUCTION

High Value Debt Listed Entities (HVDLEs), identified as entities with listed non-convertible debt instruments exceeding ₹1,000 crore in outstanding value as per the revised 2025 regulatory norms, constitute a vital segment of India's capital market ecosystem. These entities—ranging from large conglomerates and financial bodies to government-owned undertakings—play a pivotal role in channelling substantial capital toward long-term infrastructure projects, industrial expansion, and national economic advancement. However, the significant scale of their borrowings, coupled with intricate financial structures, gives rise to substantial governance challenges that necessitate stringent regulatory scrutiny.

The pressing need for regulatory reform in the governance of HVDLEs was brought to the forefront due to the decline in investor trust. The potential for systemic risk prompted

the Securities and Exchange Board of India (SEBI) to implement a series of substantial reforms. Beginning with the 2021 amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, SEBI extended critical governance mandates to HVDLEs under a 'comply or explain' regime, with full mandatory compliance required from April 1, 2025. Further refinement followed in 2025, which included the revision of the eligibility threshold and the introduction of a sunset clause aimed at balancing regulatory compliance with market dynamics.

These evolving regulatory standards signify a paradigm shift from mere disclosure requirements to a more robust, structure-focused governance framework. Key reforms emphasize the importance of board autonomy, well-defined committee roles, proactive risk governance, and enhanced transparency in related party dealings. Collectively, these changes bring HVDLEs closer to international best practices and reinforce institutional protection for debt investors—comparable to those traditionally afforded to equity shareholders—against governance failures and managerial imprudence.

This disquisition embarks on a profound exegesis of the metamorphosing regulatory scaffold enveloping High-Value Debt Listed Entities (HVDLEs). It meticulously interrogates the ideological substratum fortifying the Securities and Exchange Board of India (SEBI) reformative initiatives, rigorously appraises their pragmatic reverberations, and emphatically delineates the cardinal function of Company Secretaries in enshrining governance rectitude within debt-encumbered conglomerates. Concurrently, it propounds a visionary, technologically fortified, and stakeholder-consonant governance paradigm, astutely attuned to the exigencies of India's burgeoning debt markets and escalating institutional prerogatives.

DEMARCATING THE STRATEGIC CONTOURS OF HIGH VALUE DEBT LISTED ENTITIES (HVDLEs)

High Value Debt Listed Entities (HVDLEs) epitomize a structurally diverse and systemically pivotal segment of India's capital market architecture. Defined by the issuance of listed non-convertible debt securities aggregating an outstanding quantum of ₹1,000 crore or more (as per the revised 2025 regulatory threshold), these entities serve as principal conduits for capital formation across infrastructure, industrial, and developmental frontiers. Constituting a heterogeneous amalgam of large corporate conglomerates, financial institutions, and public sector undertakings, HVDLEs wield significant influence over credit intermediation and financial stability.

As of 31st March 2024, India's debt-listed ecosystem comprised 812 entities, disaggregated as follows:¹

- 264 entities (33%) with dual listings in equity and debt instruments;
- 538 entities (66%) exclusively listed through debt securities; and
- 10 entities (1%) encompassing REITs and InvITs with listed debt exposure.

Notwithstanding their indispensable macroeconomic function, the governance and compliance architectures of HVDLEs remain fraught with latent vulnerabilities. These entities are often enmeshed in elaborate financial ecosystems, rendering them particularly susceptible to misgovernance and systemic contagion. Key governance impediments include:

- **Byzantine Capital Structures:** HVDLEs often operate through convoluted financial scaffolding, involving multiple layers of debt, quasi-equity, and derivative instruments. This complexity engenders pronounced agency conflicts, particularly between debt investors and equity shareholders, whose fiduciary interests are frequently non-congruent.
- **Stringent Regulatory Accountability:** The SEBI (LODR) framework imposes a panoply of disclosure, risk management, and fiduciary obligations upon HVDLEs. These mandates, including those governing debenture trustee functioning and related party transactions, are non-trivial. Dereliction may trigger civil and regulatory liabilities, adverse market reactions, and erosion of stakeholder trust.
- **Systemic Fragility:** Given the magnitude and interconnectedness of their borrowings, HVDLEs are inherently exposed to macro-financial perturbations, including credit rating downgrades,

liquidity crunches, and counterparty defaults. Such stress events may catalyze sector-wide instability, especially if the entity in question is of systemic significance.

- **Stakeholder Priority Divergence:** Unlike equity-focused models, HVDLE governance must incorporate creditor-centric norms, as debt investors prioritize principal protection and punctual servicing. This necessitates a paradigmatic shift from shareholder hegemony to a balanced stakeholder governance regime.

SEBI'S REGULATORY RECONFIGURATION — A CHRONOLOGICAL EXEGESIS OF GOVERNANCE OVERHAUL

The governance regime applicable to High Value Debt Listed Entities (HVDLEs) has undergone a fundamental metamorphosis through SEBI's calibrated regulatory engineering. The regulatory trajectory reflects a transition from a disclosure-centric model to a structurally interventionist framework, fundamentally altering the

compliance anatomy of debt-listed entities. Two legislative touchstones—the **2021 foundational amendments** and the **2025 strategic refinements**—have collectively redefined the fiduciary obligations and governance architecture of this cohort.

i) The 2021 Amendments: Genesis of Structural Oversight

In a seminal reformatory move, the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 were promulgated in September 2021, introducing Regulation 15(1A) to operationalize a governance

superstructure over HVDLEs. This marked a paradigm shift by subjecting debt-listed entities—hitherto governed through lighter-touch norms—to robust corporate governance protocols akin to equity-listed corporations.

Salient regulatory stipulations included:

- **Threshold Demarcation:** All entities with listed non-convertible debt instruments aggregating ₹500 crore or more were categorically classified as HVDLEs.
- **Governance Imperatives:** SEBI extended the application of Regulations 15 to 27 of the LODR framework, encompassing *inter alia*:
 - Board Constitution:** Mandatory appointment of independent directors, gender diversity, and a statutory minimum of four meetings per annum with pre-defined quorum requirements.
 - Ethical Accountability:** Codified conduct obligations for directors and senior executives to institutionalize ethical governance.

Beginning with the 2021 amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, SEBI extended critical governance mandates to HVDLEs under a 'comply or explain' regime, with full mandatory compliance required from April 1, 2025.

¹ Online Available: SEBI and NSDL website.

- c. **Committee Infrastructure:** Obligatory constitution of audit, nomination and remuneration, and risk management committees with explicitly delineated functions.
- d. **Whistleblower Architecture:** Enforcement of vigil mechanisms to facilitate grievance redressal and protection against retaliatory action.
- e. **RPT Governance:** Codified disclosures and rigorous approval regimes for related party transactions on a half-yearly basis.
- **Staggered Compliance:** Implementation was phased on a “comply or explain” basis till March 31, 2025, after which it crystallized into a mandatory obligation.

Additional regulatory granularity included:

- **Regulation 16:** Deeming non-executive directors or non-employee trustees as ‘independent’ where statutory board composition was already prescribed.
- **Regulation 21:** Compulsory formation of risk management committees to proactively supervise operational, strategic, and financial risks.
- **Regulation 23:** Mandatory alignment of RPT disclosures with quarterly financial reporting cycles.
- **Regulation 25:** Introduction of mandatory Directors & Officers (D&O) insurance coverage for independent directors.
- **Regulation 62:** Enhancement of digital transparency via prescriptive website disclosures, covering board composition, tenure metrics, and vigil mechanism protocols.

This reform phase signified SEBI’s intent to architect a uniform and enforceable governance scaffold that would treat debt stakeholders with the same probity accorded to equity investors.

ii). The 2025 Amendments: Precision-Driven Refinement

In March 2025, SEBI notified the SEBI (LODR) (Amendment) Regulations, 2025, which became effective on April 1, 2025, representing a second-generation recalibration of the HVDLE governance ecosystem. These amendments introduced both substantive rationalizations and compliance reliefs, reflecting a deliberate balance between investor protection and regulatory pragmatism.

Key legislative interventions included:

- **Elevation of Threshold:** The minimum qualifying limit for HVDLE classification was escalated from ₹500 crore to ₹1,000 crore, thereby streamlining the eligible universe and excluding smaller issuers from onerous governance expectations.
- **Sunset Provision:** Entities falling below the ₹1,000 crore benchmark for three consecutive financial years

would automatically lose HVDLE designation, thus incorporating dynamic eligibility.

- **Insertion of Chapter VA:** A dedicated chapter carved out a bespoke governance code exclusively for HVDLEs, disentangling them from equity governance norms and introducing calibrated obligations:
 - a. **Board Architecture:** Requirement of at least one woman director, more than 50% non-executive directors, and proportional independent representation—33% if the chairperson is non-promoter, 50% if promoter-linked.
 - b. **Directorship Caps:** Directors restricted to a maximum of seven listed company directorships, with Whole-Time Directors/Managing Directors limited to three independent positions. A grace period of six months or until the next AGM was permitted to rectify excess.
 - c. **Enhanced RPT Scrutiny:** In cases of concentrated promoter holdings, dual approval was mandated—No Objection Certificate (NOC) from the debenture trustee and affirmative consent from over 50% of non-related debenture holders—addressing practical difficulties in conventional shareholder approval.
 - d. **Secretarial Audit Mandate:** Compulsory secretarial audits extended not only to the HVDLE but also to material unlisted Indian subsidiaries, with audit reports to be filed with stock exchanges.
 - e. **Independent Director Sanctum:** Annual exclusive meetings of independent directors, devoid of executive presence, to assess board efficacy, chairperson leadership, and flow of critical information.
 - f. **Quarterly Governance Disclosure:** Filing of quarterly corporate governance reports within 21 days from quarter-end, with compulsory reporting of material RPTs and cybersecurity events.
 - g. **Voluntary ESG Integration:** Optional submission of Business Responsibility and Sustainability Reports (BRSR), facilitating long-term alignment with global ESG benchmarks.

THE INDISPENSABLE ROLE OF COMPANY SECRETARIES IN THE HVDLE GOVERNANCE FRAMEWORK

Company Secretaries, as statutorily empowered officers and governance fiduciaries, constitute the fulcrum upon which the compliance architecture of High Value Debt Listed Entities (HVDLEs) pivots. With the advent of SEBI’s expanded regulatory regime—especially post the 2025 LODR amendments—their role has undergone a paradigmatic elevation from mere compliance facilitators

to **strategic governance custodians**. They are no longer ancillary actors but **principal agents of institutional accountability**, ensuring that governance obligations are not only met but embedded into the strategic fabric of corporate functioning.

i) **Regulatory Compliance Command and Control**

Company Secretaries act as the primary custodians of regulatory adherence, navigating the complex obligations under Regulations 15 to 27 and the newly instituted Chapter VA of the LODR Regulations. With the 2025 amendments mandating quarterly governance reporting and compulsory secretarial audits under Regulation 62M(2), the onus lies heavily upon them to architect, operationalize, and document granular compliance protocols. This includes ensuring the accuracy, timeliness, and completeness of:

- Board disclosures and compositions,
- Debenture trustee communications,
- Related Party Transaction (RPT) frameworks,
- Cybersecurity incident reporting, and
- Continuous stock exchange filings.

Non-compliance is no longer an option—it is a direct reputational and regulatory liability. Company Secretaries are thus not just executors but guardians of corporate legitimacy.

ii) **Strategic Advisory to the Board and Committee Infrastructure**

In their advisory capacity, Company Secretaries serve as the institutional memory of the board and as strategic enablers of effective governance deliberations. Their responsibilities encompass:

- Ensuring constitutionally compliant board structures, including adherence to gender diversity and independent director thresholds;
- Facilitating procedural rigor during board and committee meetings, including quorum validation, resolution vetting, and decision recording;
- Advising on complex issues such as Directors & Officers (D&O) liability insurance, risk management architectures, and regulatory interface strategy;
- Monitoring conflict-of-interest disclosures and insider trading prevention.

By equipping boards with legally sound, strategically calibrated advice, Company Secretaries enhance institutional resilience and fiduciary performance.

iii) **Regulatory Intermediation and Debenture Trustee Coordination**

The evolving HVDLE framework, especially in cases of promoter-dominant ownership, necessitates active engagement with debenture trustees—now statutorily vested with veto powers in RPT approvals under the 2025 amendments. Company Secretaries act as the compliance interface:

- Ensuring conformity with Debenture Trust Deeds,
- Coordinating the No Objection Certificate (NOC) processes for RPTs,
- Documenting consent of non-related debenture holders where mandated, and
- Redressing investor grievances through structured liaison.

Failure to diligently discharge this role may directly impact debt servicing, credit ratings, and regulatory standing.

iv) **Stakeholder Engagement and Transparency Architectures**

Transparent and proactive engagement with stakeholders—debt investors, credit rating agencies, regulators, and analysts—has become a compliance imperative and reputational necessity. Company Secretaries are responsible for constructing formalized communication channels such as:

- Investor briefings and webinars,
- Periodic disclosures and clarifications,
- Vigil mechanism escalations and whistleblower protections, and
- Disclosure repositories on corporate websites as per Regulation 62.

In an environment of heightened investor activism and surveillance, their ability to curate consistent and compliant disclosures is central to sustaining institutional credibility.

v) **ESG Integration and Sustainability Governance**

With the optional adoption of Business Responsibility and Sustainability Reports (BRSR), Company Secretaries are emerging as advocates of ESG governance. Their role includes:

- Aligning internal policies with sustainability metrics,
- Facilitating board-level ESG discourse,
- Integrating ESG risks into the risk management matrix, and
- Enabling socially responsible investor engagement.

In a capital market increasingly attuned to ESG credentials, their stewardship directly influences investor sentiment and long-term value creation.

IMPLICATIONS AND OPERATIONAL COMPLEXITIES OF THE RECAST GOVERNANCE ARCHITECTURE

i) **Transformative Implications**

- **Radical Transparency Enhancement:** The imposition of elevated disclosure mandates—including quarterly governance filings, enhanced website disclosures, and public access to board composition data—ushers in a new era of

institutional transparency. These measures collectively function as a prophylactic against opaque practices, reinforcing investor confidence and aligning market behavior with global standards of disclosure integrity.

- **Systemic Risk Containment:** Institutionalization of Risk Management Committees, independent director-only sessions, and mandatory vigil mechanisms serve as structural bulwarks against the recurrence of catastrophic failures. These preemptive controls recalibrate risk governance from reactive firefighting to anticipatory compliance.
- **Capital Market Sophistication:** By aligning governance norms of HVDLEs with those applicable to equity-listed entities, the framework signals India's readiness for deeper institutional capital flows. It enhances sovereign credibility and magnetizes long-term capital from global debt investors seeking regulatory consonance and prudential governance.

ii) Structural and Procedural Challenges

- **Proliferating Compliance Overheads:** The multidimensional obligations—ranging from compulsory secretarial audits to D&O insurance and granular quarterly reporting—exert a disproportionate financial and administrative load, particularly on mid-sized and resource-constrained issuers. The cumulative burden risks diverting strategic bandwidth from business growth to procedural adherence.
- **Capital Market Disincentivization:** The stringent regulatory ecosystem may inadvertently operate as a deterrent, prompting potential issuers to eschew the formal debt market in favour of unlisted or offshore financing avenues. This risk is particularly acute for smaller entities utilizing privately placed debentures, thereby undermining the developmental objectives of a broad-based domestic bond market.
- **Regulatory Execution Gridlocks:** Provisions such as the requirement for Debenture Trustee No-Objection Certificates (NOC) and consent from a majority of non-related debenture holders in RPT approvals—especially in promoter-dominated structures—pose formidable logistical and procedural barriers. Even SEBI, in its explanatory notes, has acknowledged the “impossibility of compliance” in certain scenarios, necessitating exceptional regulatory interpretations.
- **Governance Capacity Asymmetry:** The diverse maturity levels of internal governance mechanisms among HVDLEs may result in uneven implementation. While large, well-resourced entities may seamlessly adapt, smaller issuers may struggle with institutionalization, thereby triggering both compliance risk and inadvertent regulatory arbitrage.

iii) Regulatory Pragmatism and Path Forward

SEBI's incorporation of a threshold elevation (to ₹1,000 crore) and a sunset clause—allowing regulatory declassification after sustained debt reduction over three fiscal cycles—reflects a judicious balance between

oversight stringency and regulatory proportionality. However, the enduring success of this governance reconfiguration depends on:

- Dynamic stakeholder consultations,
- Capacity-building initiatives across issuer categories,
- Deployment of RegTech solutions for compliance automation, and
- Vigilant regulatory audit cycles to preclude tokenistic compliance.

PRECEDENTS, PARADIGMS, AND GLOBAL BEST-IN-CLASS BENCHMARKS

i) Global Comparator: Singapore's Debt Market Governance Architecture

Singapore's debt capital market governance framework—spearheaded by the Monetary Authority of Singapore (MAS)—represents a paragon of regulatory sophistication and equilibrium. The MAS imposes stringent disclosure protocols, mandates the presence of genuinely independent directors, enforces periodic stress testing, and requires continuous issuer communication with debt holders and rating agencies. The regime achieves a rare balance: robust investor protection without stifling innovation or over-regulating the debt ecosystem.

Indian HVDLEs stand to gain significantly from assimilating such global best practices. Adoption of RegTech platforms, machine-readable disclosures, and stakeholder-centric engagement mechanisms can serve to emulate Singapore's calibrated efficiency, fostering investor trust and international capital inflows while maintaining governance integrity.

ii) The Convergence of ESG Imperatives and Technological Disruption

Across global financial corridors, a paradigm shift is underway—debt investors are no longer merely assessing creditworthiness; they are demanding sustainable performance. The integration of Environmental, Social, and Governance (ESG) metrics into debt market frameworks is no longer aspirational—it is imperative. Green bonds, sustainability-linked instruments, and ESG-score-weighted indices are redefining capital allocation patterns.

Simultaneously, the infusion of advanced technologies—such as blockchain for traceable bond issuances, smart contracts for covenant enforcement, and artificial intelligence for predictive risk modelling—is revolutionizing the governance landscape. These tools ensure immutable transparency, reduce compliance lag, and empower real-time oversight.

Indian HVDLEs must proactively align with these global transformations. The 2025 LODR amendments—which introduced optional Business Responsibility and Sustainability Reports (BRSR)—offer a springboard. Yet, optionality must evolve into institutional culture. To remain globally competitive, HVDLEs must institutionalize ESG frameworks, adopt tech-enabled compliance solutions, and cultivate a governance ecosystem that is not merely reactive but prescient, adaptive, and principle-driven.

STRATEGIC IMPERATIVES AND PRESCRIPTIVE ACTIONABLE FOR KEY STAKEHOLDERS

i) For Boards and Executive Management: Governance as Fiduciary Command

- **Curated Independent Oversight:** Augment board composition by inducting domain experts with demonstrable expertise in debt capital markets, structured finance, and enterprise risk management. Independence must not be tokenistic—it must be transformative.
- **Techno-Operational Sophistication:** Institutionalize cutting-edge technologies—such as blockchain for tamper-proof debt issuance trails, and AI-driven early warning systems—to reduce opacity, elevate risk predictability, and hardwire accountability.
- **Stakeholder Institutionalization:** Establish structured, recurring investor engagement platforms, including dedicated grievance redressal systems and proactive disclosure regimens, to internalize stakeholder orientation as a non-negotiable governance pillar.

ii) For Company Secretaries: From Compliance Stewards to Strategic Governors

- **Relentless Professional Upgradation:** Company secretaries must undertake specialized certifications in ESG integration, forensic compliance, and capital markets regulation.
- **Thought Leadership in Governance Advocacy:** Act as institutional evangelists for the adoption of globally benchmarked governance protocols. Champion the operationalization of Business Responsibility and Sustainability Reporting (BRSR) and ESG-aligned strategies to future-proof entity credibility.
- **Pre-Emptive Compliance Infrastructure:** Develop resilient internal control systems to facilitate seamless execution of secretarial audits, periodic governance disclosures, and regulatory correspondence-positioning the organization well ahead of enforcement thresholds.

iii) For Debt Investors: From Passive Creditors to Active Guardians

- **Participatory Governance Vigilance:** Institutional and retail debt investors must transcend passive monitoring and engage meaningfully in AGMs, investor concalls, and trustee consultations. Oversight cannot be outsourced—it must be exercised.
- **ESG-Driven Investment Stewardship:** Assertively demand granular ESG metrics, climate risk disclosures, and sustainability-linked debt issuance frameworks. Investor capital must serve as both financial lubricant and governance disciplinarian.

CONCLUSION: CEMENTING GOVERNANCE AS A STRATEGIC IMPERATIVE FOR HVDLEs

The governance architecture for High Value Debt Listed Entities (HVDLEs) has undergone a tectonic recalibration,

ushered in by SEBI's far-sighted and jurisprudentially sound regulatory interventions. The 2021 LODR amendments laid the cornerstone for corporate governance parity between debt and equity markets, while the 2025 reforms introduced critical refinements—raising the definitional threshold to ₹1,000 crore and operationalizing a sunset clause to ensure dynamic regulatory applicability. This transformation is neither cosmetic nor transitional—it signals a decisive pivot toward institutionalizing accountability, transparency, and fiduciary integrity within entities that collectively mobilize the backbone of India's debt capital ecosystem. In this complex regime, Company Secretaries emerge not as passive compliance clerks, but as indispensable fiduciaries and strategic architects, entrusted with translating regulatory texts into boardroom action and stakeholder assurance.

However, the trajectory is not without headwinds. Escalating compliance costs, fragmented institutional capacities, and potential market deterrents underscore the need for calibrated implementation. The onus lies on regulators, boards, compliance officers, and investors to cultivate an ecosystem of constructive regulatory engagement, risk-informed governance, and technological augmentation. A forward-looking governance strategy must not merely meet regulatory minimums; it must exceed them. This demands the integration of ESG metrics, the deployment of regtech and AI for real-time compliance, and the institutionalization of stakeholder stewardship as a board-level agenda.

India's maturing debt markets will only remain resilient if its HVDLEs exemplify trustworthiness, ethical transparency, and governance robustness. The reforms, though transformative, are only as effective as their implementation. As such, the governance of HVDLEs must evolve from being a regulatory obligation to becoming a strategic differentiator.

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Beyond Boilerplate: How Strategic Governance Can Power India's Ascent to a \$5 Trillion Economy

This article argues that achieving India's \$5 trillion economic ambition requires a paradigm shift from reactive, 'boilerplate' compliance to proactive, 'Strategic Governance'. It posits that robust governance is not a cost but a competitive advantage that builds 'Governance Capital'—enhancing trust, lowering capital costs, and attracting global investment. The author presents a three-pillar framework for this transition and revisits the Company Secretary role as a strategic 'Chief Governance Officer'; an essential architect of India's economic future.



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INTRODUCTION

The ambition is as audacious as it is ubiquitous: to propel the Indian economy past the five-trillion-dollar threshold. This number has become more than just reference data—it has become a national rallying cry; a number that brings together our common desire for global economic parity, economic continuity, and a permanent place on the global map. A vision built on pillars of an energized population, digitization, and manufacturing capacity. While this exciting narrative of growth is carrying us forward as a country, corporate governance as an enabler can be overlooked, reduced to a footnote, and treated as a legal liability to be managed.

For many on the ground—in the boardrooms and the operational trenches—governance and its sibling, compliance, exist in a separate reality. They are viewed as a complicated labyrinth of regulations, a cost centre to be managed carefully, a series of boxes to be ticked to keep the regulators and auditors happy.

This piece offers a fundamental rethinking on this dynamic. The time has come to pivot the paradigm from a reactive, boilerplate framework, to a proactive, strategic framework for governance. It is imperative to move beyond viewing governance as a shield that protects against liability and begin wielding it as a spear that creates value, attracts capital, and builds enduring enterprises.

On this transformational path, governance professional is a key player; they are the guardians of corporate conscience, positioned not just to apply the letter of the law, but to advance the spirit of the law. They can help to create a new corporate culture where integrity is not just a policy, but a performance rating - where good governance becomes the greatest lever for growth. The challenge, and the opportunity, is to lead from the front.

THE PARADIGM SHIFT: FROM 'COMPLIANCE COST' TO 'GOVERNANCE CAPITAL'

For decades, the dominant corporate culture has treated compliance as an exercise in risk mitigation, governed by a philosophy of minimalism. This traditional approach, which can be termed as 'Boilerplate Compliance', is characterized by a distinct set of behaviours: it is reactive, triggered primarily by new regulations or crises; it is rule-focused, often leading to a 'tick-box' mentality that satisfies the letter of the law while potentially ignoring its underlying intent; and crucially, it is siloed, operating as a distinct legal or secretarial function isolated from core business strategy and operational decision-making. The primary motivation is the avoidance of penalties, and its language is that of legal statutes and circulars. While this model provided a functional baseline in a less complex era, for a nation aspiring to be a global economic powerhouse, it is now woefully insufficient. It builds a floor, but it cannot build a future.

Instead, a new concept must take its place; **Strategic Governance**. This is not an enhancement of the old; it is a rethinking on its purpose. Strategic Governance is proactive, considering stakeholders' expectations and market signals, rather than just regulatory amendments. It is principle-based and instills a standard of integrity that invites individuals to arrive at the right decision even when one explicitly does not exist. Most importantly, it emerges with a comprehensive corporate strategy, recognised by the board and C-suite as a fundamental enabler of enduring value creation. It is based on ambition not fear; it understands the language of risk, opportunity and stakeholder value.

Ultimately, the end of this journey will see the formation of a powerful though intangible asset; 'Governance Capital'. It can be understood as the aggregation of trust, reputation, and confidence earned by a company from its

stakeholders, particularly investors, customers, employees, and regulators. Similar to financial capital, Governance Capital can be invested, leveraged, and deployed for future returns. A company rich in Governance Capital has a lower cost of debt, a premium on its equity value, ready access to top talent, and a considerably easier time dealing with regulatory agencies. It is the invisible asset that optimizes all other assets. In an uncertain world, it is the great equalizer ultimately recovering value for all stakeholders and elevating it in a world of discerning global investors.

This transition has progressed from being a theoretical discussion to a commercial necessity, and the reasons are pressing and inexorable. The drivers are evident and converging. The type of capital, now available, has changed. FIIs, (foreign institutional investors) and private equity funds, are no longer passive, they are now sophisticated capital partners; they perform extensive due diligence on governance structures before deploying their capital in the billions. The rise of the ESG (Environmental, Social, and Governance) mandate, is now cumulative and it has completely changed the way capital is made available. A company's governance standing is now also a key determinant of its access to the millions in sustainable capital. Finally, the sheer speed and complexity of business risk—ranging from cyber-risk to supply chain risk, etc. require a governance framework that is adaptable and resilient; something a mechanical, generic approach cannot deliver. Indian enterprise must now ask not whether it should move in this direction, but how quickly it can do so.

THE THREE PILLARS OF VALUE CREATION: A FRAMEWORK FOR ACTION

To transition from the abstract ideal of Strategic Governance to concrete practice, boards and executive teams can adopt a framework built on three pillars of value creation. Each pillar represents a distinct dimension of how governance evolves from a cost centre into a strategic asset, moving progressively from a defensive posture to an offensive one.

Pillar I: Fortifying the Foundation - Building Unimpeachable Investor Trust

The first pillar is the non-negotiable bedrock of our framework. It involves mastering the fundamentals of compliance not as a chore, but as the primary mechanism for manufacturing the single most valuable commodity in capital markets: trust. While regulations like the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [LODR] or the SEBI (Prohibition of Insider Trading) Regulations, 2015 [PIT], are often viewed through the lens of their punitive consequences, their true purpose is to create a level, transparent playing field that invites investment.

Earning Investor Trust and confidence, driving operational excellence, and unlocking global capital as an offensive strategy are the three pillars of value creation. Each pillar represents a distinct dimension of how governance evolves from a cost centre into a strategic asset, moving progressively from a defensive posture to an offensive one.

Strategic Governance reconceptualizes the goal. It is not only to avoid the nuisance of a late filing of a disclosure by LODR and the corresponding potential penalty, but also to earn a reputation for dependable, quality disclosure that investors build into the price of the company's stock. It is not just about preventing insider trading or demonstrating that appropriate processes have been followed, but about creating such an ingrained culture of fairness that it becomes part of the company's DNA. Similarly, Related Party Transactions (RPTs) are no longer a procedural obligation to get audit committee approval. They become an opportunity for the company to demonstrate to its minority shareholders that the company will engage in every transaction at arm's length and in the best overall interests of the company, not just to satisfy the promoters' interests.

The economic linkage is direct and significant. Risk and uncertainty are expensive in financial terms. Every question an investor has about a company's disclosures, every shred of doubt an investor has about the fairness of a company's transactions, adds to the total perceived risk of that company. This leads to an increase in the cost of capital for that company, both debt and equity. By building a fortress of unimpeachable compliance, a company is able to systematically de-risk its image in the capital markets. The return on this investment is real: a lower WACC, a higher valuation multiple, and a more consistently stable, loyal investor base. This is the first, and perhaps most fundamental, financial return on good governance.

Pillar II: Driving Operational Excellence - The Internal Value Engine

The second pillar moves the focus inward, from external perception to internal performance. Strategic Governance is not a cosmetic layer for the annual report; it is a high-performance engine at the core of the business. When governance is woven into the operational fabric, it makes the entire organization smarter, faster, and more resilient.

Think about "Criticality of Material Information" under LODR. A boilerplate approach concentrates on the time frame for disclosure of events to the stock exchange. A strategic approach introduces an internal process that establishes how to identify, evaluate, and escalate potentially material information in advance of any of the disclosure triggers. This passes on a 'no surprises' culture to a board when considering how to strategically plan to capitalize on these events rather than just react. It turns a compliance requirement into an internal sophisticated risk and opportunity radar.

Equally important, a strategic mindset around board composition and effectiveness is not just about meeting regulatory quotas for Independent Directors. It is about creating a board that has a diverse matrix of skills—

technology, international markets, risk management—that reflects the company's strategic aspirations. It provides a fervent culture of challenging assumptions, having deep, respectful debate, and pressure testing decisions throughout the company. Again, this is not about governance for governance's sake; it is about leveraging the collective intelligence of the board as a substance weapon of competitive advantage. Organizing for internal advantage results in reduced operational friction, less costly blind spots, and most importantly, rational allocation of organizational resources—disciplined and forward-thinking—with respect to the dollars deployed towards improved profits and sustainable growth.

Pillar III: Unlocking Global Capital - The Offensive Growth Strategy

The third pillar represents the ultimate evolution of governance—from a defensive necessity to an offensive tool for growth. This is where a company leverages its superior governance to actively pursue opportunities and out-compete for the most sought-after resource: patient, long-term global capital.

The emergence of the ESG investing mandate has resulted in an new international marketplace where governance is the top currency; the world's largest sovereign wealth funds, pension funds and asset managers are now directed to invest in companies that will demonstrate good governance. They are not just screening out the worst offences; they are looking for and rewarding the leaders. Strong independent boards, transparent RPT policies, and clear shareholder rights are not simply an ethical consideration for these funds; they are proxies for strong longer-term financial outperformance and lower risk.

An Indian company that can proudly present a world-class governance framework is not just competing with its local players. It is competing for capital with companies in Singapore, London, and New York. By beginning the process of viewing governance as one form of strategic differentiation, it will have access to a more “sticky” type of institutional investor that is less influenced by market volatility and money flows, giving the company access to a deeper pool of more stable capital available globally provides an incredibly powerful advantage: it fuels expansion, innovation, and long-term strategic projects and initiatives that its competitors who are not able to access cheaper capital are unable to do. This is the offensive strength of Strategic Governance - it does not just protect value; it seeks out value by claiming their integrity means their sales pitch is the most valuable globally.

THE VANGUARD OF CHANGE: THE COMPANY SECRETARY AS 'CHIEF GOVERNANCE OFFICER'

The successful implementation of this three-pillar framework is not an automated process; it requires a champion, a conductor, and a conscience within the



organization. While the ultimate responsibility for governance rests with the board, the day-to-day architect and steward of this strategic function is, or should be, the Company Secretary. However, for this to be realized, a conscious evolution of the role itself is necessary—a transition from the traditional perception of a compliance manager to the modern reality of a '**Chief Governance Officer**' (CGO).

This is much more than a change in title; it represents a change in scope, influence and strategic purpose. The CGO is more than the custodian of the rule book, they must be the trusted advisor positioned at the nexus between the board, executive management and key stakeholders. They are at the forefront of this new governance paradigm, with an unusual set of skills that are critical in a contemporary corporate world.

First, the CGO must be a **Translator**. They possess the rare ability to convert the dense, legalistic language of regulations and statutes into the language of business—the language of risk, opportunity, cost, and return on investment. When a new regulation is issued, their value lies not just in explaining *what* it says, but in articulating to the board and the CEO *what it means* for the company's strategy, its competitive positioning, and its financial performance.

Second, they must be a **Strategist**. Moving beyond a reactive posture, the CGO proactively scans the horizon for emerging governance trends, shifting investor expectations, and potential reputational risks. They don't wait for the RPT to be proposed; they help to design the framework that ensures all future RPTs are strategically sound and beyond reproach. They are instrumental in shaping the board's agenda, ensuring that discussions on governance are forward-looking and integrated with long-term business planning.

Third, the CGO is a **Diplomat**. They navigate the often-delicate dynamics between a company's most powerful constituencies. They are the confidential sounding board for Independent Directors, the bridge between the board and the executive team, and a credible voice

of reason for institutional investors. This requires immense emotional intelligence, political astuteness, and an unwavering ethical compass to maintain trust and facilitate constructive dialogue among all parties.

Finally, and perhaps most importantly, the CGO must be a **Storyteller**. In a world saturated with information, a company's governance story must be told clearly, consistently, and compellingly. The CGO is the chief narrator of this story, articulating how the company's principles and practices create long-term value. They shape the narrative in the annual report, in investor presentations, and in board discussions, transforming the abstract concept of "good governance" into a tangible and persuasive account of the company's character and resilience.

Embracing this expanded role is the single greatest opportunity for the Company Secretary profession today. It is a path to greater influence, deeper strategic involvement, and indispensable value creation. By becoming the CGO in substance, if not in name, they cease to be just the guardians of compliance; they become the engines of the company's Governance Capital and key architects of its future.

CONCLUSION

The transition from a developing nation to a \$5 trillion player on the world economic stage is not just an economic transition; it is a shift in maturity, responsibility, and trust. This leap cannot be powered by only innovation and infrastructure. It needs a foundation of unquestionable integrity that starts at the corporate boardroom level. To move from reactive, boilerplate compliance to proactive, thoughtful and strategic governance is not just a 'good practice' but a national economic imperative.

Systematic enhancement of the 'Governance Capital' of a company across the three pillars of: establishing trust; internal excellence; and tapping into global capital, can create deep, sustainable, competitive advantage for Indian companies. They can reduce their cost of capital; increase their valuations; and draw patient capital that supports growth and innovation. In this new world of governance, Company Secretaries are not brakes; they are engines.

The road to a \$5 trillion economy is not solely made of cement and fiber optics, but also of the intangible and priceless elements of transparency, fairness, and accountability. The integrity of our markets will always be a reflection of the integrity of our corporate governance. The objective is clear. Each and every board member, CEO and governance professional is now responsible for instituting this change. The work of building the new India does not just happen in factories and financial models; it begins with the character and conscience of our enterprises. It begins in the boardroom.

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Significance and Importance of Secretarial Standards

Secretarial Standards are a codified set of good governance practices and the main objective of the standards is to harmonize, integrate and standardize the prevalent diverse secretarial practices followed by companies and provide a uniform framework. The article throws light on the efforts of ICSI in constituting a Secretarial Standards Board for framing Secretarial standards and the applicability and benefits of Secretarial Standards to various stakeholders.



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INTRODUCTION

The Companies Act, 2013, promises to bring an ease and efficient way of doing business in India, better governance, improve levels of transparency, enhance accountability, inculcate self-compliance and make corporates socially responsible. Towards this the Companies Act, 2013 (herein after referred to as 'the Act') has brought in several new changes, such as introducing the concept of Independent Director, Woman Director, Resident Director, Code for Independent Directors, duties of Directors, provisions relating to Key Managerial Personnel, Secretarial Audit, tenure of Independent Directors and auditors, Fraud reporting and appointment of Internal Auditor, Related Party Transactions, Entrenchment provisions, Class action suits, Crossborder Mergers, constitution of various Committees, formulation of various Policies, dissemination of information on website of the companies etc. With these measures, the Act, has substantially raised the bar of Corporate Governance.

In addition to the above, the Act has also substantially increased the penal provisions for non-compliance effecting the companies, Directors, Key Managerial Personnel and other officers. To ensure complete compliance, it is to be ensured that robust policies, procedures and board practices are in place. Secretarial Standards come to the rescue of the corporates, its Directors, and Key Managerial Personnel in ensuring the same.

As per law, a company is a legal entity and enjoys many of the rights of an individual person. However, unlike a

real person, a company can't operate on its own as it does not have conscience and physical existence. Hence, it is imperative for it to operate through the Board of Directors which is the highest level of decision-making authority in any organization. At the same time the Board of directors should understand and realize that they are not the owners of the company but hold it in trust for the owners to whom they owe a fiduciary duty. With the separation of ownership from the management, the primary responsibility for running a business with honesty and integrity lies with the Board of Directors. Securing the interests of all shareholders and minority shareholders in particular, is the primary fiduciary duty of the Board of Directors. The Board has to commit itself to meet the aspirations of all stakeholders through robust Board processes. Proper and robust Board processes are a pre-requisite for the true efficiency and effectiveness of the Board.

ROLE AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

An independent, vigorous, and diligent Board of Directors is the key to good Corporate Governance. Boards must move from their traditional advisory roles and have to become active fiduciaries in the exercise of their oversight responsibilities. Independence of the Board is critical in ensuring that the board fulfils its oversight role objectively and holds the management accountable and responsible to all the stakeholders. The concept of Independent Directors was recognized by the Companies Act, 2013 and the Independent Directors are seen as the catalysts of change and have an extremely crucial role in ensuring the quality of corporate governance in a company. They are supposed to be the real guardians, custodians and gatekeepers of Corporate Governance and protects the interests of various stakeholders of the Company.

A director can discharge his duties on the basis of information presented by the management of the company. They can raise red flags only on issues that come to their knowledge in the ordinary course of business and via board processes, and they cannot be expected to conduct roving inquiries. Both the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have entrusted upon enormous and arduous responsibilities on the Board of Directors. Hence, it is the responsibility of the management to provide the directors with qualitative, quantitative, and timely information, to enable the effective functioning of the Board. Well drafted and timely



circulation of agenda with comprehensive and accurate information on the items of agenda to be deliberated at the meetings of the Board and Committees is crucial for the efficient functioning of the Board.

Though the Legislature provides for the Law and the related Rules for its implementation, the processes to enable such implementation are not prescribed. Secretarial Standards aim to provide such processes for the efficient functioning of the Boards and Committees.

IMPORTANCE OF SECRETARIAL STANDARDS

While complying with the provisions of the Act, companies follow different secretarial practices, especially in areas where the Act is silent. Secretarial Standards intends to reduce the ambiguity in law as well as to initiate the best practices of the industry followed over a period of time. Secretarial Standards are a codified set of good governance practices and the main objective of the standards is to harmonize, integrate and standardize the prevalent diverse secretarial practices followed by companies and provide a uniform framework. Secretarial Standards also intends to institutionalize the Board processes which are evolved over a period of time through different phases of time and different business cultures.

Secretarial Standards help in improved governance and compliance, building confidence in the minds of all stakeholders. The fundamental principles with respect to Board Meetings are laid down in the Act. Secretarial Standards facilitate compliance with these principles by endeavouring to provide further clarity where there is

an ambiguity or scope for interpretation and establish benchmark standards to harmonize prevalent diverse practices and to further strengthen them. The quantum and propensity for litigations or risk thereof is directly proportional to the degree of non-adherence to proper procedures and the non-availability of proper records, especially in the case of small and private companies. By the observance of Secretarial Standards such propensity can be reduced, and the risks can be mitigated.

Secretarial Standards do not seek to substitute or supplant any existing laws but strive to supplement such laws for promoting better corporate governance and compliance. The Standards are in addition to and not in substitution of the relevant statutory provisions of the Act. Therefore, in addition to the requirements laid down under any other applicable laws, rules and regulations, Secretarial Standards as mandated under Section 118 (10) of the Act, should be complied with. However, in case of variations in any provisions of the applicable laws and the aforesaid Secretarial Standards, the stricter provisions need to be complied with. The standards are in conformity with the provisions of the Act; however, due to subsequent changes in the Act, a particular standard or any part thereof becomes inconsistent with the Act, the provisions of the Act, shall prevail.

CONSTITUTION OF SECRETARIAL STANDARDS BOARD

The Institute of Company Secretaries of India (ICSI) is the first professional institution in the world to constitute the Secretarial Standards Board (SSB) for developing the Secretarial Standards (SS).

The functions of SSB include:

- 1) Formulating Secretarial Standards.
- 2) Clarifying issues arising out of Secretarial Standards.
- 3) Issuing Guidance Notes for the benefit of the members of the ICSI, corporates and other users.
- 4) Reviewing and updating the Secretarial Standards / Guidance Notes at periodic intervals.

ICSI has released so far, the following four secretarial standards and the guidance notes thereon. Out of this Secretarial Standards 1 and 2 are mandatory and the rest of the two standards are recommendatory. Considering the benefits of the Secretarial Standards several organizations voluntarily comply with the recommendatory standards i.e. 3 and 4.

- SS-1 Secretarial Standard on meetings of the Board of Directors.
- SS-2 Secretarial Standard on General Meetings.
- SS-3 Secretarial Standard on Dividend.
- SS-4 Secretarial Standard on Report of the Board of Directors.

Apart from the above, ICSI has also released four Guidance Notes formulated by the SSB as under:

- Guidance note on Related Party Transactions.
- Guidance note on Corporate Social Responsibility.
- Guidance note on Independent Directors.
- Guidance note on Prevention of Insider Trading.
- Guidance note on Loan to Directors, Loan, Investment, issue of Guarantee and Security by companies.

APPLICABILITY OF SECRETARIAL STANDARDS

In terms of sub-section (10) of Section 118 of the Act, every company is required to observe SS-1 with regard to the meetings of the Board of Directors and SS-2 with regard to General Meetings of the company. SS-1 is applicable to the Meetings of the Board of Directors of all companies incorporated under the Act, including private and small companies, except One Person Companies (OPC) having only one Director on its Board and such other class or classes of companies which are exempted by the Central Government through Notification. As notified by MCA, the Secretarial Standards are not applicable to companies licensed under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous

enactment thereof, provided such companies have not committed a default in filing its Financial Statements or Annual Return with the Registrar of Companies. However, such companies may voluntarily comply with the Standards.

ROLE OF SECRETARIAL STANDARDS

Secretarial Standard 1 (SS-1) – Meetings of the Board of Directors

SS-1 is a contemporary governance tool that aids the Board processes and creates an effective mechanism to make such processes robust and reliable. SS-1 introduces reliable mechanism to guide the Directors and the Company Secretaries on the processes to be observed for Board meetings that facilitates effective, efficient and informative decision-making.

Secretarial Standard 2 (SS-2) – General Meetings

SS-2 strengthens the shareholder democracy by strengthening the mechanism for convening and conducting General Meetings of the Shareholders of the company.

Benefits of Secretarial Standards to various stakeholders

Board of Directors

Secretarial Standards aid the Directors and in particular Independent Directors, in discharging the arduous and enormous responsibilities entrusted upon them by the Act and Listing Regulations. The Standards provide the Directors with robust and comprehensive standardized secretarial processes and procedures which enable them to play their role effectively and efficiently. The following are certain critical aspects where the Act

is silent and which are very helpful to the Directors:

- Every Board meeting shall have a serial number.
- Notice shall inform the Directors about the option available to them to participate in the meeting through electronic mode.
- Agenda and notes on agenda shall be given to the Directors at least seven days before the date of the meeting.
- Proof of dispatch and receipt of the Notice and Agenda shall be maintained.
- Supplementary agenda shall be taken up only with the permission of the Chairman and with the consent of a majority of Directors present at the meeting, which shall include at least one independent director, if any.
- Each business item requiring approval at the meeting shall be supported by a note setting out the details of the proposal.

As notified by MCA, the Secretarial Standards are not applicable to companies licensed under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof, provided such companies have not committed a default in filing its Financial Statements or Annual Return with the Registrar of Companies. However, such companies may voluntarily comply with the Standards.

- Quorum shall be present not only at the commencement of the meeting but throughout the meeting.
- Attendance register shall be maintained which is open for inspection by the Directors.
- Elaborate procedure for passing of resolutions by circulation.
- Detailed methodology for drafting and finalization of Minutes of the meeting.
- Circulation of draft minutes to the Directors within fifteen days of the meeting, inviting their observations/comments, if any.
- Circulation of copy of signed minutes duly certified by the Company Secretary to all Directors.
- Entitlement of Directors to inspect the minutes of the meetings held before the period of his Directorship.
- Entitlement of Directors to inspect the minutes of the meetings held during the period of his Directorship, even after he ceases to be a Director.

Shareholders of the company

- Notice shall contain complete particulars of the venue of the meeting including route map and prominent landmark for easy location.
- Clarity on clear days of notice while sending the notice for General Meetings.
- Proposing and seconding the resolutions at the General Meetings.
- Harmonization of divergent practices in conducting the meetings and maintenance of minutes.
- Minutes should mention the brief background of proposal and rationale behind that decision taken.

Investors of the Company

The Secretarial Standards provides for the enhancing the protection of investors and build the confidence among them about the Company procedures with respect to the matters concerning their interests while according approvals in the General Meetings. The investors like fund managers and overseas investors are concerned about good governance practices, compliance culture and sound procedures.

Necessity of Secretarial Standards for Small and Private Limited companies

- Secretarial Standards applicability will enable such companies to maintain secretarial records and minutes of meetings in a professional manner.
- Reduces propensity of litigations and enables amicable resolution where litigation is inevitable.
- Streamline the procedures of the organization to meet the growth of the organization.
- Sow the seeds of corporate governance norms which enables the smooth conduct of the business.
- Early adoption of the standards will imbibe better compliance and governance culture.

- Enhance the confidence of stakeholders.
- Enhance the image and reputation of the organization in the eyes of the society and other stakeholders.
- Enable the company to go public and unlock the value of the capital held by the promoters of the company.

Functions of a Company Secretary

As provided under the Act, the functions of a Company Secretary include the following:

- To ensure that the company complies with the applicable secretarial standards.
- To provide to the directors of the company collectively and individually, such guidance as they may require, with regard to their duties, responsibilities and powers.
- To facilitate the convening of meeting and attend Board, committee and general meetings and maintain the minutes of these meetings.
- To assist the Board in the conduct of the affairs of the company.
- To assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices.

The Secretarial Standards and the Guidance Notes issued by ICSI enables the Company Secretaries to efficiently discharge their functions as a Company Secretary. It enables the Directors in discharging their duties, responsibilities and accountabilities efficiently and in establishing the Corporate Governance structure and the Compliance Culture across the organization.

CONCLUSION

Compliance with Secretarial Standards would raise the bar of Corporate Governance and enhance the confidence of the shareholders, financial institutions, credit rating agencies, proxy advisories, creditors, customers and lenders of the companies, thereby boosting their credibility and financial strength. The Standards streamline the entire mechanism relating to convening and conducting Board and Shareholder meetings in compliance with the law and best corporate practices. Secretarial Standards help in interpreting the complex issues and save time and energy of the Board and the management for productive aspects. Secretarial Standards help in bringing compliance culture into the small companies and sow the seeds of corporate governance. Finally, we may conclude that true confidence doesn't come from having all the answers and it comes from having the right structures, right clarity and the right conversations in place and Secretarial Standards enable the same.

REFERENCES:

- The Companies Act, 2013.*
- Secretarial Standard -1 and the guidance note thereon.*
- Secretarial Standard - 2 and the guidance note thereon.*



Navigating Maritime Law: Ocean Governance in India

This article describes on the Governance structure of Maritime activities in India and the legal framework, including several statutes, regulations and international obligations. The roles and responsibilities of Company Secretaries in Indian Maritime Companies include filing of various documents, liaising with key authorities, compliance and reporting are elaborated. Further, the article highlights the challenges faced by Company Secretaries in India's Maritime Sector.



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INTRODUCTION

India, with over seven - thousand kilometre coastline, twelve major ports, and over two hundred non-major ports, holds a strategically vital position in global maritime trade. Around 95% of India's foreign trade by volume and 70% by value is carried via sea routes. The maritime sector, thus, forms a cornerstone of the Indian economy, with direct implications on trade, security, environment, and coastal communities. Governance of maritime activities in India is shaped by a complex network of international conventions, national laws and administrative bodies, and corporate maritime entities such as shipping companies, port trusts and logistics firms need to ensure compliance, governance and risk management aligned with the regulatory landscape.

INDIA'S MARITIME LEGAL FRAMEWORK

India's maritime governance is governed by several statutes, regulations, and international obligations, including:

- **The Merchant Shipping Act, 1958**

The Merchant Shipping Act, 1958 is India's principal legislation governing maritime operations. It provides for the registration of Indian ships, safety standards, qualifications of crew, prevention of collisions, and investigation into shipping casualties. This Act ensures that vessels comply with international safety norms and stipulates rules regarding manning and welfare of seafarers. It plays a central role in the overall regulation and administration of the Indian shipping sector.

- **The Indian Ports Act, 1908 and Major Port Trusts Act, 1963**

These Acts provide the legal framework for the functioning and governance of Indian ports. The Indian Ports Act, 1908 governs minor ports, while the Major Port Trusts Act, 1963 lays down the administrative structure and financial control of major ports under central control. These laws ensure efficient operation, maintenance, and development of port infrastructure. They also empower port authorities with regulatory functions and safety oversight.

- **The Maritime Zones of India (Regulation of Fishing by Foreign Vessels) Act, 1981**

This Act defines and regulates India's maritime zones, including territorial waters, the continental shelf, and the Exclusive Economic Zone (EEZ). It grants India the right to explore and exploit marine resources and regulates the entry and fishing activities of foreign vessels in these zones. The legislation is crucial for protecting India's sovereign rights over marine resources. It also supports national security and marine conservation objectives.

- **The Coastal Regulation Zone (CRZ) Notification**

The CRZ Notification, issued under the Environment (Protection) Act, 1986, aims to balance ecological protection with development needs along India's vast coastline. It classifies coastal areas into zones and restricts certain activities such as construction, mining, and industrial development in ecologically sensitive areas. The regulation helps conserve mangroves, coral reefs, and marine biodiversity. It plays a vital role in sustainable coastal zone management.

- **The Marine Pollution (Prevention and Control) Rules under the Environment (Protection) Act, 1986**

These rules aim to control and prevent marine pollution arising from shipping activities and coastal industries. They prescribe standards and procedures for discharge, waste management, and handling hazardous substances. By aligning with international conventions like MARPOL, the rules seek to minimize environmental damage to India's coastal and marine ecosystems. Enforcement agencies monitor compliance and impose penalties for violations.

- **The Inland Vessels Act, 1917**

This Act regulates the operation of inland water transport on rivers, lakes, and canals within India. It provides for the registration, safety standards, manning requirements, and inspection of inland vessels. It facilitates uniformity in inland navigation rules across different states.

- **The Merchant Shipping (Oil Pollution and Salvage) Rules, 1990**

These rules were framed to implement India's commitments under international conventions like MARPOL and the Salvage Convention. They provide detailed procedures for handling oil pollution incidents and salvage operations at sea. Ship owners and operators are held liable for oil spills, and preventive measures are mandated. The rules play a key role in protecting marine life and coastal areas from hazardous spills.

- **The Maritime Labour Convention, 2006 (MLC), ratified by India**

The MLC sets out comprehensive rights and protections for seafarers, covering working conditions, hours of rest, health and safety, and repatriation. India's ratification of the Convention underscores its commitment to international maritime labour standards. The Convention ensures that Indian and foreign seafarers working on Indian-flagged ships receive humane and fair treatment. It strengthens the legal framework for crew welfare and promotes decent work at sea.

India is also a signatory to several International Maritime Organization (IMO) conventions such as SOLAS (Safety of Life at Sea), MARPOL (Pollution Prevention), and UNCLOS (Law of the Sea), which influence domestic policies and company compliance requirements.

MARITIME GOVERNANCE INSTITUTIONS IN INDIA

Several regulatory and administrative bodies govern maritime activities in India as follows:

- **Directorate General of Shipping (DGS)**

The DGS is the apex maritime authority under the Ministry of Ports, Shipping and Waterways. It regulates shipping operations, ship safety, crew welfare, and implements international maritime conventions in India.

- **Major Port Trusts**

These are autonomous bodies managing India's major ports, ensuring their efficient functioning and regulatory compliance. They oversee infrastructure, cargo handling, and port services.

- **Coast Guard**

The Indian Coast Guard is responsible for maritime law enforcement, coastal security, and environmental protection. It also handles search and rescue operations in Indian waters.

- **Customs and Central Pollution Control Board (CPCB)**

Customs ensures compliance with import-export regulations at ports, while CPCB monitors and enforces marine pollution control norms. Both play key roles in maintaining maritime environmental standards.

- **Ministry of Ports, Shipping and Waterways**

This central ministry formulates policies and legislative frameworks for the maritime sector. It oversees port development, shipping regulation, and international maritime cooperation.

ROLE AND RESPONSIBILITIES OF COMPANY SECRETARY IN INDIAN MARITIME COMPANIES

In the Indian context, the Company Secretary's (CSs) role extends beyond traditional corporate governance to include specific responsibilities related to maritime law compliance and governance of waters. Indian maritime companies include ship-owning companies, port trusts, marine logistics firms, and ship management companies. CS acts as a vital link between the Board, regulatory authorities, and operational teams, safeguarding governance and legal compliance.

The Indian maritime sector is subject to a wide array of regulatory requirements stemming from both international conventions and Indian domestic laws. Compliance with these laws is essential for operational legitimacy, safety, environmental protection, and labour welfare. The CS plays a key role in ensuring that maritime companies navigate this regulatory environment efficiently.

1. The Merchant Shipping Act, 1958 and Allied Rules

This Act governs registration, ownership, safety, crew welfare, and other shipping operations. The key requirements include:

- **Ship Registration:** Vessels must be registered with the Registrar of Ships. The CS ensures that all documentation, including tonnage certificates and ownership records, are maintained and updated.
- **Safety Standards:** Ships must comply with safety provisions as per SOLAS implemented under this Act. The CS coordinates with the safety officer and Directorate General of Shipping for certification and surveys.
- **Crew Certification and Welfare:** Compliance with the Maritime Labour Convention (MLC) is ensured through valid certification of seafarers

and adherence to conditions of employment, working hours, and onboard living conditions.

- **Pollution Control:** Under this Act, vessels are required to follow MARPOL annexes for pollution prevention.

The CS ensures that all filings, licenses, and certifications are current, and the company reports any non-compliance or incidents promptly to authorities.

2. The Indian Ports Act, 1908 and Major Port Trusts Act, 1963

It governs administration of ports and regulation of port operations, and the compliance requirements include:

- Obtaining necessary licenses for port operations.
- Abiding by rules related to cargo handling, berth allocation, and tariffs.
- Coordinating audits and inspections from port regulatory bodies.

The CS acts as a liaison for statutory filings and corporate governance within port trusts or private port companies.

3. Coastal Regulation Zone (CRZ) Notification

Under the Environment (Protection) Act, 1986 CRZ governs developmental activities within coastal stretches to protect sensitive ecosystems. Companies undertaking port expansion or coastal development must secure CRZ clearances. The CS coordinates environmental impact assessments (EIA) and ensures

By navigating the complex interplay of Indian statutes, international conventions, and institutional frameworks, the CS helps maritime companies to operate sustainably, legally, and ethically.

compliance with conditions imposed by the Ministry of Environment, Forest and Climate Change.

4. Marine Pollution Regulations

India implements MARPOL through rules framed under the Environment (Protection) Act, 1986. These regulations cover discharge of oil, noxious substances, sewage, and garbage. The CS ensures compliance documentation and reporting to authorities like the Central Pollution Control Board (CPCB) and port pollution control cells.

5. International Maritime Conventions and Indian Compliance

India is party to several IMO conventions, and domestic law incorporates their provisions:

- **SOLAS (Safety of Life at Sea):** Ship safety, lifesaving appliances, fire protection.
- **MARPOL:** Pollution prevention.
- **UNCLOS:** Maritime zones and economic rights.
- **MLC:** Seafarers' welfare.

The CS keeps the Board informed about updates to these conventions and supervises its incorporation into company policies.

6. Labour and Employment Regulations

The MLC mandates minimum working and living standards for seafarers. Indian companies must ensure contracts, wage payments, medical care, and repatriation rights comply with the MLC and Indian labour laws. The CS facilitates liaison with crew unions and ensures statutory compliance.

COMPLIANCE CHECKLIST FOR MARITIME COMPANIES IN INDIA

I. Corporate and Regulatory Filings

Compliance Area	Details / Actions	Frequency / Timeline
Company incorporation and registration.	Ensure company's incorporation documents are updated and filed as per the Companies Act, 2013.	As required
Filing Annual Returns and Financial Statements.	Filing with MCA (Ministry of Corporate Affairs) as per the Companies Act, 2013.	Annually (within prescribed timelines)
Maintenance of statutory registers.	Register of members, directors, charges, and minutes of meetings.	Ongoing
Registration of vessels.	Register all owned vessels with Registrar of Ships under the Merchant Shipping Act, 1958.	At acquisition or commissioning
Filing of vessel registration documents and changes.	File changes in ownership, mortgage, or lien on vessels.	As and when changes occur

II. Maritime Legal Compliance

Compliance Area	Details / Actions	Frequency / Timeline
Compliance with Merchant Shipping Act, 1958.	Ensure vessel registration, tonnage measurement, safety certificates, and statutory surveys are up to date.	Annually / as per survey schedule
Crew certification and welfare.	Verify crew certifications and compliance with Maritime Labour Convention (MLC) standards.	Before voyage commencement, periodic audits are conducted
Compliance with Port Authority Regulations.	Obtain required licenses/permissions from port trusts or authorities.	Before port operations.
Filing returns and compliance reports with Directorate General of Shipping (DGS).	Submit required returns regarding ships, crew and operations.	Periodically (quarterly/ annually)
Adherence to Coastal Regulation Zone (CRZ) norms.	Ensure clearance for coastal development and construction projects.	Before project commencement
Compliance with pollution control regulations (MARPOL).	Maintain records of oil pollution prevention, garbage disposal, and sewage management.	Continuous monitoring and reporting
Maintaining valid ship safety certificates.	SOLAS compliance, fire safety certificates, life-saving appliances checks.	As per DGS survey timelines

III. Environmental Compliance

Compliance Area	Details / Actions	Frequency / Timeline
Environmental Impact Assessment (EIA).	Conduct and file EIA reports as per the Ministry of Environment, Forest and Climate Change.	Prior to port or coastal projects
Pollution control monitoring	Monitor emissions, effluents, and waste disposal as per CPCB guidelines.	Monthly / quarterly reporting
Oil spill contingency planning	Maintain and update oil spill response plans.	Annually
Waste management compliance	Follow MARPOL Annex V for garbage disposal, including segregation and documentation.	Ongoing

IV. Safety and Security Compliance

Compliance Area	Details / Actions	Frequency / Timeline
Safety drills and training.	Conduct regular fire, man overboard, and emergency drills for crew.	Monthly / quarterly
Compliance with ISPS Code (International Ship and Port Facility Security).	Maintain security protocols as per International Ship and Port Facility Security Code.	Continuous
Compliance with DG Shipping safety audits.	Facilitate safety inspections and implement recommendations.	Annually / as required
Crew medical fitness certification.	Ensure all crew members have valid medical certificates.	Prior to deployment

V. Labor and Employment Compliance

Compliance Area	Details / Actions	Frequency / Timeline
Crew employment contracts.	Ensure all crew have contracts compliant with Maritime Labour Convention (MLC).	Before employment
Wage payment compliance.	Timely payment of wages and allowances as per MLC and Indian labour laws.	Monthly
Grievance redressal mechanism.	Establish a process for addressing crew complaints and disputes.	Ongoing
Repatriation and medical care.	Ensure timely repatriation and access to medical facilities as per MLC.	As needed

VI. Insurance and Risk Management

Compliance Area	Details / Actions	Frequency / Timeline
Marine insurance policies.	Maintain hull, cargo, and liability insurance coverage.	Annual renewal
Incident reporting and claims management.	Report accidents, pollution incidents, and file insurance claims.	Immediately after the incident
Safety audits and risk assessments.	Conduct regular risk assessments and internal audits.	Bi-annual / annually

VII. Corporate Governance and Reporting

Compliance Area	Details / Actions	Frequency / Timeline
Board meetings and disclosures.	Ensure regular Board meetings with maritime compliance updates.	Quarterly / annually
Preparation of Compliance Reports.	Draft compliance reports integrating maritime, environmental, and safety norms for Board review.	Annually / as required
Corporate Social Responsibility (CSR).	Implement CSR initiatives related to coastal community development and environmental sustainability.	Annual reporting
Stakeholder communication.	Maintain transparent communication with regulators, investors, and public.	Ongoing

VIII. Liaison and Coordination

Compliance Area	Details / Actions	Frequency / Timeline
Communication with Directorate General of Shipping.	Submit all regulatory filings, respond to queries, and participate in inspections.	As required
Coordination with Port Authorities.	Obtain operational permits, clearances, and resolve operational issues.	Ongoing
Engagement with Pollution Control Authorities.	Submit environmental reports and comply with notices.	Periodic
Interaction with Customs and Security Agencies.	Compliance with customs clearance and maritime security regulations.	As required

IX. Training and Capacity Building

Compliance Area	Details / Actions	Frequency / Timeline
Training on maritime laws and compliance.	Organize workshops and training sessions for the Board, management, and crew.	Annually
Updates on regulatory changes.	Disseminate circulars and guidance on changes in maritime, environmental, and safety laws.	Ongoing
Technical training on safety and pollution control.	Coordinate with experts for technical and operational training.	Periodic

This checklist assists the CS and management in establishing a robust compliance framework within maritime companies operating in India. It helps to mitigate legal risks, ensures operational continuity, and reinforces corporate governance aligned with maritime laws and environmental stewardship.

CHALLENGES FACED BY COMPANY SECRETARIES IN INDIA'S MARITIME SECTOR

The challenges faced in this industry include the following:

- **Complex Regulatory Environment:** Navigating between Indian statutes, international conventions,

and state-level regulations demands specialized knowledge.

- **Multiplicity of Authorities:** Coordination with diverse bodies such as DGS, port trusts, customs, and pollution boards can be bureaucratically challenging.
- **Evolving Environmental Norms:** Increasingly stringent pollution controls and sustainability mandates require continuous compliance updates.
- **Technological Changes:** Adoption of digital shipping documentation and compliance tools requires CS to upgrade technical competencies.

- **Geopolitical Sensitivities:** Maritime operations in the Indian Ocean face security and diplomatic challenges affecting governance.

IMPORTANCE OF CONTINUOUS LEARNING AND PROFESSIONAL DEVELOPMENT IN MARITIME GOVERNANCE

CS needs to proactively:

- attend seminars and training programs on **Indian maritime law and international conventions**;
- engage with **industry forums** like the Indian Ports Association and Shipping Corporation of India for best practices;
- collaborate with maritime legal experts for complex regulatory advice;
- stay updated with IMO circulars and Government of India policy changes; and
- develop technical expertise in digital maritime governance systems.

Continuous professional development empowers the individual to anticipate regulatory changes and guide companies effectively.

FUTURE TRENDS IMPACTING THE ROLE OF COMPANY SECRETARY IN INDIAN MARITIME GOVERNANCE

1. Digitalization of Shipping and Port Operations

With initiatives like the Sagarmala Programme and National Logistics Portal (Marine), digital systems are becoming integral to port and shipping operations. CS will be expected to ensure adherence to digital compliance norms, data protection regulations, and cybersecurity protocols. Their role will expand to advising on e-documentation, smart contracts, and regulatory technology (RegTech) integration.

2. Environmental Sustainability and Green Shipping

India's growing focus on eco-friendly maritime practices will require companies to adopt and report on green initiatives such as emission controls, ballast water treatment, and energy-efficient vessels. CS will play a key role in ESG (Environmental, Social, Governance) reporting, compliance with global environmental conventions like MARPOL, and advising boards on sustainability disclosures.

3. Public-Private Partnerships (PPP) in Ports

As private sector participation increases in port infrastructure and operations, governance becomes more layered and complex. CSs will need to navigate multi-party agreements, manage legal risks, and ensure transparency and accountability in project implementation. They will also be crucial in ensuring compliance with concession agreements and dispute resolution mechanisms.

4. Geopolitical Developments in the Indo-Pacific Region

Heightened maritime security concerns in the Indo-Pacific have led to tighter laws around port access, vessel tracking, and foreign vessel inspections. CSs must ensure companies comply with national security laws, coordinate with maritime authorities, and maintain due diligence on cross-border operations. Their advisory role will extend to risk management in high-sensitivity zones.

5. Increasing Global Trade and Maritime Finance

With India's expanding global maritime trade footprint, companies are increasingly exposed to international regulations on shipping finance, chartering, and trade sanctions. CSs will need to ensure compliance with foreign exchange laws, international trade finance norms, and maritime insurance and arbitration frameworks. They will also support the governance of cross-border joint ventures and structured finance instruments.

CONCLUSION

In India's burgeoning maritime sector, the CS's role is pivotal in guarding governance of waters through rigorous compliance with maritime laws, robust corporate governance, and proactive stakeholder engagement. By navigating the complex interplay of Indian statutes, international conventions, and institutional frameworks, the CS helps maritime companies to operate sustainably, legally, and ethically.

As India advances its maritime infrastructure and international shipping presence, the CS's expertise in maritime governance will continue to be indispensable. Through continuous learning, strategic advisory, and vigilant compliance management, CS will remain the stalwart's guarding governance of the nation's waters.

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ESG Audit: Placing Sustainability at the Centre

Unquestionably, Environmental, Social, and Governance (ESG) audits have emerged as a crucial process in the contemporary framework of corporate accountability. Instead of just claiming the implementation of ESG, an ESG Audit shows that organisations are doing so with integrity. In this era of heightened stakeholder scrutiny, ESG Audits offer a methodical approach to support and enhance corporate sustainability performance. This article covers the evolution of ESG Auditing, international frameworks and standards, the benefits and drawbacks for each party, and the transformative role of emerging technology. It highlights how ESG Audits put sustainability at the centre of corporate governance by referencing empirical data, case studies, and regulatory trends. It concludes by making the case that, in a changing world, obtaining ESG Audits will become more and more important than Financial Audits for long-term business resilience and adaptability.



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INTRODUCTION

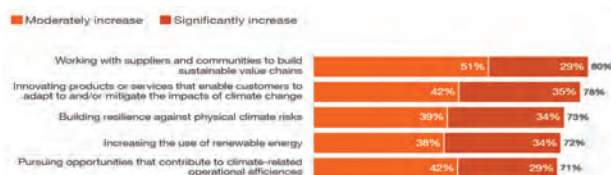
A decade ago, sustainability was not so popular; today, it is an important part of an entity's strategy and financial function. A company's influence on the environment, society, and governance structures must be transparent and responsible to all stakeholders. ESG audits validate the genuineness of an entity's sustainability claim.

EVOLUTION OF ESG AUDITING

The concept of Environmental, Social, and Governance (ESG) auditing has evolved with corporate sustainability reporting. The CSR reports submitted by the entities lacked credibility, standardisation, and comparability. The 2008 global financial crisis and growing awareness of climate risks urged the integration of ESG into corporate strategy. Various stakeholders started demanding regular ESG reporting. Programs such as the UN Principles for Responsible Investment (UNPRI) and regulatory agencies established frameworks like the Task Force on Climate-Related Financial Disclosures (TCFD) and the EU Non-Financial Reporting Directive (NFRD) led to the stricter Corporate Sustainability Reporting Directive (CSRD). All these made ESG audits an essential component of corporate governance.

INVESTOR PERSPECTIVES ON ESG ASSURANCE

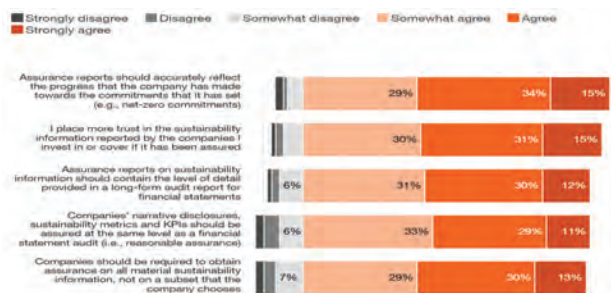
Table 1: Most investors would increase their investment in companies taking climate-related actions



Question: To what extent would you increase your investment in companies that are taking the following climate-related actions?
Note: Percentages shown in charts may not match the total figure due to rounding.
Base: 309

Source: PwC's Global Investor Survey 2024

Table 2: Most investors agree that sustainability reporting should be assured at the same level as financial reporting



Question: Please indicate how much you agree or disagree with the following statements.

Source: PwC's Global Investor Survey 2024

ESG AUDIT FRAMEWORKS AND STANDARDS

The frameworks and standards that govern the collection, disclosure, and assurance of ESG data form the foundation of any ESG audit. To improve consistency, transparency, and comparability across sectors and jurisdictions, various international organisations have developed ESG reporting standards over time.

a. Key ESG Frameworks

Several frameworks are prominent in ESG auditing:

- **Global Reporting Initiative (GRI):** One of the most widely used standards worldwide, GRI emphasises materiality from a stakeholder perspective. It provides sector-specific modules that help organisations identify and report the most relevant ESG issues.
- **Sustainability Accounting Standards Board (SASB):** SASB standards focus on financial material, Environmental, Social, and Governance (ESG) issues by industry. It is investor-oriented and is often used in conjunction with other reporting standards.
- **Task Force on Climate-related Financial Disclosures (TCFD):** The TCFD offers a framework for disclosing climate-related financial risks structured around governance, strategy, risk management, and metrics/targets.
- **International Sustainability Standards Board (ISSB):** Recently established under the IFRS Foundation, the ISSB aims to provide a global baseline for sustainability disclosures. Its IFRS S1 and S2 standards integrate climate and general sustainability disclosures.
- **AA1000 Assurance Standard (AA1000AS):** Developed by Accountability, this standard provides principles-based ESG assurance, focusing on inclusivity, materiality, responsiveness, and impact.

To improve consistency, transparency, and comparability across sectors and jurisdictions, various international organisations have developed ESG reporting standards over time.

b. Assurance Levels in ESG Audits

There are typically two levels of ESG assurance:

- **Limited Assurance:** Auditors assess plausibility through analytical procedures and limited evidence gathering. This is less intensive but increasingly common for early-stage ESG adopters.
- **Reasonable Assurance:** This is equivalent in rigour to a financial audit and requires substantive testing and validation of ESG data and controls.

An ESG audit may include evaluating carbon emissions, gender pay gaps, board independence, supply chain human rights risks, and other relevant factors. The materiality of each factor determines the rigour and scope of the audit. Firms increasingly seek dual audits of their financial and ESG performance for credibility. Internationally compliant ESG audits are more transparent, less likely to result in legal action and increase investor trust.

ESG AUDIT METHODOLOGIES

ESG audits require a multi-disciplinary approach, utilising both quantitative and qualitative evaluations and financial audits.

c. Risk-Based Approach

ESG audit planning typically begins with a materiality assessment identifying high-risk ESG issues based on the company's sector, geography, stakeholder engagement, and prior incidents. For instance, carbon emissions and water use are more material for a mining company than a financial services firm. Auditors evaluate whether the organisation has correctly identified and prioritised its material ESG topics using stakeholder input, peer benchmarking, and industry standards.

Risk-based approaches also account for emerging threats such as climate-related litigation, biodiversity loss, regulatory fines, and labour abuse in supply chains. Underreporting such risks can harm a company's reputation and finances by misleading regulators or investors.

d. Data Verification and Controls Testing

Data verification is one of the most crucial elements of an ESG audit. ESG data is collected from various sources, including environmental sensors, HR management systems, procurement databases, and employee surveys. Auditors evaluate whether data is complete, accurate, consistent, and up

to date.

e. Key areas of testing include

- Emissions factors and calculation methodologies (e.g., Scope 1, 2, and 3 carbon data).
- Diversity and inclusion statistics, including gender and minority representation.
- Supply chain compliance with human rights policies.
- Health and safety records.
- Stakeholder engagement metrics.

Stakeholder engagement is assessed by checking the responsibilities assigned to sustainability teams, conducting periodic reviews, using an escalation matrix, and aligning with top management.

f. Stakeholder Interviews and Site Visits

Unlike purely document-driven audits, ESG audits often require qualitative validation through stakeholder interviews. Auditors may speak with employees, contractors, community members, and suppliers to assess whether reported ESG practices reflect on-the-

ground realities. Site visits offer additional evidence of compliance or misalignment in industries with high environmental or social risks, such as apparel, mining, or agribusiness.

g. Cross-Functional Collaboration

Since ESG impacts finance, HR, operations, legal, and sustainability teams, ESG audits require a multi-departmental approach to be successful. Audit results need to be interpreted in the context of business models, regulatory risks, and stakeholder expectations.

ESG AUDIT IN PRACTICE: GLOBAL TRENDS

ESG audit practices vary globally due to cultural, regulatory, and market differences.

• Europe

Europe was at the forefront of developing ESG laws and auditing standards. The Non-Financial Reporting Directive (NFRD) of the European Union (EU) has required large entities to disclose environmental, social, and governance (ESG) data since 2018. It was replaced by the Corporate Sustainability Reporting Directive (CSRD) in 2023, bringing over 50,000 businesses under it. Countries like Sweden, France, and Germany also require ESG audits for their companies. In Germany, the Supply Chain Due Diligence Act (2023) required entities to evaluate their supply chains' environmental and human rights risks.

• North America

U.S. Securities and Exchange Commission (SEC) proposed disclosure of climate-related risks. Large companies like Apple, Microsoft, and BlackRock have begun verifying their ESG disclosures through third-party audits.

In Canada, The Office of the Superintendent of Financial Institutions (OSFI) has released guidelines for financial institutions on managing and disclosing climate-related risk.

• Asia-Pacific

In Japan, ESG disclosures are mandated by the Tokyo Stock Exchange in line with the TCFD. South Korea's Financial Services Commission also plans to mandate ESG disclosures for all KOSPI-listed firms by 2030. China has issued ESG guidelines through the China Securities Regulatory Commission (CSRC) and is piloting ESG audits among state-owned enterprises.

India's Securities and Exchange Board (SEBI) has mandated Business Responsibility and Sustainability Reports (BRSR) for the top 1,000 listed firms. While third-party assurance is not yet compulsory, many companies have voluntarily adopted it to strengthen stakeholder trust.

• Latin America and Africa

In July 2020, the Colombian Stock Exchange partnered with the Global Reporting Initiative to launch the Guide for preparing ESG Reports for Issuers in Colombia. In November 2021,

Chile's Financial Market Commission (CMF) promulgated General Rule No. 461, which requires specific issuers to disclose their sustainability and corporate governance performance in their annual reports, in accordance with the Sustainable Accounting Standards Board (SASB) framework.

Brazil, the predominant economic force in the region, has recently declared a notable progression in its ESG strategy. The Brazilian Ministry of Finance and the Securities and Exchange Commission declared their intention to integrate the International Sustainability Standards Board's International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (IFRS S1 and IFRS S2) into the national regulatory framework, establishing Brazil as the inaugural country in the region to pursue this initiative.

ESG AUDIT BENEFITS

ESG audits provide multiple benefits apart from compliance, as follows: -

• Enhanced Credibility and Stakeholder Trust

Corporate disclosures gain credibility when a third party verifies ESG data. Audited ESG reports are a sign of accountability and integrity in a world where greenwashing is rampant. Verified ESG data is becoming increasingly important to investors as they allocate capital. More than 79% of investors want ESG reports to be audited, per a 2023 PwC Global Investor Survey. Companies with ESG audits gain better relations with communities, NGOs, and regulators, particularly in industries with significant environmental or social risks.

• Improved Risk Management

ESG audits assist in identifying and reducing significant risks associated with supply chain dependencies, labour practices, corruption, and environmental impact. Audits help in finding discrepancies between policy and practice so that businesses can take proactive measures to close these gaps. It will help to avoid any future disputes or legal action.

• Strategic Alignment and Performance Enhancement

A detailed ESG audit will identify whether sustainability is well-aligned with business strategy and stakeholder expectations. Some visibility into where improvements are needed can be achieved through maturity assessments, benchmarking, and gap analysis. For example, an audit may reveal that

diversity and inclusion efforts are documented in policy but lack measurable key performance indicators (KPIs) or performance tracking. It allows businesses to recalibrate their strategic objectives so that sustainability ambitions are specific, measurable, achievable, realistic, and time-based (SMART).

- **Financial Benefits and Access to Capital**

Businesses that receive ESG assurance often experience improved access to sustainable financing and lower capital costs. Credible reporting is usually required for ESG investment funds, sustainability-linked loans, and green bonds. This requirement is met by an ESG audit, indicating that the business is prepared for responsible investing. This requirement is met, and an ESG audit indicates the company's preparedness for responsible investing. Businesses with guaranteed ESG disclosures exhibit greater total factor productivity and draw in long-term institutional investors, claim Xue et al. (2024).

- **Internal Cultural Shifts**

ESG audits help businesses to create a culture that is responsible and sustainable. Coordination at all organisational levels is required to incorporate ESG considerations into daily operations, corporate governance, and decision-making.

CHALLENGES IN ESG AUDITING

Implementing ESG audits comes with several challenges that must be tackled to ensure their effectiveness.

- **Lack of Consistent and Reliable Data**

The main problem in ESG audits is the absence of reliable and transparent data. ESG data differ in formats and are mostly self-disclosed and unaudited. This data inconsistency makes it difficult to compare ESG performance over different periods or among companies.

For example, scope three emissions, which are the indirect emissions from a business's supply chain, are challenging to monitor and validate due to a lack of data traceability and limited disclosure by suppliers. Further, verifying community involvement or ethical sourcing is difficult, which lacks quantitative evidence.

- **Limited Auditor Expertise and Capacity**

Limited audit firms are equipped to handle complex issues such as labour rights, biodiversity risks, and climate modelling. This shortage of certified ESG auditors poses serious challenges.

- **Lack of Global Regulatory Convergence**

There is a huge difference in disclosure standards across nations, which causes difficulties for multinational firms' operations in several regions.

For example, an entity might be required to follow the US SEC's climate disclosures, the EU's CSRD, and India's BRSR framework. Which varies in their scopes and disclosure obligations.

- **Risk of Greenwashing and Legal Liabilities**

Greenwashing, in which businesses exaggerate their sustainability performance, can result from superficial or badly executed ESG audits. Inaccurate audits put businesses and auditors at significant legal risk, as stakeholders increasingly rely on ESG data to inform investment and regulatory decisions. In the EU, the CSRD requires limited assurance at first but will move towards reasonable assurance, raising the standards for audit quality.

- **Assurance of Independence and Conflicts of Interest**

Some companies engage their financial auditors for ESG assurance, raising questions about independence. If the same firm audits both financial and non-financial data, conflicts of interest may arise, especially if ESG metrics influence executive compensation or stock prices. Regulators are increasingly scrutinising auditor independence in ESG engagements.

Addressing these challenges will require investment in technology, cross-border collaboration, auditor capacity-building, and the development of consistent global assurance standards. Only then can ESG audits achieve their full potential as instruments of accountability and trust.

ESG INTEGRATION WITH FINANCIAL AUDITS

Both Companies and regulators are realising the necessity of integrated audit procedures that connect financial and non-financial disclosures, as ESG factors have a growing impact on financial performance and valuation.

- **Rationale for Integration**

ESG risks ranging from climate liabilities and supply chain disruptions to governance failures have direct financial consequences. For example, environmental fines, employee lawsuits, and reputational damage can materially affect earnings and investor confidence. Consequently, ESG-related information must be subject to the same level of scrutiny and internal control as financial data.

- **The Role of Double Materiality**

One of the key principles of ESG-financial audit integration is 'double materiality.' Introduced under the EU CSRD, this concept states that companies must report on both.



Financial Materiality: ESG factors that affect the company's financial performance. **Environmental and Social Materiality:** The company's impact on the environment and society, even if these do not yet affect its bottom line.

Double materiality expands the focus of traditional audits and requires companies to consider their role in global sustainability challenges.

- **Emerging Assurance Models and Regulatory Trends**

Standard-setting bodies, such as the International Auditing and Assurance Standards Board (IAASB) and the International Organisation of Supreme Audit Institutions (INTOSAI), are developing guidance for integrated assurance models. In the meantime, to ensure coherence between the two domains, audit firms are introducing dual-track engagement models that audit financial and ESG statements simultaneously.

The IFRS Foundation's ISSB initiative also supports convergence by proposing climate-related disclosures under IFRS S2, which mirror financial risk disclosures. These efforts pave the way for ESG information to be fully embedded in corporate filings and audited with similar diligence.

THE FUTURE OF ESG AUDITING

ESG auditing is changing due to changing standards and rising stakeholder expectations.

- **Digital Transformation and Automation**

New technologies are changing ESG audits by improving their scope, accuracy, and speed. AI and

machine learning allow real-time data analysis, tracking reputational risks through social media, detecting deforestation with satellite images, and assessing supplier ESG performance. Blockchain also boosts data integrity by recording ESG events, like audits or carbon offsets, on decentralised ledgers. This lowers the risk of fraud and ensures clear, verifiable compliance.

- **Industry-Specific Assurance Frameworks**

There will be an increase in the customisation of ESG audit methodologies by various industries. Industries with distinct ESG risks, such as mining, oil and gas, fast fashion, and agriculture, require specialised auditing techniques. For instance, an apparel company may be audited for its labour rights enforcement in Tier 3 suppliers. In contrast, a bank's ESG audit would focus on the environmental exposure of its lending portfolio.

- **ESG Audits for SMEs and Private Firms**

To date, ESG audits have been largely concentrated among publicly listed multinationals. The next stage, however, will entail extending ESG assurance to privately held businesses and small and medium-sized businesses (SMEs).

- **Regulatory and Market Harmonisation**

For ESG audits to scale and produce reliable results, sustainability standards must converge globally. Companies will profit from internationally harmonised frameworks that eliminate duplication, enhance comparability, and lower audit costs

as ESG assurance becomes required in more jurisdictions.

- **Toward Real-Time and Predictive ESG Auditing**

Predictive and real-time models will be used in future audits. IoT sensors, ESG dashboards, and data analytics tools will continuously monitor sustainability performance.

Businesses will be able to foresee and proactively address new risks, such as supply chain interruptions or climate change, with predictive ESG auditing. This improves resilience, agile decision-making, and strategic foresight. The ultimate goal of ESG auditing is to support sustainable leadership, not merely confirm historical performance.

OPPORTUNITIES IN ESG AUDIT FOR COMPANY SECRETARIES

Companies are under more and more pressure to share non-financial performance metrics because of regulatory frameworks like the SEBI BRSR (Business Responsibility and Sustainability Reporting), the EU's CSRD, and changing global standards from the IFRS Sustainability Standards (ISSB) and GRI. ESG compliance is no longer optional; it is now a requirement for compliance and an expectation of stakeholders.

This change opens up new job opportunities for Company Secretaries, especially in the areas of risk assessment, ESG audit, and sustainability governance.

Below are some of the areas Company Secretaries can make careers: -

- a. **Governance Oversight & ESG Policy Frameworks**

- ◆ Drafting, reviewing, and certifying policies related to ESG, such as the Code of Conduct, the Whistleblower policy, the Diversity policy, the Anti-Bribery policy, and the Human Rights policy.
- ◆ Helping to set up ESG Committees or integrate ESG to existing Board-level committees.
- ◆ Giving advice on what the Board should disclose about ESG oversight under the SEBI/Companies Act.

- b. **ESG Assurance and Audit Support**

- ◆ Conducting internal ESG audits to ensure the data in sustainability reports is correct.
- ◆ Assisting statutory auditors in ESG assurance, especially in the governance and social aspects.

- c. **ESG Risk Identification & Management**

- ◆ Advising companies on ESG risks related to governance, such as stakeholder activism,

compliance gaps, or board composition.

- ◆ Conducting gap analyses between current practices and Indian/ global ESG benchmarks.
- ◆ Supporting risk committees in developing ESG risk heat maps and plans for how to deal with them.

- d. **Training & Capacity Building**

- ◆ Designing and running programs to teach Board members, KMPs, and management teams about ESG reporting.
- ◆ Making checklists or guidance notes for small and medium businesses and startups on how to comply with ESG rules.

- e. **Emerging Roles**

- ◆ Working with environmental scientists, data analysts, and impact assessment experts can improve the range of services.
- ◆ CS firms can also evolve into multi-disciplinary ESG consulting firms, providing integrated audit and advisory support.

To capture these opportunities, Company Secretaries must equip themselves with courses offered on ESG by various institutes like ICSI, ACCA, CFA and other global institutions.

CONCLUSION

ESG audits reduce regulatory and reputational risks while fostering stakeholder trust through independent verification. Their evolution towards real-time, technology-enabled models, adoption across industries and regions, and integration with financial audits highlight their increasing necessity in the global business environment.

Businesses often undergo ESG audits to enhance or improve their ESG scores, facilitating easier and less expensive capital access and enabling the business to be listed on major indexes, such as the FTSE and MSCI. The market is home to various ESG rating agencies, including ISS-ESG, MSCI, and Sustainalytics.

All things considered, ESG audits have evolved from a specialised function to a global corporate governance norm. By meeting the needs of investors, regulators, and civil society, companies that proactively implement ESG assurance procedures gain a competitive edge.

Companies that actively incorporate ESG audits into their operations will be better equipped to satisfy the needs of investors, regulators, and society in the future. They will also be able to innovate, create value, and be resilient over the long run.

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Call For ARTICLES

Call For Articles in CS Journal – September 2025 Issue



Licensing and Registration : Labour and Environmental Laws

Promoting ease of Doing business is not only a government agenda, but the need of a healthy nation. The goal of good governance cannot be achieved unless the compliance requirements are met. In such a scenario, it is inevitable that the processes and procedures are not only well understood but adhered to the last dot.

As Company Secretaries, professionals of the brigade are expected to handhold and guide not only in matters of company law but rather each and every law encasing the India Inc. In view of the same and more, we are pleased to inform you that the **September 2025** issue of Chartered Secretary Journal will be devoted to the theme **Licensing, Registration & Regulation: Labour and Environmental Laws** covering *inter alia* the following aspects:

Licensing Registration and Regulations:	
Labour Laws	Environmental Laws
Law of Welfare & Working Condition : The Factories Act Contract Labour (Regulation and Abolition) Act The Child and Adolescent Labour (Prohibition and Regulation) Act	Environment (Protection) Act, 1986
Law of Industrial Relations : Industrial Disputes Act Industrial Employment (Standing Orders) Act	Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981
Law of Wages : Payment of Wages Act Minimum Wages Act Payment of Bonus Act Equal Remuneration Act	the Forest (Conservation) Act, 1980, and the Wildlife (Protection) Act, 1972
Social Security Legislations : Employees' State Insurance Act Employees' Provident Funds and Miscellaneous Provisions Act Maternity Benefit Act The Payment of Gratuity Act Apprentices Act, The Labour Laws (Simplification of Procedure for furnishing Returns and Maintaining Registers by Certain Establishments) Act	Coastal Regulation Zone Notification Public Liability Insurance Act, 1991

And many more...

Members and other readers desirous of contributing articles may send the same latest by **Monday, August 25, 2025** at cs.journal@icsi.edu for September 2025 issue of Chartered Secretary Journal.

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

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

Regards,

Team ICSI

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2. Each author should submit only one article for respective issue.
3. The article must be original contribution of the author.
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5. The article must not have been published elsewhere, and must not have been or must not be sent elsewhere for publication, in the same or substantially the same form.
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RESEARCH CORNER



- FROM ROUTINE TO RESTRICTED: EXPANDING SCOPE OF UPSI UNDER SEBI 2025 AMENDMENT

From Routine to Restricted: Expanding Scope of UPSI Under SEBI 2025 Amendment

Securities and Exchange Board of India (SEBI) plays a primary role in regulating and governing capital markets in India and is entrusted with protecting the interests of investors and the promotion of fair-dealing by undertaking strong surveillance of securities trading and corporate disclosures. A key element of its regulation includes insider trading regulations that are based on the concept of Unpublished Price Sensitive Information (UPSI), about a business or the securities of an entity, not publicly available, but are intended to show a significant impact on price in the event of disclosure.¹ This principle was originally enshrined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), but all that led to a paradigm shift in the year 2025. SEBI came up with a prescriptive deemed UPSI regime, with a wider, much more event-based definition of identifying UPSI, abandoning the customary price sensitivity test and a pre-determined list of events being automatically deemed as UPSI.²



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INTRODUCTION

Regulatory Progression Timeline

The evolution of the 2025 amendments in PIT regulations underscores SEBI's consultative philosophy and the inherent legal challenges in managing disclosures in a capital market.³ The initial preliminary draft was the consultation paper issued by SEBI on May 18, 2023⁴, suggesting widening of the UPSI categories and their close correspondence to the term material events, as is considered in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), in particular, defining them with reference to the Regulation 30 of LODR that identifies material events.⁵ But robust input by the stakeholders cautioned that all-out incorporation of all

material events would quench customary business and cause regulatory excess. Addressing these concerns, the second consultation paper was published on November 09, 2024, that further sharpened its stance: only material events that are demonstrated empirically to shift markets would be central to the new definition of UPSI or those which are reasonably likely to move it in Indian markets.⁶ Taking feedback into consideration, SEBI officially published on March 11, 2025, that got notified in the official gazette the following day, giving the market players a statutory 90-day period of adjustment, which therefore meant that the effective date was June 09, 2025.⁷ It is a must to know this chronological order to know not only the spirit but also the practical impact of the amendments.

LEGAL TRANSFORMATION OF UPSI UNDER SEBI

Since its introduction, *Regulation 2(1)(n) of the 2015 PIT Regulations*⁸ offered an extensive and principle-based definition of UPSI - *any information that was company-related or securities-related, and not often published to the general public, where information disclosure was likely to result in a materially significant difference in price*. The regulations had a descriptive list, though they emphasized price sensitivity as the key factor. With time, the experience of SEBI in enforcement identified major gaps, namely, the fact that the companies did not always treat market-moving developments as UPSI (as demonstrated through an analysis by SEBI of more than 1,000 press releases, none of which resulted in UPSI identification in spite of the developments being accompanied by substantial price movements immediately after those disclosures).⁹ *Such*

¹ Ibid.

² Dheeresh Kumar Dwivedi, 'Insider Trading Regulations, 2015 – Doomed to Failure?', (2022) 6 NLIU L Rev 30.

³ Arnav Gulati, 'Exploring the Role of Motive in Insider Trading: A Case Study of SEBI v. Abhijit Rajan and Its Implications for India's Legal Framework', (2024) 13 NLIU L Rev 112.

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⁵ "Elements of Effective Insider Trading Regulations: A Comparative Analysis of India and U.S.A' (Dec 2020) 1 Int'l J Econ & Res.

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⁷ SEBI (Prohibition of Insider Trading) Regulations, 2015, Reg 2(1)(n), as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2025, (March 11, 2025). Available at: https://www.sebi.gov.in/legal/regulations/mar-2025/securities-and-exchange-board-of-india-prohibition-of-insider-trading-amendment-regulations-2025_92645.html.

⁸ Ibid, Reg. 2(1)(n).

realist ambiguity, in combination with a potential risk of under-disclosure, prompted SEBI to directly incorporate what can be singled out as the materiality guidelines in Schedule III of the LODR Regulations into the PIT framework, thus merging the two main pillars of the disclosure regime.¹⁰ Notably, also included in the amendment is several explicit cross-references to the definition of certain terms in LODR Schedule III, 'Fraud' and 'Default,' had previously caused confusion in interpretation. Under this, companies now need LODR materiality benchmarks to identify UPSI, and they also have to follow a new list of deemed events to avoid judgment on a case-by-case basis, which is unclear.

FOUNDATIONAL JUDICIAL RULINGS AND PIVOTAL CASES

Several judicial pronouncements have both shaped and critiqued SEBI's UPSI enforcement. *Manoj Gaur v. SEBI*¹¹ is distinguished by its clear articulation of evidentiary requirements and proportionality. SEBI alleged UPSI tipping within the Gaur family of Jaiprakash Associates Ltd., but the Securities Appellate Tribunal (SAT) neither found direct nor circumstantial proof that price-sensitive information had actually been communicated and used for trading. However, the SAT significantly concluded that there was no likelihood that trading 1,000 shares would take place by a person with more than 59,000 shares and the idea that proximity by family members and the same close proximity in time were insufficient reasons to prove. This decision, and especially the requirement of evidence that passes a test beyond the level of suspicion, added to the accepted exception of regular trading patterns as a possible defense and looked at proportionality as a primary principle in the enforcement of insider trading.¹²

The 2025 amendments fundamentally reshaped the UPSI landscape by drastically expanding and enumerating events that qualify as UPSI - moving from five illustrative categories to a list of sixteen.

Through the significant case of *SEBI v. Cabot International Capital Corporation*,¹³ the Bombay High Court clarified that penalties in terms of the SEBI Act are civil in character and hence, *mens rea* (guilty mind) is irrelevant to prove in civil penalty action. This effectively made compliance the determining factor in PIT cases, overriding considerations of intent. These two strands of reasoning, namely, evidentiary rigour and civil strict liability, determine the SEBI enforcement mechanism, and the balance between these approaches has at times varied with the judicial inclinations.¹⁴

In another landmark judgment - *SEBI v. Abhijit Rajan* (2022)¹⁵, the Hon'ble Supreme Court further modified the landscape, believing that the profit motive was one of the key accompanying conditions of insider trading liability. This case involved a distress sale by an executive to meet corporate debt resolution requirements; the court found, absence of intent to unfairly profit from UPSI and that the regulatory penalties could not be imposed, even if the information itself was price sensitive and undisclosed at that time.¹⁶ This decision signalled judicial sensitivity to bona fide transactions, the complexity of legitimate corporate restructuring, and the distinguished opportunistic trading from compelled or necessary transactions.

The courts have also progressively accommodated defenses such as compelling necessity ("distress sales" for personal or corporate emergencies) and regular and legitimate trading ("bona fide" defense). Furthermore, in *Hindustan Unilever Ltd. v. SEBI*¹⁷, the appellate authorities discussed "self-generated" information—distinguishing between unpublished but internally generated information (which may not always be treated as UPSI) and information sourced externally or affecting the market more broadly, placing dual requirements of non-public status and material price impact for information to qualify as UPSI.¹⁸

FROM OLD TO BOLD: 2025 LEGAL OVERHAUL

The 2025 amendments fundamentally reshaped the UPSI landscape by drastically expanding and enumerating events that qualify as UPSI - moving from five illustrative categories to a list of sixteen. These now include, amongst others, credit rating changes (excluding ESG ratings), initiation or results of forensic audits, proposals

for fund raising, execution of agreements affecting company management or control, defaults or fraud by the company/promoters/key management, arrests or regulatory actions taken against directors/key employees, major loan restructurings/settlements, and the granting/withdrawal/suspension of key regulatory licenses. This sweeping expansion is coupled with mandatory materiality thresholds from LODR Schedule III, establishing some categories as automatically material (and thus UPSI), while others require companies to apply the materiality test drawn from LODR. Integration of materiality is not uniform: for certain events (e.g., regulatory penalties), materiality is presumed; for others (e.g., contract awards in ordinary course), materiality must still be established.

⁹ 'Insider Trading and Organized Crime: A Legal and Regulatory Perspective' (April 2025) 1 J Int'l Econ & Res.

¹⁰ 'Insider Trading: An Overview in Indian and Global Markets' (May 2025) 1 J Int'l Econ & Res.

¹¹ *Manoj Gaur v. SEBI*, Appeal No 64 of 2012, SAT, October 3, 2012.

¹² *Yesha Yadav*, 'Insider Information and the Limits of Insider Trading', (2018) 56 Wash U J L & Pol'y 135.

¹³ *SEBI v. Cabot Int'l Capital Corp*, Appeal No 7 of 2001, (2004) 2 Comp LJ 363 (Bom), March 3, 2004.

¹⁴ *Jill E. Fisch*, *Regulation FD: An Alternative Approach to Addressing Information Asymmetry*, RESEARCH HANDBOOK ON INSIDER TRADING (Stephen Bainbridge ed., 2013).

¹⁵ *SEBI v. Abhijit Rajan*, 2022 SCC Online SC 1241 (Sept 19, 2022).

¹⁶ *John P. Jennings*, 'Regulation FD: SEC Reestablishes Enforcement Capabilities over Selective Disclosure', (2001) 32 St Mary's LJ 849.

¹⁷ *Hindustan Lever Ltd. v. SEBI*, Appeal Nos. 1 & 2 of 1998, 1998 (18) SCL 311 (AA) (July 14, 1998)

¹⁸ 'Insider Trading Regime in India: Learning Lessons from the US and the UK' (2016) 37 Bus L Rev 1.

Notably, SEBI has introduced operational flexibility for information originating “externally”—companies are now permitted a two-calendar-day period to record such UPSI in the Structured Digital Database (SDD),¹⁹ and need not close trading windows for such externally-sourced information, recognizing the difficulties in instant internal communication.

FROM THEN TO NOW: THE CLASH OVER DEEMED UPSI

Prior to 2025, companies enjoyed discretion to determine whether an event was UPSI, applying a price sensitivity test rooted in market impact. The amended regime introduces a deemed UPSI system: if an event falls into one of the prescribed categories it is, by default, price sensitive and hence UPSI. The policy shift delivers clarity and consistency - plugging gaps where companies failed to self-identify major price-moving events as UPSI - but simultaneously brings the risk that routine business decisions or regulatory events, which might lack any true market significance, are swept up into the UPSI net.

• Compliance Pressures on Listed Entities: SDD, Digital Demands & Process Overload

Compliance pains have increased considerably. Companies are required to operate a sophisticated SDD—a tamper-proof, audited log of every item of UPSI and every person with whom it is shared, now encompassing a much broader array of events and interactions. The requirement to retain records for eight years, combined with a two-day deadline for external information, necessitates seamless technological integration²⁰, often requiring proprietary or outsourced compliance automation platforms. The phased implementation plan mandates the top 500 companies²¹ to fully automate the SDD tracking and trading window processes by July 1, 2025, with the remainder following from October 1, 2025.²²

Trading window management too becomes arduous, as the risk grows that overlapping and frequent UPSI events will result in more frequent and lengthier trading suspensions, cutting into legitimate trading activity for promoters, key managers, and employees. Compliance officers, classified as Key Managerial

Personnel, are exposed to increased liability for process errors and compliance failures— an evolution reflecting the profession's growing centrality to governance.²³

• Tech Compliance Meets New Rules

Another overlooked but important development is the change to trading plans under the 2025 amendments, which adjusts standards for pre-scheduled trades—giving further structure to how employees and management may trade even when potentially in possession of UPSI. These plans, if properly structured and disclosed, permit legitimate liquidity needs and hedging to proceed under regulatory scrutiny.²⁴

• Cross-Jurisdictional Analysis with US, EU and UK

The United States (US) framework, anchored by Securities and Exchange Commission (SEC) Regulation FD, orients around materiality as defined by the Supreme Court in *TSC Industries v. Northway*²⁵, as - *information is material if a reasonable investor would consider it important*. Regulation FD further requires prompt, broad public disclosure if selective disclosure occurs among market professionals, and provides certain exceptions for professionals and confidentiality agreements. SEC enforcement includes both civil penalties and, in some cases, disqualification or disgorgement.

The European Union's (EU) Market Abuse Regulation (MAR) is similar in spirit but elaborates sector-specific guidelines (notably for commodities) and includes provisions for “market soundings” (pre-disclosure consultation with select investors) and “delayed disclosure” where market stability is at stake. MAR's ‘significant effect’ standard encourages case-by-case analysis but with strict enforcement oversight and significant penalties for abuse or procedural lapses.

In the UK, UK MAR has largely tracked EU MAR post-Brexit, but with growing national guidance. The Financial Conduct Authority (FCA) exercises robust extraterritorial supervision and maintains strong data-driven monitoring systems. Notably, routine regulatory events are less likely to be deemed UPSI absent credible likelihood of material price effect.

¹⁹ Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2025, F No SEBI/LAD-NRO/GN/2025/235 (March 11, 2025), Available at: https://www.sebi.gov.in/legal/regulations/mar-2025/securities-and-exchange-board-of-india-prohibition-of-insider-trading-amendment-regulations-2025_92645.html.

²⁰ SEBI (Prohibition of Insider Trading) Regulations, 2015, Reg 3(5), as amended (March 12, 2025), Available at: <https://www.legalitysimplified.com/sebi-sdd-compliance/>.

²¹ SEBI, Circular No SEBI/HO/ISD/ISD-PoD-2/P/CIR/2025/55, (April 21, 2025), Available at: <https://indiacorplaw.in/2025/06/10/ministerial-not-managerial-sat-limits-compliance-officer-liability-in-v-shankar/>.

²² SEBI, Second Consultation Paper on Proposed Review of the Definition of Unpublished Price Sensitive Information, (UPSI) (Nov 9, 2024), Available at: <https://www.sebi.gov.in>.

²³ SEBI, Consultation Paper on Proposed Review of the Definition of Unpublished Price Sensitive Information (UPSI) Under SEBI (Prohibition of Insider Trading) Regulations, 2015 (May 18, 2023), Available at: <https://www.sebi.gov.in>.

²⁴ PricewaterhouseCoopers, Regulatory Insights: SEBI Expands Scope of UPSI Amending the SEBI (Prohibition of Insider Trading) Regulations, 2015, (March 19, 2025), Available at: https://www.pwc.in/assets/pdfs/news-alert/regulatory-insights/2025/pwc_india_regulatory_insights_19_march_2025_sebi-expands-scope-of-upsi-amending-the-sebi-prohibition-of-insider-trading-regulations.pdf.

²⁵ *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438 (1976).

• Economic Impact Analysis and Enforcement Challenges

Expanded UPSI triggers have sharply increased compliance costs, both directly (for systems, professional staffing, and legal advice) and indirectly (via, trading disruptions and administrative burdens). Companies have been compelled to disclose even the smallest regulatory penalties, such as nominal fines for local compliance issues, reflecting an ultra-low materiality threshold in practice. This has, in turn, generated a robust market for third-party compliance solutions and legal advisory services.²⁶

SEBI's enforcement capacity - while enhanced by technology (including automated alerts and PAN-ISIN freeze mechanisms), remains constrained by resources. Analysis of past SEBI orders reveals inconsistencies in procedural compliance and, at times, an over-focus on unregulated market participants rather than listed company officers or major institutional violators.

The amended UPSI regime also impacts market liquidity. If companies default to lengthy or overlapping trading window closures in the face of unclear or ambiguous triggers, legitimate secondary market activity may diminish, hurting both liquidity and price discovery. Over-disclosure, risks obfuscating truly material information amidst routine regulatory minutiae.²⁷

• Industry-Specific Implications and Practical Implementation

Industry-specific impacts are profound. Banks and financial institutions, often involved in ongoing regulatory actions or regulatory penalty disclosures, must now evaluate and escalate even routine compliance events through SDD and trading window triggers.²⁸ Credit rating changes, common in financial services, trigger UPSI by default. In Pharmaceutical and Healthcare, major licensing events or regulatory findings, whether material or not, will often be classified as UPSI, requiring more frequent compliance escalation. Infrastructure companies must differentiate between routine contract changes and those that, though unusual, are now deemed UPSI, with significant operational consequences for project management and investor relations.²⁹

For compliance teams, checklists and compliance workflows must now integrate broader categories, automate tracking, and escalate ambiguous events for



legal review. Contributions from law firms and compliance advisors have become essential. SEBI's phased automation requirements demand process innovation and investment in dedicated platforms.

CRITIQUES AND POLICY ANALYSIS WITH STAKEHOLDER'S PERSPECTIVES

The 'Deemed UPSI' model represents a deliberate shift by SEBI away from principle-based, price-sensitive determinations and towards regulatory certainty. While this assures uniformity and seeks to close loopholes from past company practices, it risks conflating genuine market-moving information with harmless routine disclosures. Alternatives, such as, proportionality, carve-outs, higher de minimis thresholds, or selective exemptions for well-documented routine events are available and are the norm in several foreign markets. Indeed, a more nuanced, sector-specific safe harbour structure, recognizing the distinct operational DNA of industries like Banking or Pharmaceuticals, may prevent regulatory overload and protect the efficient functioning of capital markets.³⁰

Various stakeholder groups have weighed in, which are- (i) corporate lawyers and compliance professionals have called for greater proportionality and clearer safe harbour lists; (2) market intermediaries and investors generally support increased transparency but recognize the risks of information overload and compliance drag; and (3) investor advocacy groups focus on the risk of over-disclosure diluting key price signals.

COMPANY SECRETARY - A PIVOTAL FIGURE

In this regulatory landscape shaped by enhanced disclosure norms and stricter oversight from the SEBI, the role of Company Secretary (CS) has become strategic and central to governance. Designated as Key Managerial Personnel (KMP) and often described as Compliance Officers under PIT Regulations, CS are on the frontline of ensuring disclosure of UPSI:

²⁶ Lux Industries Limited: A Case of Insider Trading (May 2023) Emerald Insight, Available at: <https://www.emerald.com/insight/content/doi/10.1108/EEMCS-05-2022-0168/full/html>.

²⁷ MMJ Consultants, 'SEBI Broadens Scope of Unpublished Price Sensitive Information' (March 17, 2025), Available at: <https://www.mmjc.in/sebi-broadens-scope-of-unpublished-price-sensitive-information/>.

²⁸ 'SEBI 2025 Insider Trading Amendment: Expanding the UPSI Framework' (April 25, 2025) LinkedIn, Available at: <https://www.linkedin.com/pulse/sebis-2025-insider-trading-amendment-expanding-upsi-22q8c>.

²⁹ Ibid.

³⁰ MMJ Consultants, SEBI Broadens Scope of Unpublished Price Sensitive Information (March 17, 2025), Available at: <https://www.mmjc.in/sebi-broadens-scope-of-unpublished-price-sensitive-information/>.

- i. **Identification and classification of UPSI** - CS plays a crucial role in identifying and assessing information or events that may qualify as UPSI, including materiality thresholds and matching disclosures against SEBI's prescriptive list of events. The CS must apply professional judgement to determine whether developments like financial results, mergers, or regulatory actions could materially impact share prices, even before the information becomes public.
- ii. **Structured Digital Database Compliance** - The CS ensures that the entries are made within 02 calendar days of such information being shared, especially when it is received from external sources, such as bankers, auditors, etc. CS also has to ensure that the database is tamper-proof and encrypted with controlled access and audit trails, and version controls are in place to ensure integrity and transparency.
- iii. **Trading Window Management** - A core responsibility of CS involves overseeing trading window closures to ensure that insiders do not trade while in possession of UPSI.
- iv. **Advisory and Interpretation Role** - The CS serves as an internal advisor to the board for providing interpretations in ambiguous or industry-specific scenarios and ensuring a balance between regulatory requirements and business confidentiality.
- v. **Risk Management and Enforcement** - The liability of the CS has increased significantly with the rise in SEBI's more aggressive enforcement mechanism. Hence, a CS has to maintain a robust compliance framework, invest in technological tools to automate UPSI monitoring and reporting, and ensure proactive risk assessments around information flow and access controls.

CHARTING THE WAY AHEAD: FINAL THOUGHTS & RECOMMENDATIONS

For market participants, immediate focus should be on technology integration for SDD automation, routine compliance audits, and cross-departmental training to adapt to the new regime. Regulatory guidance must continue to evolve, with SEBI consulting on proportionality thresholds and industry-specific FAQs to clarify boundaries of UPSI. The development of safe harbor provisions for routine and low-impact events would ease burdens without sacrificing the core objective of fairness.

SEBI, meanwhile, must continue to invest in enforcement technology, refine policy through empirical review of the amendment's effects, and remain open to targeted recalibration of the framework as industry experience accrues. Ongoing dialogue with regulated entities, through exchanges, industry forums, and formal feedback loops, will be vital.

Eventually it can be said that, SEBI's 2025 amendments represent a bold response to persistent compliance failures and evolving market abuses, but their long-term success, measured by real increases in market integrity and efficiency will depend on the regulator's ability to continuously adapt, draw on global best practices, and nurture a culture of true materiality and risk-based compliance in the Indian marketplace

CONCLUSION

To conclude, SEBI's 2025 amendments to the insider trading regime, particularly the expansion and prescriptive listing of '*deemed UPSI*', represent a significant leap in India's efforts to standardize, clarify, and strengthen the regulation of insider trading across listed entities. In this transformed environment CS is no longer just a record-keeper but plays a pivotal role in ensuring market integrity and corporate governance. Through combination of legal acumen, technological adaptability and strategic insight, the CS plays a vital role in safeguarding against insider trading and maintaining investor confidence in capital markets.

Through a more objective, event-driven approach, SEBI aims to address the inconsistencies and under-reporting that plagued the earlier, more discretionary framework, directly tying UPSI triggers to the materiality guidelines of the LODR regime. While this transition ensures that key price-sensitive events cannot escape regulatory scrutiny, it also presents new challenges, primarily the risk that routine business decisions and immaterial regulatory occurrences could become subject to onerous compliance obligations and trading restrictions. The jurisprudence around UPSI, as reflected in pivotal cases like *Manoj Gaur v. SEBI* and *SEBI v. Abhijit Rajan*, continues to emphasize proportionality, bona fide intent, and the necessity of reasonable evidence in prosecution, providing important safeguards within the more rigid ruleset.

The broadened compliance burden, including automation of structured digital databases, stricter trading window regimes, and elevated liability for compliance officers requires substantial investment in technology and process innovation, particularly as the SDD capture becomes more complex and comprehensive. In comparison with international standards in the US and EU, India's approach reflects a move towards greater predictability but, at least for now, with fewer sectoral exemptions and higher administrative costs. Finally, the effectiveness of such amendments will be determined by whether SEBI wants to be inclusive and discuss with the stakeholders, take note of the unintended effects (e.g., the decreasing liquidity or overwhelming information) and consequently ameliorate the regime by limited safe harbour, and guidance as per industry. The true challenge to market participants is accommodating strong market integrity and transparency with some flexibility to allow innovation and growth of business, without compromising the goal of fair markets by causing undue burdens or killing business as usual.



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Regards,

Team ICSI



The Gentle Art of saying **NO**



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Saying NO to anyone is a tricky business. Why is it so difficult to say no? Mainly because you know that your NO could disappoint, hurt, frustrate or anger the other person. It could trigger off unpleasant consequences in terms of the relationship with the person to whom one is saying NO. Sometimes, it can also act as a yardstick for establishing limits, in either case; a firm NO is a clear signal. If one desires an uncomplicated situation, then one must learn the art of saying NO which means the art of refusing without hurting or creating a distance from the other person. All of us deal with all age groups and it is as difficult to refuse the demands of a child or the overtures of a boss!

I would like to start with a child first. Refusing a younger person is not difficult but if one wants to maintain a good relationship then, in the case of children, a no must always be qualified with an explanation and this must be done so that the child understands that the refusal is not arbitrary. An explanation acts as a source of information in addition to giving reassurance that the refusal is for a valid reason, so the interpersonal rapport remains unaltered. When dealing with one's peers and colleagues, saying "no" can trigger off the start of a declining relationship graph and there is no single way that one can use as a rule of thumb to refuse a request. If the request is for money or for loaning of any item, then one must be judicious. If the amount or the item requested is of a value which you can write off, only then should you lend or give.

A dictum worth remembering is, as Shakespeare said *"Neither a lender nor a borrower be, for loan oft loseth both itself and friend"*. If you have a previous experience of lending and there was no default in repaying, then, lending again to a friend in need makes sense so the question of refusal does not arise but if one has had a previous experience when the loaned item was not returned, then, an upfront "no" should not be difficult. Qualifying one's answer with a non-offensive, non-accusatory statement like "sorry, experience has taught me a lesson and I have decided not to ever lend money again. But if I can help in any other way, let me know." One can always make an excuse and say "I do not have the money."

The potential problem with excuses is that one runs out of them and sooner or later, the situation has to be confronted up front so better at the first instant, when the expectation

is minimal. I have had many women consult me on this issue of borrowing of items like jewelry by a family member such as a sister-in-law. When any borrowed item is not returned, the lender is faced with the unpleasant task of reminding the borrower to return the item and if this is not gracefully done, then the relationship suffers a crack. I think, it is fully within one's rights, to refuse to lend to anyone by saying, I neither lend nor borrow, so I am sorry, I cannot give you my earrings. If the relationship is so fragile that the refusal causes a severance of that relationship, then better you lose your friend than lose both friend and loaned item.

Sometimes, during casual conversation one should make known such facts by remarks like "I grew up being taught not to desire what I do not possess. If I want something, I must plan to save and buy and not borrow someone else's things. In fact, I neither borrow nor lend as I have found both acts put one in a vulnerable situation and are best avoided. If people around you know your take on such issues, they are unlikely to embarrass themselves by asking.

Perhaps one of the most difficult situations when a "No" has to be said firmly and promptly is when a male colleague or boss makes overtures at a women colleague. The best way to deal with the situation is by being polite and firm. If a male colleague or boss's hand lingers just a little longer than an accidental touch, let your reaction speak firmly for you. Withdraw with a look of disapproval. Be natural when you talk to the person but make sure that physical proximity is avoided. The hint is invariably well taken.

Many a woman has consulted me with tears when a male colleague took advantage of her. Remember that colleagues do not, by and large, have criminal tendencies and do not mean harm. However, all men may get aroused by some women at some point of time and take undue advantage of a woman's sexuality. A firm indication of a woman's disapproval is all that is required to thwart any undesired situation. As a rule of thumb, I would warn all members of the female gender to keep in mind the potential possibilities of physical proximity and the importance of avoiding physical contact of any nature. This is the best insurance against molestation.

Suppose your friend or relative or boss asks you to carry out a task which requires you to act in a manner which is against your own principles e.g., offer a bribe or mislead a customer, then how do you refuse? Up front! Remember that excuses are lame and will only entrap you. No need to be patronizing or worked up. A pleasant "I just will not be able to pull this off so leave me out of It." helps to keep the relationship intact while you have your way in refusing.



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3

LEGAL WORLD



- U.P. POLLUTION CONTROL BOARD v. MODI DISTILLERY & ORS [SC]
- PANCHAM STUDIOS PVT. LTD. v. KONARK AQUATICS & EXPORTS PVT. LTD. [NCLAT]
- DHARUV HARJAI v. PPG ASIAN PAINTS PVT. LTD. & ANR [NCLAT]
- AJAY GUPTA & ANR v. AMIT SALES CORPORATION PVT. LTD. & ANR [Del]
- P. R. GANESAN v. CHOLAMANDALAM MS GENERAL INSURANCE COMPANY LTD. & ANR [CCI]
- BGM AND M-RPL-JMCT(JV) v. EASTERN COALFIELDS LTD. [SC]
- SONALI POWER EQUIPMENTS PVT. LTD. v. CHAIRMAN, MAHARASHTRA STATE ELECTRICITY BOARD & ORS [SC]
- TORINO LABORATORIES PVT. LTD. v UNION OF INDIA & ORS [SC]
- SICPA INDIA PRIVATE LTD. & ANR v. UNION OF INDIA & ORS [SIKKIM]



Corporate Laws

Landmark Judgement

LMJ 08:08:2025

U.P. POLLUTION CONTROL BOARD v. MODI DISTILLERY & ORS [SC]

Criminal Appeal No. 415 of 1986

A.P. Sen & S. Natarajan, JJ. [Decided on 06/08/1987]

Equivalent citations: 1988 AIR 1128; 1987 (2) COM LJ 298 SC; 1987 (4) JT 221; (1988) 63 Comp Cas 77.

Brief facts:

This appeal by special leave is directed against the judgment and order of the High Court of Allahabad setting aside an order of the Chief Judicial Magistrate directing the issue of process against the respondents on a complaint filed by the appellant under Section 44 of the Water (Prevention and Control of Pollution) Act, 1974. The issue involved is whether the Chairman, Vice-Chairman, Managing Director and members of the Board of Directors of Messrs Modi Industries Limited, the Company owning the industrial unit called Messrs Modi Distillery could be proceeded against on a complaint against the said industrial unit.

A learned Single Judge had held that there was no sufficient ground against the respondents inasmuch as the allegations made in the complaint do not constitute an offence punishable under Section 44 for the admitted contravention of ss. 25(1) and 26 read with s. 47 of the Act. The question essentially turns upon the rule of construction to be adopted in s. 47.

Decision: Allowed.

Reason:

We have already pointed out that the technical flaw in the complaint is attributable to the failure of the industrial unit to furnish the requisite information called for by the Board. Furthermore, the legal infirmity is of such a nature which could be easily cured. Another circumstance which brings out the narrow perspective of the learned Single Judge is his failure to appreciate the fact that the averment in paragraph 2 has to be construed in the light of the averments contained in paragraphs 17, 18 and 19 which are to the effect that the Chairman, Vice-Chairman, Managing Director and members of the Board of Directors were also liable for the alleged offence committed by the Company. It is regrettable that although Parliament enacted the Water (Prevention and Control of Pollution) Act, 1974 to meet the urgent need for introducing a comprehensive legislation with its established unitary agencies in the Centre and the States to provide for the prevention, abatement and control of pollution of rivers

and streams, for maintaining or restoring wholesomeness of water courses and for controlling the existing and new discharges of domestic and industrial wastes, which is a matter of grave national concern, the manner in which some of the Boards are functioning leaves much to be desired. This is an instance where due to the sheer negligence on the part of the legal advisors in drafting the complaint a large business house is allowed to escape the consequences of the breaches committed by it of the provisions of the Act with impunity. It was expected that the Board and its legal advisors should have drafted the complaint with greater circumspection not to leave any technical flaw which would invalidate the initiation of the prosecution allowing the respondents to escape the consequences of the breaches committed by them of the provisions of the Act with impunity. As already stated, prior to the commencement of the Act the Company owned an industrial unit styled as Messrs Modi Distillery which was discharging its trade effluents into the Kali River through the Kadrabad Drain and therefore the matter fell within the ambit of s. 26 of the Act. S. 26 provides that where immediately before the commencement of the Act any person was discharging any sewage or trade effluent into a stream, the provisions of s. 25 shall, so far as may be, apply to such person as they apply in relation to a person referred to in that section. S. 25(1) creates an absolute prohibition against bringing into use any new or altered outlet for the discharge of sewage or trade effluent into a stream without the consent of the Board. On a combined reading of ss. 25(1) and 26 it was mandatory for the Company viz. Messrs Modi Industries Limited to make an application to the Board under sub-s. (2) of s. 25 read with s. 26 in the prescribed form containing the prescribed particulars for grant of consent for the discharge of its trade effluents into the said stream, subject to such conditions as it may impose. Along with the complaint the appellant has placed on record several documents showing that the rejection of the application was in the public interest as it was incomplete in many respects. These documents also reveal that the Company did not have proper arrangements for treatment of the highly polluted trade effluents discharged by it and although the appellant repeatedly by its letter required the Company to obtain the consent of the Board, the Company was intentionally and deliberately avoiding compliance of the requirements of ss. 25(1) and 26 of the Act. The contravention of these provisions is an offence punishable under s. 44. The other ten persons arrayed by name as accused in the complaint are respondents nos. 2-11, the Chairman, Vice-Chairman, Managing Director and members of the Board of Directors of Messrs Modi Industries Limited. It cannot be doubted that in such capacity they were in charge of and responsible for the conduct of the business of the Company and were therefore deemed to be guilty of the said offence and liable to be proceeded against and punished under s. 47 of the Act. It would be a travesty of justice if the big business house of Messrs Modi Industries Limited is allowed to defeat the prosecution launched and avoid facing the trial on a technical flaw which is not incurable for their alleged deliberate and wilful breach of the provisions contained in ss. 25(1) and 26 made punishable under s. 44 read with s. 47 of the Act.

The result therefore is that the appeal succeeds and is allowed. The judgment and order passed by the High Court are set aside and that of the learned Chief Judicial Magistrate directing issue of process to the respondents are restored. The learned Magistrate shall proceed with the trial as expeditiously as possible in accordance with law.

LW 57:08:2025

PANCHAM STUDIOS PVT. LTD. v. KONARK AQUATICS & EXPORTS PVT. LTD. [NCLAT]**Company Appeal (AT) (Ins.) No. 406 of 2024****Rakesh Kumar Jain, Naresh Salecha & Indevvar Pandey. [Decided on 15/07/ 2025]****Insolvency and Bankruptcy Code, 2016- sections 5(8)(f) and 7- CIRP by financial creditor- loan given without adhering to section 186 of the Companies Act, 2013- application dismissed by NCLT- whether correct- Held, No.****Brief facts:**

This appeal is directed against the order of the NCLT, Cuttack Bench by which the CIRP application filed by the Appellant against the Corporate Debtor for the resolution of an interest free loan of Rs. 4,43,50,000/- has been dismissed.

Decision: Allowed.**Reason:**

There is no dispute to the fact that the amount in question is continuously reflected in the balance sheet of the Respondent from 2016 -17 to 2020-21 in schedule 3A as unsecured loan without any caveat, therefore, such entry without any qualification / caveat is acknowledgment of debt by the CD as unsecured loan is having commercial effect of borrowing.

Much emphasis has been laid by the Respondent as well as the Tribunal about non-adherence to the provision of Section 186 of the Act. Section 186(2)(a) of the Act says that “no company can directly or indirectly give any loan exceeding 60% of its paid up share capital free reserves and securities premium account of its free reserves and securities premium account whichever is more”. However, Section 186(13) provides for punishment for violation of the provisions of the section. It provides that “the Company shall be punishable with fine which shall not be less than Rs. 25000 but which may extend to Rs. 5 lakh and officer of the company who is in default shall be punishable with imprisonment for a term which may extend to two years and with fine which shall not be less than Rs. 25000 but which may extend to Rs. 1 lakh.”

But in no case the debt advanced by the Company to a corporate body can be held to be unrecoverable only because of the reason that there was a irregularity in advancement of the loan which became a debt to a third party or in other words the CD cannot take the shelter of Section 186 of the Act to deny its liability to return the amount taken by it being a corporate body which is due and payable.

The decision in the case of *M Sai Eswara Swamy (Supra)* is not applicable to the present controversy because in that case the basic issue was as to whether the company petition was filed by the person without having the authority of the board through resolution. In this regard, the finding has been recorded in the said case is that “thus, we are affirmed the finding of Ld. Tribunal that there is no board resolution authorising the petitioner to file the petition, therefore, the petition is not maintainable”. It has also held that with the aforesaid we are of the view that the Tribunal has rightly held that the petition is not maintainable, therefore, no interference is called for in the

impugned order. The said appeal was dismissed summarily and no reasoning was given in this regard that if there is violation of Section 186 then the CD can take the plea that the transaction has become void and is not liable to repay the same.

The Appellant has already proved on record about the amount which was disbursed as it has not been disputed and that the said amount is a debt fully reflected in its balance sheet continuously as an unsecured loan and had not been paid despite the fact that repeated demands were made through five demand notices, therefore, it falls within the definition of default on the part of the Respondent.

Hence, once the debt and default has been proved, therefore, the Tribunal has committed a patent error in dismissing the application filed under Section 7 of the Code and consequently, the present appeal is hereby 5(8)(f) and allowed and the impugned order is set aside though without any order as to costs.

LW 58:08:2025

DHRUV HARJAI v. PPG ASIAN PAINTS PVT. LTD. & ANR [NCLAT]**Company Appeal (AT) (Ins.) No. 60 of 2023****Rakesh Kumar Jain, Naresh Salecha & Indevvar Pandey. [Decided on 15/07/2025]****Insolvency and Bankruptcy Code, 2016 - Sections 5(8)(f) and 7- CIRP by financial creditor- agreement between CD and FC- FC made upfront contribution of Rs.35 lacs to CD to set up body shop and purchase materials- whether this contribution is a financial debt- Held, Yes.****Brief facts:**

The agreement between the parties dated 21.03.2018 which is the basis of their relationship and promissory note dated 21.03.2018 executed by the CD in favour of the Financial Creditor for return of Rs. 35 Lakh along with interest @ 12% p.a.

The Tribunal heard the case of the Financial Creditor ex-parte and decided the issue of limitation in its favour and in so far as the issue of debt and default is concerned, it was held that the Financial Creditor sent the legal notice to the CD and in reply to the notice, the CD had undertaken to clear all the legitimate dues but still dues were not clear and thus it was found that there was a debt of Rs. 42,32,000 and the default. Thus, the Tribunal admitted the application filed by the Financial Creditor and appointed Rajan Sharma as the IRP. The Suspended Director of the CD has challenged the impugned order by the present appeal.

Decision: Dismissed.**Reason:**

The issue involved in this case is as to whether the amount advanced by Respondent No. 1 is a financial debt or an operational debt?

The agreement was executed between the parties in which it was clearly mentioned that “the body shop proposes to substantially expand its business and being completely satisfied with the quality of refinish products supplied by

PPGAP, the body shop is desirous of entering into an agreement with PPGAP to secure timely delivery of the PPGAP refinish products at the body shop services canter. The body shop has approached PPGAP for financial contribution for the purpose of sales promotions and procurement of specialized painting equipment's for the development and upgradation of automotive painting facilities."

It is pertinent mention that the body shop is engaged in the business of automotive sales, servicing and repair work and in the course of its business utilizes substantial quantities of automotive parts and refinish coating products whereas PPGAP is a major supplier of automotive refinish coating products, deltron global refinish system and 2k refinish system, amongst others, which are extensively used by bodyshop's for painting cars and other vehicles.

Since, the body shop/CD required financial assistance for specialized painting equipment for the development and upgradation of automotive painting facilities for the purpose of its sales promotions, Respondent made an upfront contribution of Rs. 35 Lakh and secured it by a demand promissory note on the same date, a continuing security throughout the agreement, imposing liability upon the CD to repay the said amount with interest @ 12% p.a. in case of breach of contractual obligation to procure material worth Rs. 1 Cr. during the four year tenure of the agreement.

This understanding between the parties is a commercial effect of borrowing which is covered by Section 5(8)(f) of the Code. It is not the case of the CD that the Respondent had advanced the amount in question for purchase of goods or for availing the services of the CD. The contention of the Appellant that the subject matter of the debt has some connection with the subject matter of the goods in the transaction which would attract the provision of Section 5(21) cannot be accepted because it has been held in the case of Global Credit Capital Ltd. (Supra) by the Hon'ble Supreme Court while deciding the financial debt or operational debt it is necessary to determine the real nature of the transaction reflected in the writing. Therefore, in view of the aforesaid discussion, we find no reason to interfere with the impugned order and the same is hereby dismissed.

LW 59:08:2025

AJAY GUPTA & ANR v. AMIT SALES CORPORATION PVT. LTD. & ANR [Del]

C.R.P. 303/2024 & CM APPL. 61563/2024

Amit Mahajan, J [Decided on 03/07/2025]

Companies Act, 2013- lifting the corporate veil- petitioners were directors of Respondent No.2 and issued cheques to Respondent No.1 – petitioners shifted to UAE and never participated in the proceedings- execution court executed the decree against the petitioners- whether lifting of the corporate veil was correct-Held, Yes.

Brief facts:

The present petition was filed against the order passed by the learned District Judge in Execution proceedings whereby the objection filed by the petitioners against the 'lifting of corporate veil' qua the directors of Respondent No. 2 company/petitioners was dismissed.

Decision: Dismissed.

Reason:

The short question before this Court is whether the learned Executing Court rightly lifted the corporate veil qua the petitioners. The petitioners essentially contended that the learned Executing Court failed to test the parameters for lifting the corporate veil. It was contended that for the piercing of corporate veil, the directors ought to be found in engaging in fraudulent activities failing which the corporate veil cannot be lifted.

It is well settled that when a decree is passed against a company, it is the company alone that is liable to fulfil the terms of the decree and pay the decretal amount, if any. In such circumstances, the directors/the persons responsible for managing the affairs of the company, in their individual capacity, cannot ipso facto be made liable for the debts or liabilities of the company. However, the said principle is not absolute and is subject to certain reservations. For this reason, in cases where the corporate structure is misused to perpetrate fraud or to commit other illegal acts, the directors too can be made personally liable. Courts, in such scenarios, are empowered to pierce the corporate veil thereby disregarding the separate legal entity accorded to the company.

It is the case of the petitioners that the learned Executing Court failed to examine the parameters of piercing of corporate veil. It is contended that for the purpose of piercing of corporate veil, the directors ought to be found in engaging in fraudulent activities. This Court has examined the material on record and considered the rival submissions of both the parties.

It is pertinent to note that this Court, while passing a decree in favour of Respondent No. 1, had specifically noted that the act of Respondent No. 2 in issuing the cheque dated 01.02.2014 in part payment of the outstanding amount and the same being dishonoured were indicative of the mala fide intent of attempting to evade the payments due and payable to Respondent No.1. Admittedly, the said cheques were signed by Petitioner No. 1 on behalf of Respondent No.2. It is pertinent to note that the present petitioners were the only directors of Respondent No. 2 at all times which include the time of the issuance and dishonour of the cheques.

As rightly noted by the learned Executing Court, the petitioners thereafter shifted to UAE. It cannot be ignored that an ex parte decree was passed by this Court because no appearance was ever entered on behalf of Respondent No. 2. The propensity of the petitioners to first issue cheques on behalf of Respondent No. 2 that were bound to be dishonoured and to then evade the suit proceedings and leave India points towards a obligations.

While it is not in doubt that a company has a separate legal entity, and that the corporate veil cannot be lifted in a routine manner, the same can be pierced if the corporate structure is misused to perpetrate fraud or shield the wrongdoers from the consequences of their actions. In terms of the dictum of the Hon'ble Apex Court in *Balwant Rai Saluja vs Air India Ltd* (supra), the intent of piercing the veil must be such so as to remedy a wrong done by the persons in control of the company. In that regard, the deceitful conduct of the petitioners in first issuing the cheques and then shifting to UAE and not joining the proceedings, makes it imperative to pierce the corporate veil.

It is also pertinent to note that the petitioners have filed the present petition through a power of attorney when they were not even in India. In the opinion of this Court, the judicial process ought not come to the rescue of individuals who attempt to evade the process of law. In view of the aforesaid discussion, this Court finds no reason to interfere with the impugned order.



Competition Laws

LW 60:08:2025

P. R. GANESAN v. CHOLAMANDALAM MS GENERAL INSURANCE COMPANY LTD. & ANR [CCI]

Case No. 04 of 2025

Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Anurag

[Decided on 07 /07/2025]

Competition Act, 2002 - Sections 3(4) and 4 – insured bank loan- loss due to floods- claim filed after delay of 62 days- claim rejected by OP-1- whether abuse of dominance and anti- competitive- Held,No.

Brief facts:

The Informant's micro-unit ('Enterprise') was in the business of contract manufacturing of engineering goods/ materials and executing contract work. For doing the said contract work, the Enterprise usually takes advance payment from the contractors to purchase raw materials and then uses the raw materials to finish the job work. The Informant had also availed credit facilities from OP-2 in the form of term loan for the purchase of machineries and as overdraft facility for the working capital to run the Enterprise for day-to-day operations. Further, OP-2 had insured the said loan account by the OP-1.

On 02.12.2015, Ambattur Industrial estate was flooded, wherein the Informant's Enterprise was situated and the entire area including the Informant's Enterprise was submerged under flood water continuously for 15 days. The Informant's Enterprise was totally submerged in hip-level flood water and all his machines, goods, files and materials were also submerged and destroyed. Even the Informant was unable to access his Enterprise for 15 days due to the stagnation of flood water up to seven feet. All the documents, files, contract raw materials, goods, and engineering machines were either damaged or destroyed totally in the flood water.

Due to the flood, the Informant lost all the files related to the insurance policy details since the water level was seven feet in the locality and in the Informant's factory premises. Thereafter, the Informant approached OP-1 and OP-2 for a copy of the insurance policy documents. However, both the OPs did not provide a copy of the insurance document immediately to the Informant and provided the copy after

taking a longtime. Therefore, the Informant could not file his insurance claim to OP-1 on prescribed time. Thereafter, the Informant filed his policy claim only after the prescribed date with delay of 62 days due to the delay caused by OP-2 and OP-1 in providing a copy of the insurance details.

OP-1 rejected the insurance claim of the Informant stating that the Informant had filed his insurance claim after the due date or prescribed date and thereby OP-1 has not compensated the Informant for his whole loss or damages caused by the flood which squarely amounts to abusing its market power. OP-1 is hand-in glove with OP-2 to cheat the genuine claim of the Informant.

Decision: Dismissed.

Reason:

In the instant matter, the Commission observes that the information was filed beyond the statutory period of three years from the date on which the cause of action initially arose. Further, the Informant has been unable to provide adequate or convincing reasons that may constitute 'sufficient' cause to justify condoning the delay under the aforesaid proviso. Upon assessing the reasons put forth by the Informant, which (as per the Informant) prevented him from approaching the Commission for a substantial period of almost ten years, the Commission is unable to persuade itself therewith. Hence, the Commission does not find sufficient cause to condone the delay.

Even otherwise, it is noted that the general insurance market is characterized by the presence of several major competitors of OP-1, viz. Life Insurance Corporation of India (LIC), HDFC Life, SBI Life, ICICI Prudential etc. Therefore, OP-1 does not appear to be dominant in the general insurance market. In the absence of dominance, the issue raised by the Informant does not raise any competition concerns.

In view of the above, nothing remains in the present information and the same stands closed forthwith.



General Laws

LW 61:08:2025

BGM AND M-RPL-JMCT(JV) v. EASTERN COALFIELDS LTD [SC]

Civil Appeal No..... OF 2025 (@SLP (C) Diary No. 21451/2024)

P. S. Narasimha & Manoj Misra,JI. [Decided on 18/07/2025]

Arbitration and Conciliation Act,1996- Section 7 - arbitration agreement- arbitration clause contained the phrase "may seek arbitration"- whether binding arbitration agreement came into existence-Held,No.

Brief facts:

The contract between the parties contained an elaborate arbitration clause and the relevant portion read as under:

"In case of parties other than Govt. Agencies, the redressal of the dispute may be sought through Arbitration and Conciliation Act, 1996 as amended by Amendment Act of 2015"

Treating the above portion of clause 13 as an arbitration agreement, the appellant filed an application under Section 11(6) of the 1996 Act for appointment of an Arbitrator for settlement of the disputes inter se the parties. The High Court dismissed the application on the ground that there exists no arbitration agreement between the parties. Therefore, the appellant is before the Supreme Court.

Decision: Dismissed.**Reason:**

Having regard to the facts and the submissions made before us, we are of the view that following three issues arise for our consideration:

(i). Whether the question of existence of an arbitration agreement should be left for the arbitral tribunal to decide?

In the instant case, the appellant is relying on just one clause in the contract which, according to the appellant, constitutes an arbitration agreement whereas according to the respondent, though the clause is not disputed, the same does not constitute an arbitration agreement. In such circumstances, the Court while exercising power under Section 11 would not have to hold a mini-trial or an enquiry into its existence rather a plain reading of the clause would indicate whether it is, or it is not, an arbitration agreement, prima facie, satisfying the necessary ingredients of it, as required by Section 7 of the 1996 Act. In our view, such a limited exercise would not transgress the limit set out by sub-section (6-A)7 of Section 11 of the 1996 Act as introduced by 2015 Amendment because the object of such an exercise (i.e., of examination) is to weed out frivolous claims for appointment of an arbitrator/ reference to an arbitral tribunal.

In view of the above discussion, the argument of the appellant that Referral Court should straight away refer the matter and leave it to the arbitral tribunal to decide whether the arbitration agreement exists or not cannot be accepted. Issue (i) is decided accordingly.

(ii) Whether clause 13 (supra) would constitute an arbitration agreement between the parties as contemplated under Section 7 of the 1996 Act?

The argument of the learned counsel for the appellant is that clause 13 provides option to the parties, which include any of one of the parties, to seek dispute resolution through arbitration and, therefore, it is nothing but an arbitration clause. According to him, use of the word "may" in clause 13 does not provide choice to the parties to agree, or not to agree, for arbitration, rather it is a choice given to either of the parties to seek a settlement through arbitration and, therefore, when one party exercises the option, the other party cannot resile from the agreement. In that sense, according to him, clause 13 is an arbitration agreement.

We do not agree with the aforesaid submission because clause 13 does not bind parties to use arbitration for settlement of

the disputes. Use of the words "may be sought", imply that there is no subsisting agreement between parties that they, or any one of them, would have to seek settlement of dispute(s) through arbitration. It is just an enabling clause whereunder, if parties agree, they could resolve their dispute(s) through arbitration. In our view, the phraseology of clause 13 is not indicative of a binding agreement that any of the parties on its own could seek redressal of inter se dispute(s) through arbitration. We are, therefore, of the considered view that the High Court was justified in holding that clause 13 does not constitute an arbitration agreement.

As it is not the case of the appellant that parties at any later stage have agreed to refer the disputes to arbitration, in our view, the High Court was justified in rejecting the application seeking appointment of an arbitrator. Issue (ii) is decided in the aforesaid terms.

(iii) Whether clause 32 of Instructions to Bidders negates the existence of an arbitration agreement?

Having decided issue (ii) in the negative, deciding issue (iii) is of no consequence. However, we may observe that clause 32 does not exclude resolution of disputes through arbitration agreement. It only fixes jurisdiction and in the event of there being an arbitration agreement could determine the juridical seat. However, since we have held that there is no arbitration agreement between the parties, decision of issue (iii) is of no consequence.

In the light of our conclusion on the issues discussed above, the appeal fails and is, accordingly, dismissed.

LW 62:08:2025

SONALI POWER EQUIPMENTS PVT. LTD v. CHAIRMAN, MAHARASHTRA STATE ELECTRICITY BOARD & ORS [SC]

Civil Appeal Nos. 9524-9532 of 2025 (@ SLP (C) Nos. 6912-6920 of 2024

P.S. Narasimha & Joymalya Bagchi, JJ. [Decided on 17/07/ 2025]

Micro, Small and Medium Enterprises Development Act, 2006 read with Arbitration and Conciliation Act, 1996 and the Limitation Act, 1963 – conciliation and arbitration proceedings under the MSMED Act- whether provisions of Limitation Act applicable to arbitration proceedings-Held, Yes. Whether provisions of Limitation Act applicable to conciliation proceedings-Held, No.

Brief facts:

Facts are immaterial. The core issues arose in the present appeals were whether the provisions of the Limitation Act, 1963 are applicable to conciliation and arbitration proceedings initiated under Section 18 of the Micro, Small and Medium Enterprises Development Act, 2006. Further, even if the Limitation Act is not applicable, whether a supplier can recover a time-barred debt by taking recourse to the remedies provisioned under Section 18 of the MSMED Act.

In the order impugned before the Supreme Court in the present appeals, a full bench of the High Court has held that the Facilitation Council cannot entertain time-barred claims for conciliation, and that the provisions of the Limitation Act are applicable to arbitration proceedings under the MSMED.

Decision: Partly allowed.

Reason:

On considering the statutory provisions of the MSMED Act, the ACA, and the Limitation Act, the precedents of this Court, and on the basis of the above reasoning, we have answered the issues arising in the present appeals as follows:

- i. The Limitation Act does not apply to conciliation proceedings under Section 18(2) of the MSMED Act. A time-barred claim can be referred to conciliation as the expiry of limitation period does not extinguish the right to recover the amount, including through a settlement agreement that can be arrived at through the conciliatory process.
- ii. The Limitation Act applies to arbitration proceedings under Section 18(3) of the MSMED Act. The applicability of the provisions of ACA to such arbitrations is determined as per Section 18(3) and other provisions of the MSMED Act, as these are special laws, rather than by Section 2(4) of the ACA, which is under a general law. This is in addition to the reasoning provided in *Silpi Industries* (supra). Further, the extension of the limitation period on the basis of disclosure under Section 22 of the MSMED Act must be examined on a case-to-case basis.

We therefore partly allow the present appeals and set aside the impugned order to the extent of applicability of the Limitation Act to conciliation proceedings under the MSMED Act. We have upheld the High Court's decision on the applicability of the Limitation Act to arbitration proceedings under the MSMED Act for the reasons provided hereinabove.



Labour Laws

LW 63:08:2025

TORINO LABORATORIES PVT. LTD. v UNION OF INDIA & ORS [SC]

Civil Appeal No. 9540 of 2018

K.Viswanathan & Joymalya Bagchi, JJ. [Decided on 15/07/ 2025]

Employees' Provident Funds and Miscellaneous Provisions Act, 1952- Section 2A- clubbing of units- tests to be applied- varies from case to case – principles clarified and reiterated- the concerned two establishment functioned from the same premises, shared common amenities and managerial persons were also same- whether clubbing is correct-Held, Yes.

Brief facts:

The present appeal arises out of a judgment and order of the Division Bench of the High Court of Madhya Pradesh. By the said judgment and order, the High Court dismissed the writ petition filed by the appellant-herein and upheld the order of the Employees' Provident Fund Appellate Tribunal, (for short 'the Appellate Tribunal') which order had, in turn, upheld the order passed by the Assistant Provident Fund Commissioner, (for short 'APFC') Indore. The APFC had held that the appellant was part and parcel of M/s Vindas Chemical Industries Private Limited (hereinafter referred to as 'Vindas') – the third respondent herein for the purpose of applicability of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (for short the 'EPF Act') with effect from September, 1995. Appropriate consequential directions to remit the dues were also passed. Aggrieved by the judgment and order of the High Court, the appellant has preferred this appeal, by way of special leave.

Decision: Dismissed.

Reason:

The crucial issue that arises for consideration in this case is - whether the authorities were justified in treating the appellant and Vindas - respondent No.3 as one unit for the purpose of the EPF Act and were the correct tests to determine the same applied?

A survey of the cases cited hereinabove reveal that it will be impossible to lay down any one test as an absolute and invariable test for all cases. The real purpose of the test is to find out the true relation between the Parts, Branches and Units. If in their true relation they constitute one integrated whole, it could be said that establishment is one and if not, they are to be treated as separate units. Each case has to be decided on its own peculiar facts, regard being had to the scheme and object of the statute under consideration and in the context of the claim. In a given case, unity of ownership, management and control may be the important test, while in certain other cases Functional Integrality or general unity may be the determinative consideration. In some instances, unity of employment could be the most vital test. Several tests may fall for consideration at the same time since the mandate of the law is that the facts will have to be viewed as a whole. While each aspect may not by itself be conclusive, what is important is to consider cumulatively the facts while applying the different tests. The employer/management's own conduct in mixing up or not mixing up the capital, staff and management could in a given case be a significant pointer. Mere separate registration under the different statutes cannot be a basis to claim that the units are separate. Similarly, maintenance of separate accounts and independent financial statement is also not conclusive. The onus lies on the employer/management to lead necessary evidence to bring home their contention.

Applying the above principles to the case, the findings arrived at by the APFC that the appellant and Vindas - respondent No.3 were engaged in the same industry; they carried on business in premises built on contiguous plots of land; that they shared common telephone and facsimile numbers; they shared common website and e-mail IDs; that their Registered

Office/Head Office and administrative office were the same; they have employed common security to guard the premises; that there was unity of management inasmuch as while Dr. Darshan Kataria and Niranjana Kataria – the two brothers were Directors of respondent No.3 - Vindas; Dr. Darshan Kataria was also the Director of the appellant while the other brother Vasudev Kataria and Mr. Rajni Kumari – wife of Darshan Kataria were Directors in the appellant- Company; that there was unity of finance inasmuch as the Hindu Undivided Family of Darshan Kataria and his family members funded both the companies, cumulatively establish beyond doubt that the two entities were rightly treated as common for the purpose of the EPF Act. If a common man were to be asked as to whether the two units are the same, the answer will be an emphatic yes.

The claim for infancy protection under the erstwhile Section 16(1)(d) would also not arise in view of our finding of clubbing. Being an integrated unit of Vindas respondent no. 3 since 1995 no separate infancy protection will enure to the benefit of appellant. Equally, untenable is the argument that the show cause notice originally being issued for coverage from 01.04.2004 the authorities were not justified to direct deposit of dues from September 1995. In fact, as would be clear from the factual narration hereinabove from the submissions of 10.10.2005 of the appellant itself it is clear that the authorities were evaluating the possibility of clubbing. Apart from this, in the communication of 24.01.2005 it was clearly indicated that the stipulated date of 01.04.2004 was liable to change and a final decision was to be taken after inspection of previous report. The further report of 10.11.2005 furnished to the parties clearly dealt with the aspect of clubbing and appellant also responded to the same by its submission of 20.12.2005. In view of the same, we have no hesitation in rejecting the submissions of the appellant that the authorities were not justified in seeking remittance of the dues from September 1995. Similarly, the contention of the appellant that notice of clubbing ought to have been issued to Vindas - respondent No.3 also lacks merit. As rightly contended for the Authorities since the ultimate contribution was to be levied only for the respective employees of the units and since employees of Vindas-respondent No.3 were already covered for the period in question, there was no necessity for issuing notice to Vindas - respondent No.3. For the reasons stated above, we find no merit in the appeal. The appeal is dismissed.



Tax Laws

LW 64:08:2025

SICPA INDIA PRIVATE LTD & ANR v. UNION OF INDIA & ORS [SIKKIM]

WP(C) No.54 of 2023

Meenakshi Madan Rai, J. [Decided on 10/06/2025]

Central Goods and Services Tax Act, 2016- sections

49(6) and 54(3)- closure of unit-balance lying in electronic credit ledger- petitioner's claim for refund of ITC lying unutilised rejected – Whether correct-Held,No.

Brief facts:

The Assistant Commissioner, Central Goods and Services Tax (CGST) and Central Excise, Gangtok Division, Gangtok, Sikkim, rejected the refund application filed by the Petitioners, claiming unutilized Input Tax Credit (ITC), lying in Electronic Credit Ledger, upon discontinuance of business. The Appellate Authority also upheld the above said Order of the Assistant Commissioner (supra).

It was reasoned that on a combined reading of sections 54(3) and 29 of the Central Goods and Services Tax Act, 2017 (hereinafter, the "CGST Act"), it is evident that the current regulations do not provide for refund of unutilized ITC in case of discontinuation or closure of business. That, it is evidently clear from the provisions mandated in Section 54(3) of the CGST Act which is restricted to circumstances under which the unutilized ITC is allowed for refund, discontinuation/closure is not one of them.

Decision: Allowed.

Reason:

The question that falls for determination in the instant dispute is whether the refund of ITC under Section 49(6) of the CGST Act is only limited to companies carved out under Section 54(3) of the CGST Act or does every registered company have a right to refund of ITC in case of discontinuance of business?

As can be seen in Slovak India Trading Company Private Limited (supra) the company had applied for refund for unutilized input credit, which was available, at the time of closure of unit. The Customs, Excise And Service Tax Appellate Tribunal (CESTAT) allowed the refund stating inter alia that it cannot be rejected on closure of the company. The High Court agreed and opined that there is no express prohibition in Rule 5 of the CENVAT Credit Rules, 2002.

Similarly, in the instant matter there is no express prohibition in Section 49(6) read with Section 54 and 54(3) of the CGST Act, for claiming a refund of ITC on closure of unit.

Although, Section 54(3) of the CGST Act deals only with two circumstances where refunds can be made, however the statute also does not provide for retention of tax without the authority of law. Consequently, I am of the considered view that the Petitioners are entitled to the refund of unutilized ITC claimed by them and it is ordered so. The impugned Order is set aside.

4

FROM THE GOVERNMENT

- MANDATORY FILING OF FORM IEPF-1A WITH PRESCRIBED EXCEL TEMPLATE UNDER RULE 5 (4A) OF THE IEPF (ACCOUNTING, AUDIT, TRANSFER AND REFUND) RULES, 2016 – FINAL COMPLIANCE DEADLINE: 30.08.2025
- NOTICE INVITING COMMENTS ON DRAFT COMPANIES (MEETINGS OF BOARD AND ITS POWERS) AMENDMENT RULES, 2025
- THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) AMENDMENT RULES, 2025
- THE COMPANIES (LISTING OF EQUITY SHARES IN PERMISSIBLE JURISDICTIONS) AMENDMENT RULES, 2025
- THE COMPANIES (INCORPORATION) AMENDMENT RULES, 2025
- THE COMPANIES (RESTRICTION ON NUMBER OF LAYERS) AMENDMENT RULES, 2025
- FREQUENTLY ASKED QUESTIONS (FAQs) RELATED TO REGULATORY PROVISIONS FOR RESEARCH ANALYSTS
- MASTER CIRCULAR FOR ESG RATING PROVIDERS (“ERPs”)
- MASTER CIRCULAR FOR CREDIT RATING AGENCIES
- MASTER CIRCULAR FOR LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS FOR NON-CONVERTIBLE SECURITIES, SECURITIZED DEBT INSTRUMENTS AND/ OR COMMERCIAL PAPER
- MASTER CIRCULAR FOR REAL ESTATE INVESTMENT TRUSTS (REITs)
- MASTER CIRCULAR FOR INFRASTRUCTURE INVESTMENT TRUSTS (InvITs)
- MASTER CIRCULAR FOR PORTFOLIO MANAGERS
- EASE OF DOING INVESTMENT – SPECIAL WINDOW FOR RE-LODGE MENT OF TRANSFER REQUESTS OF PHYSICAL SHARES
- INCLUSION OF “DEOGIRI NAGARI SAHAKARI BANK LTD., CHHATRAPATI SAMBHAJINAGAR” IN THE SECOND SCHEDULE OF THE RESERVE BANK OF INDIA ACT, 1934
- INCLUSION OF “AHMEDNAGAR MERCHANT’S CO-OP. BANK LTD., AHMEDNAGAR” IN THE SECOND SCHEDULE OF THE RESERVE BANK OF INDIA ACT, 1934
- FORMATION OF NEW DISTRICT IN THE STATE OF ARUNACHAL PRADESH – ASSIGNMENT OF LEAD BANK RESPONSIBILITY
- INCLUSION OF “NSDL PAYMENTS BANK LIMITED” IN THE SECOND SCHEDULE OF THE RESERVE BANK OF INDIA ACT, 1934
- LENDING AGAINST GOLD AND SILVER COLLATERAL - VOLUNTARY PLEDGE OF GOLD AND SILVER AS COLLATERAL FOR AGRICULTURE AND MSME LOANS
- BASEL III CAPITAL REGULATIONS – EXTERNAL CREDIT ASSESSMENT INSTITUTIONS (ECAIS) – CAREEDGE GLOBAL IFSC LIMITED
- FOREIGN EXCHANGE MANAGEMENT (EXPORT OF GOODS & SERVICES) (AMENDMENT) REGULATIONS, 2025
- RESERVE BANK OF INDIA (PRE-PAYMENT CHARGES ON LOANS) DIRECTIONS, 2025



Corporate Laws

Ministry of Corporate Affairs

01 Mandatory Filing of Form IEPF-1A with Prescribed Excel Template under Rule 5 (4A) of the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 – Final Compliance Deadline: 30.08.2025

[Issued by the Ministry of Corporate Affairs E-file No: 284374 dated 31.07.2025]

The Investor Education and Protection Fund Authority (IEPFA), in exercise of its regulatory mandate under the Companies Act, 2013, had directed all concerned companies to ensure strict compliance with the provisions of Rule 5 (4A) of the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), as inserted vide Notification G.S.R. 571(E) dated 14th August 2019 w.e.f. 20th day of August, 2019 which reads as under:-

“(4A) The companies which have transferred any amount referred to in clauses (a) to (d) of sub-section (2) of section 205C of the Companies Act, 1956 (1 of 1956) to Investor Education and Protection Fund or Central Government, but have not filed the statement or have filed the statement in any format other than in excel template, as required under sub-rule (1) of rule 5, shall submit details mentioned in sub-rule (1) of rule 5 in Form No. IEPF – 1A along with excel template within sixty days of notification of these amended rule.”

2. As per above, a company is mandatorily required to file Form IEPF-1A along with the prescribed Excel template if:

- Any amount referred to in clauses (a) to (d) of sub-section (2) of Section 205C of the Companies Act, 1956 has been transferred to the IEPF or Central Government without submitting the required statement in any format other than in excel template, as required under sub-rule (1) of rule 5, or
- The companies filed Form IEPF-1 under clauses (a) to (n) of sub-section (2) of Section 125 of the Companies Act, 2013 in any format other than the mandated Excel template after the notification date.

IEPF AUTHORITY
MCA
Government of India

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

02 Notice inviting comments on draft Companies (Meetings of Board and its Powers) Amendment Rules, 2025

[Issued by the Ministry of Corporate Affairs E. No. 1/32/2013-CL-V-Part dated 18.07.2025]

As per Section 186(11)(a) of the Companies Act, 2013 (Act) read with rule 11 (2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the Non- Banking Financial Companies (NBFCs) registered with the RBI and engaged in the business of giving loans or providing guarantee/ security for due repayment of loan availed by any person in the ordinary course of business, are exempt from the requirements of Section 186 (except sub-section (1) of such section) of the Act.

The request was made by International Financial Services Centres Authority (IFSCA) to the Ministry of Corporate Affairs (MCA) for amending Rule 11(2) of Companies (Meetings of Board and its Powers) Rules, 2014 to include "Finance Companies" registered with IFSCA within the scope of such rule 11(2), so that relaxation available with NBFCs registered with RBI is available to such Finance Companies also. The suggestion is aimed at providing ease of doing business for the Finance Companies in the IFSC Jurisdiction.

MCA has examined the proposal in consultation with DEA, RBI and IFSCA and it has been proposed to amend Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014. Accordingly, a notification has been drafted and is made available on the online portal of the Ministry i.e. www.mca.gov.in.

It has been decided to invite suggestions/comments on such draft amendment from stakeholders. Suggestions/ comments on the draft amendment notification along with justification in brief may be sent latest by 17th July, 2025 through e- Consultation Module on the website of Ministry of Corporate Affairs.

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

03 The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025

[Issued by the Ministry of Corporate Affairs E-F. No. 05/03/2022-CSR dated 07.07.2025]

In exercise of the powers conferred by section 135 and 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 (Corporate Social Responsibility Policy) Rules, 2014, namely:-

- Short title and commencement. - (1) These rules may be called the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025.
(2) They shall come into force with effect from the 14th day of July, 2025.

2. In the Companies (Corporate Social Responsibility Policy) Rules, 2014, for e-form No. CSR-1, the following e-form shall be substituted, namely:—

INDERDEEP SINGH DHARIWAL
Joint Secretary

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04 The Companies (Listing of equity shares in permissible jurisdictions) Amendment Rules, 2025

[Issued by the Ministry of Corporate Affairs F. No. 5/1/2021-CL-I dated 03.07.2025]

In exercise of the powers conferred by sub-section (3) of section 23 read with Section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules to amend the Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024, namely: -

- (1) These rules may be called the Companies (Listing of equity shares in permissible jurisdictions) Amendment Rules, 2025.
- (2) They shall come into force from the date of their publication in the Official Gazette.
- In the Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024, in the Second Schedule, for Form LEAP – 1, the following form shall be substituted, namely: -

BALAMURUGAN D.
Joint Secretary

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05 The Companies (Incorporation) Amendment Rules, 2025

[Issued by the Ministry of Corporate Affairs F. No. 01/13/2013-CL-V, Vol. VI dated 27.06.2025]

In exercise of the powers conferred by sub-section (9) of section 12 and 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) These rules may be called the Companies (Incorporation) Amendment Rules, 2025.
- (2) They shall come into force on the 14th day of July, 2025.
- In the Companies (Incorporation) Rules, 2014, for Form INC-22A, the following e-Form shall be substituted, namely:-

BALAMURUGAN D.
Joint Secretary

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

06 The Companies (Restriction on number of layers) Amendment Rules, 2025

[Issued by the Ministry of Corporate Affairs F. No. 01/13/2013-CL-V (Vol.V) dated 27.06.2025]

In exercise of the powers conferred by proviso to clause (87) of section 2 and subsections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules to amend Companies (Restriction on number of layers) Rules, 2017 namely:—

- Short title and commencement. - (1) These rules may be called the Companies (Restriction on number of layers) Amendment Rules, 2025.
- (2) They shall come into force on the 14th day of July, 2025.

2. In the Companies (Restriction on number of layers) Rules, 2017, in the Annexure, for Form CRL- 1, the following form shall be substituted, namely:

BALAMURUGAN D.
Joint Secretary

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

Securities and Exchange Board of India

07 Frequently Asked Questions (FAQs) related to regulatory provisions for Research Analysts

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/ MIRSD-PoD/P/CIR/2025/105 dated 23.07.2025]

- Securities and Exchange Board of India (SEBI) has notified SEBI (Research Analysts) (Third Amendment) Regulations, 2024 on December 16, 2024. Pursuant to these amendments, SEBI has issued a circular dated January 08, 2025 on guidelines for research analysts.
- SEBI is in receipt of representations from Research Analysts (RAs) requesting to provide clarifications on certain regulatory provisions.
- In this regard, in order to provide clarity and guidance for compliance by RAs with the regulatory provisions, the details/clarifications are provided as part of the Frequently Asked Questions (FAQs) at Annexure A. These FAQs are issued after public consultation and incorporating various suggestions received during such consultation (wherever found appropriate). For full particulars of laws governing the Research Analysts (RAs), please refer to the Acts/ Regulations/ Guidelines/ Circulars, etc. appearing under the Legal Framework Section of SEBI website. For an interpretation of a specific provision of the Regulations, informal guidance may be sought as specified under SEBI (Informal Guidance) Scheme, 2003.
- Based on the representations received from RAs/ research entities and to ensure ease of compliance, it has been decided that RAs/research entities shall now ensure the compliance with the following-

- i. Persons associated with research services shall obtain the relevant certification from NISM as specified by SEBI within one year from the date of this circular.
 - ii. Consent by signature on the terms and conditions including most important terms and conditions (MITC) shall not be mandatory for the clients who are institutional investors or qualified institutional buyers. However, RAs/research entities are required to disclose the terms and conditions of research services including MITC to these clients.
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 Regulation 33 of Securities and Exchange Board of India (Research Analysts) Regulations, 2014 to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.
 6. This circular is available on the SEBI website at www.sebi.gov.in under the category "Legal→Circulars".

ARADHANA VERMA
General Manager

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08 Master Circular for ESG Rating Providers ("ERPs")

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-POD-2/P/CIR/2025/100 dated 11.07.2025]

- I. ESG Rating Providers are regulated under the provisions of Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999 ("CRA Regulations") as amended with effect from July 4, 2023) that inter-alia prescribe guidelines for registration of ERPs, general obligations of ERPs, manner of inspection and code of conduct applicable to ERPs.
- II. While the broad framework for ERPs has been laid down in the CRA Regulations, the procedural/ disclosure requirements and obligations are being specified through this Master Circular, which will enable the industry and other users to have access to all the applicable directions to ERPs at one place.
- III. ERPs are directed to comply with the conditions laid down in this master circular. Also, ERPs shall have necessary systems and infrastructure in place for implementation of this circular. The Board of Directors of the ERP shall be responsible for ensuring compliance with these provisions.
- IV. This Master Circular is a compilation of the existing circulars as on date, with consequent changes. Accordingly, the list of existing circulars for ERPs which have been superseded by this Master Circular is placed at Appendix.

V. Notwithstanding such rescission-

- a. anything done or any action taken or purported to have been done or taken under the rescinded circulars, prior to such rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;
- b. any application made to the Board under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular;
- c. the previous operation of the rescinded circulars or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the rescinded circulars, any penalty, incurred in respect of any violation committed against the rescinded circulars, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded circulars have never been rescinded.

RITESH NANDWANI
Deputy General Manager

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09

Master Circular for Credit Rating Agencies

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-POD2/P/CIR/2025/101 dated 11.07.2025]

- I. Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999 ("CRA Regulations") prescribes guidelines for registration of Credit Rating Agencies (CRAs), general obligations of CRAs, manner of inspection and investigation and code of conduct applicable on CRAs. Multiple circulars have been issued, over the years, covering the operational and procedural aspects thereof.
 - II. In order to enable the industry and other users to have access to all the applicable circulars/ directions at one place, Master Circular for CRAs has been prepared.
 - III. This Master Circular is a compilation of the existing circulars as on date, with consequent changes. The stipulations contained in these circulars have been detailed chapter-wise in this master circular. Accordingly, the list of existing circulars for CRAs which have been superseded by this Master Circular is placed at Appendix.
 - IV. Notwithstanding such rescission-
- a. anything done or any action taken or purported to have been done or taken under the rescinded circulars, prior to such rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;
 - b. any application made to the Board under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular;

- c. the previous operation of the rescinded circulars or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the rescinded circulars, any penalty, incurred in respect of any violation committed against the rescinded circulars, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded circulars have never been rescinded.
- V. This circular is issued 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 Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.
- VI. This issues with the approval of the Competent Authority.

RITESH NANDWANI
Deputy General Manager

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10 Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated 11.07.2025]

1. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), prescribes the continuous disclosure requirements for issuers of listed Non-convertible Securities, Securitized Debt Instruments and Commercial Paper. In this regard, SEBI has been issuing various circulars from time to time. In order to enable the stakeholders to have an access to all the applicable circulars/ directions at one place, the provisions of the circulars issued till June 30, 2025 are incorporated in this Master Circular.
2. This Master Circular shall come into force from the date of its issuance. The circulars mentioned at Annex-1 to this Master Circular shall stand superseded with the issuance of the Master Circular³. With respect to the directions or other guidance issued by SEBI, as specifically applicable for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper, the same shall continue to remain in force in addition to the provisions of any other law for the time being in force. Terms not defined in this Master Circular shall have the same meaning as provided under the relevant Regulations.
3. Notwithstanding the supersession as mentioned in Clause 2 of this Master circular⁴, -
 - 3.1. anything done or any action taken or purported to have been done or taken under the rescinded circulars, prior to such rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;

- 3.2. any application made to the Board under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of these regulations;
4. Recognized Stock Exchanges, Issuers and other stakeholders are directed to:
 - 4.1. comply with the conditions laid down in this circular;
 - 4.2. bring the provisions of this circular to the notice of listed entities/ issuers of listed Non-Convertible Securities, Securitized Debt Instruments, and/ or Commercial Paper;
 - 4.3. disseminate the provisions of the circular on their website;
 - 4.4. put in place necessary systems and infrastructure for implementation of this circular;
 - 4.5. monitor compliance with the provisions of the circular;
 - 4.6. make consequential changes, if any, to their respective bye-laws; and
 - 4.7. communicate and create awareness amongst the stakeholders.
5. This Circular is issued in exercise of powers conferred under:
 - 5.1. Section 11(1) and 11A(2) of Securities and Exchange Board of India Act, 1992;
 - 5.2. Rule 19 (7) of Securities Contracts (Regulation) Rules, 1957;
 - 5.3. Regulation 101 of the Listing Regulations.
6. This Master Circular is available on the SEBI website at www.sebi.gov.in under the category "Legal → Master Circulars".

ROHIT DUBEY
General Manager

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11 Master Circular for Real Estate Investment Trusts (REITs)

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS-PoD-2/P/CIR/2025/99 dated 11.07.2025]

1. For effective regulation of Real Estate Investment Trusts, Securities and Exchange Board of India (SEBI) has been issuing various circulars from time to time. In order to enable the stakeholders to have an access to all the applicable circulars at one place, the provisions of the circulars issued till July 11, 2025 are incorporated in this Master Circular for Real Estate Investment Trusts.
2. This Master Circular shall come into force from the date of its issuance. The circulars mentioned in Appendix to this Master Circular shall stand superseded with the issuance of this Master Circular. With respect to the directions or other guidance issued by SEBI, as specifically applicable to Real Estate Investment Trusts, the same shall continue to remain in force in addition to the provisions of any

other law for the time being in force. Terms not defined in this Master Circular shall have the same meaning as provided under the relevant Regulations.

3. Notwithstanding such supersession,
 - 3.1. anything done or any action taken or purported to have been done or taken under the superseded circulars, including registrations or approvals granted, fees collected, registration suspended or cancelled, any inspection or investigation or enquiry or adjudication commenced or show cause notice issued prior to such supersession, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;
 - 3.2. any application made to SEBI under the superseded circulars, prior to such supersession, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular;
 - 3.3. the previous operation of the superseded circulars or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the superseded circulars, any penalty, incurred in respect of any violation committed against the superseded circulars, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the superseded circulars have never been superseded;
4. Pursuant to issuance of this Master Circular, the entities which are required to ensure compliance with various provisions shall submit necessary reports as envisaged in this Master Circular on a periodic/ continuous basis. Stock exchanges are advised to disseminate the contents of this Circular on their website.
5. This Master Circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 33 of the SEBI (Real Estate Investment Trusts) Regulations, 2014 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. This Master Circular is issued with the approval of the Competent Authority.
6. This Master Circular is available on the SEBI website at <https://www.sebi.gov.in/> under the category "Legal → Master Circulars

RITESH NANDWANI
Deputy General Manager

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12 Master Circular for Infrastructure Investment Trusts (InvITs)

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS-PoD-2/P/CIR/2025/102 dated 11.07.2025]

1. For effective regulation of Infrastructure Investment Trusts, Securities and Exchange Board of India (SEBI) has been issuing various circulars from time

to time. In order to enable the stakeholders to have an access to all the applicable circulars at one place, the provisions of the circulars issued till July 11, 2025 are incorporated in this Master Circular for Infrastructure Investment Trusts.

2. This Master Circular shall come into force from the date of its issuance. The circulars mentioned in Appendix to this Master Circular shall stand superseded with the issuance of the Master Circular. With respect to the directions or other guidance issued by SEBI, as specifically applicable to Infrastructure Investment Trusts, the same shall continue to remain in force in addition to the provisions of any other law for the time being in force. Terms not defined in this Master Circular shall have the same meaning as provided under the relevant Regulations.
3. Notwithstanding such supersession,
 - 3.1. anything done or any action taken or purported to have been done or taken under the superseded circulars, including registrations or approvals granted, fees collected, registration suspended or cancelled, any inspection or investigation or enquiry or adjudication commenced or show cause notice issued prior to such supersession, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;
 - 3.2. any application made to SEBI under the superseded circulars, prior to such supersession, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular;
 - 3.3. the previous operation of the superseded circulars or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the superseded circulars, any penalty, incurred in respect of any violation committed against the superseded circulars, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the superseded circulars have never been superseded;
4. Pursuant to issuance of this Master Circular, the entities which are required to ensure compliance with various provisions shall submit necessary reports as envisaged in this Master Circular on a periodic/ continuous basis. Stock exchanges are advised to disseminate the contents of this Circular on their website.
5. This Master Circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 33 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. This Master Circular is issued with the approval of the Competent Authority.

6. This Master Circular is available on the SEBI website at <https://www.sebi.gov.in/> under the category “Legal → Master Circulars”.

RITESH NANDWANI
Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

13 Master Circular for Portfolio Managers

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/IMD/IMD-POD-1/P/CIR/ 2025/104 dated 16.07.2025]

- A. For effective regulation of Portfolio Managers, the Securities and Exchange Board of India (“SEBI”) has been issuing various circulars from time to time. In order to enable the stakeholders to have an access to all the applicable requirements at one place, the provisions of the said circulars issued till March 31, 2024 were incorporated in the Master Circular for Portfolio Managers dated June 07, 2024.
- B. Subsequently, various guidelines/directions were issued to Portfolio Managers by way of circulars/ letters. In view of the same, the Master Circular dated June 07, 2024 has been updated to include all relevant circulars that were issued on/before March 31, 2025. The instant Master Circular supersedes the Master Circular for Portfolio Managers dated June 07, 2024.
- C. Vide Master Circular for Portfolio Managers dated June 07, 2024, the guidelines/directions contained in the circulars listed out in the Appendix to that Master Circular were rescinded. In addition, with the issuance of this Master Circular, the guidelines/directions contained in the circulars listed out in Sr. Nos. 37-39 of the Appendix, to the extent they relate to the Portfolio Managers, shall stand rescinded.
- D. With respect to the directions or other guidance issued by SEBI, as specifically applicable to Portfolio Managers, the same shall continue to remain in force in addition to the provisions of any other law for the time being in force. Terms not defined in this Master Circular shall have the same meaning as provided under the relevant Regulations.
- E. The extant Master Circular is also updated to bring about consistency with respect to usage of the terms “Para”, “Paragraph” and “Clause” to refer to particular paragraphs of the Master Circular. To ensure consistency, the term “Paragraph/(s)” is used at all places, wherever such references are made.
- F. Notwithstanding such rescission,
 - F.1. anything done or any action taken or purported to have been done or taken under the rescinded circulars, including registrations or approvals granted, fees collected, registration suspended or cancelled, any inspection or investigation or enquiry or adjudication commenced or show cause notice

issued prior to such rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;

- F.2. any application made to SEBI under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular;
- F.3. the previous operation of the rescinded circulars or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the rescinded circulars, any penalty, incurred in respect of any violation committed against the rescinded circulars, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded circulars have never been rescinded;

PETER MARDI
Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

14 Ease of Doing Investment – Special Window for Re-lodgement of Transfer Requests of Physical Shares

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated 02.07.2025]

1. Transfer of securities in physical mode was discontinued with effect from April 01, 2019. Subsequently, it was clarified that transfer deeds lodged prior to deadline of April 01, 2019 and rejected/returned due to deficiency in the documents may be re-lodged with requisite documents. It was further decided to fix March 31, 2021 as the cut-off date for re-lodgement of transfer deeds.
2. SEBI received representation from investors as well as RTAs and listed companies that some of the investors had missed the timelines for re-lodging their documents for transfer of securities. This issue was discussed in a Panel of Experts which included RTAs, listed companies and Legal Expert. Based on discussion, the Panel recommended that to alleviate the issue faced by the investors that missed the March 31, 2021 deadline for re-lodgement, one more opportunity may be granted for them to re-lodge such shares for transfer.
3. Thus, in order to facilitate ease of investing for investors and to secure the rights of investors in the securities which were purchased by them, it has been decided to open a special window only for re-lodgement of transfer deeds, which were lodged prior to the deadline of April 01, 2019 and rejected/returned/not attended to due to deficiency in the documents/process/or otherwise, for a period of six months from July 07, 2025 till January 06, 2026.
4. During this period, the securities that are re-lodged for transfer (including those requests that are pending with the listed company / RTA, as on date) shall be issued only in demat mode. Due process shall be followed for such transfer-cum-demat requests.

5. Listed companies, RTAs and Stock Exchanges shall publicize the opening of this special window through various media including print and social media, on a bi-monthly basis during the six-month period.
6. RTAs/listed companies shall have focussed teams to attend to such requests.
7. RTAs/listed companies shall provide reports on:
 - 7.1 publicity; and
 - 7.2 shares re-lodged for transfer cum demat in the format specified by SEBI (provided at Annexure-A) on monthly basis.
8. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with regulation 102 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 to protect the interests of investors in securities 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 under the category: 'Legal → Circulars'.

SANJUKTA MAHALA
Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

Reserve Bank of India

15 Inclusion of "Deogiri Nagari Sahakari Bank Ltd., Chhatrapati Sambhajinagar" in the Second Schedule of the Reserve Bank of India Act, 1934

[Issued by the Reserve Bank of India vide RBI/2025-26/70 DoR.RET.REC.42/12.07.160/2025-26 dated 25.07.2025]

It is advised that "Deogiri Nagari Sahakari Bank Ltd., Chhatrapati Sambhajinagar" has been included in the Second Schedule of the Reserve Bank of India Act, 1934 vide Notification CO.DOR.RAUG.No.S2018/08.02.636/2025-2026 dated June 12, 2025 and published in the Gazette of India (Part III - Section 4) dated July 8, 2025.

MANORANJAN PADHY
Chief General Manager

16 Inclusion of "Ahmednagar Merchant's Co-op. Bank Ltd., Ahmednagar" in the Second Schedule of the Reserve Bank of India Act, 1934

[Issued by the Reserve Bank of India vide RBI/2025-26/69 DoR.RET.REC.41/12.07.160/2025-26 dated 25.07.2025]

It is advised that "Ahmednagar Merchant's Co-op. Bank Ltd., Ahmednagar" has been included in the Second Schedule of the Reserve Bank of India Act, 1934 vide Notification CO.DOR.RAUG.No.S2017/08.02.001/2025-26 dated June 12, 2025 and published in the Gazette of India (Part III - Section 4) dated July 8, 2025.

MANORANJAN PADHY
Chief General Manager

17 Formation of new district in the State of Arunachal Pradesh – Assignment of Lead Bank Responsibility

[Issued by the Reserve Bank of India vide FIDD.CO.LBS.BC.No.14/02.08.001/2025-26 dated 18.07.2025]

The Government of Arunachal Pradesh has notified formation of two new districts, viz., Keyi Panyor and Bichom in the state of Arunachal Pradesh vide Gazette Notification No. Law/Legn-5/2024 dated February 23, 2024. Accordingly, it has been decided to designate the Lead Banks of the new districts as below:

Sr No	Newly Created District	Lead Bank Responsibility assigned to	District Working Code allotted to new district
1.	Keyi Panyor	State Bank of India	02S (to be read as 'numeral zero, numeral two and alphabet S')
2.	Bichom	State Bank of India	02T (to be read as 'numeral zero, numeral two and alphabet T')

2. There is no change in the Lead Banks of the other districts in the state of Arunachal Pradesh.

NISHA NAMBIAR
Chief General Manager

18 Inclusion of "NSDL Payments Bank Limited" in the Second Schedule of the Reserve Bank of India Act, 1934

[Issued by the Reserve Bank of India vide RBI/2025-26/67 DoR.RET.REC.40/12.07.160/2025-26 dated 17.07.2025]

It is advised that "NSDL Payments Bank Limited" has been included in the Second Schedule of the Reserve Bank of India Act, 1934 vide Notification DoR.LIC.No.S2196/16.13.215/2025-26 dated June 19, 2025 and published in the Gazette of India (Part III - Section 4) dated July 10, 2025.

MANORANJAN PADHY
Chief General Manager

19 Lending Against Gold and Silver Collateral - Voluntary Pledge of Gold and Silver as Collateral for Agriculture and MSME Loans

[Issued by the Reserve Bank of India vide RBI/2025-26/66 FIDD.CO.FSD.BC.No.08/05.05.010/2025-26 dated 11.07.2025]

Please refer to our circular FIDD.CO.FSD.BC.No.10/05.05.010/2024-25 dated December 6, 2024 on Credit Flow to Agriculture – Collateral free agricultural loans, and Para 4.1 of the Master Direction FIDD.MSME & NFS.12/06.02.31/2017-18 dated July 24, 2017 on Lending to Micro, Small & Medium Enterprises (MSME) Sector (Updated as on June 11, 2024)¹.

- Reference is also invited to the Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025, DOR.CRE.REC.26/21.01.023/2025-26, dated June 6, 2025.
- In this regard, it is clarified that loans against voluntary pledge of Gold and Silver as collateral by borrowers, sanctioned by the banks upto the collateral free limit, as covered under the Circular / Master Direction referred to in para 1 above, will not be construed as a violation of the above-mentioned guidelines as regards such collateral.

R GIRIDHARAN
Chief General Manager

20 Basel III Capital Regulations – External Credit Assessment Institutions (ECAIs) – CareEdge Global IFSC Limited

[Issued by the Reserve Bank of India vide RBI/2025-26/65 DOR.STR. REC.39/21.06.008/2025-26 dated 10.07.2025]

Please refer to Paragraph 6 of the Master Circular – Basel III Capital Regulations dated April 01, 2025, as amended from time to time.

- In terms of para ibid, inter alia, banks are permitted to use the ratings of three international credit rating agencies viz. a) Fitch; b) Moody's; and c) Standard & Poor's for the purpose of risk weighting their claims on different foreign entities for capital adequacy purposes.
- It has been decided to permit banks to also use the ratings of M/s CareEdge Global IFSC Limited for risk weighting their claims on non-resident corporates originating at International Financial Services Centre (IFSC).
- The rating-risk weight mapping for the ratings assigned by M/s CareEdge Global IFSC Limited shall be as follows:

Rating Category	AAA	AA	A	BBB	BB & below
Risk weight (%)	20	30	50	100	150

VAIBHAV CHATURVEDI
Chief General Manager

21 Foreign Exchange Management (Export of Goods & Services) (Amendment) Regulations, 2025

[Issued by the Reserve Bank of India vide Notification No. FEMA 23(R)/(6)/2025-RB dated 24.06.2025]

In exercise of the powers conferred by Section 7 and clause (b) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendments to the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 [Notification No. FEMA 23(R)/2015-RB dated January 12, 2016] (hereinafter referred to as 'the Principal Regulations'), namely:

1. Short Title and Commencement:-

- These regulations may be called the Foreign Exchange Management (Export of Goods & Services) (Amendment) Regulations, 2025
- They shall come into force from the date of their publication in the Official Gazette.

2. In the principal regulations, in regulation 4, after sub-regulation (c) the following sub-regulation (ca) shall be inserted, namely:-

"ca). Tugs or Tug Boats, Dredgers and Vessels used for providing offshore support services, subject to their re-import into India"

N SENTHIL KUMAR
Chief General Manager

22 Reserve Bank of India (Pre-payment Charges on Loans) Directions, 2025

[Issued by the Reserve Bank of India of RBI/2025-26/64 DoR.MCS. REC.38/01.01.001/2025-26 dated 02.07.2025]

Availability of easy and affordable financing to Micro and Small Enterprises (MSEs)¹ is of paramount importance. However, Reserve Bank's supervisory reviews have indicated divergent practices amongst Regulated Entities (REs) with regard to levy of pre-payment charges in case of loans sanctioned to MSEs which lead to customer grievances and disputes. Further, certain REs have been found to include restrictive clauses in loan contracts/agreements to deter borrowers from switching over to another lender, either for availing lower rates of interest or better terms of service. Accordingly, as announced in the Statement on Developmental and Regulatory Policies dated October 9, 2024, a draft circular in this regard was issued on February 21, 2025 for public consultation.

- Based on a review of the supervisory findings and public feedback received on the draft circular, the Reserve Bank, in exercise of the powers conferred by Sections 21, 35A and 56 of the Banking Regulation Act, 1949, Sections 45JA, 45L and 45M of the Reserve Bank of India Act, 1934 and Section 30A of the National Housing Bank Act, 1987, hereby issues the Directions hereinafter specified.

- (i) These Directions shall be called the Reserve Bank of India (Pre-payment Charges on Loans) Directions, 2025.

(ii) These Directions shall be applicable to all loans² and advances sanctioned or renewed on or after January 1, 2026.

VEENA SRIVASTAVA
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

CHARTERED SECRETARY

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(With Effect from September 2018)

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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)



5

NEWS FROM THE INSTITUTE



- MEMBERS RESTORED DURING THE MONTH OF JUNE 2025
- CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF JUNE 2025
- NEW ADMISSIONS
- OBITUARIES
- CHANGE / UPDATION OF ADDRESS
- UPLOADING OF PHOTOGRAPH AND SIGNATURE



Institute News

MEMBERS RESTORED DURING THE MONTH OF JUNE 2025

SL. NO.	NAME	MEMB NO.	REGION
1	CS MANOJ VISHNU MUTALIK DESAI	ACS - 15060	WIRC
2	CS MONIKA M	ACS - 72189	SIRC
3	CS REENA RANI	ACS - 54543	NIRC
4	CS RAMESH CHANDRA TRIPATHI	FCS - 7220	NIRC
5	CS RAKESH KAKKAR	ACS - 30104	NIRC
6	CS SHWETA LADDHA	ACS - 32001	WIRC
7	CS MADHURI DHANOPIA	ACS - 38692	NIRC
8	CS ZINAL SHAILESH KUMAR MODI	ACS - 70660	WIRC
9	CS HUDA KHAN	ACS - 52157	NIRC
10	CS MAHABIR GUPTA	ACS - 62243	NIRC
11	CS YASH CHANDAR JOSHI	ACS - 67900	WIRC
12	CS I W VIJAY KUMAR	ACS - 5710	SIRC
13	CS SHEETAL AGGARWAL	ACS - 34013	NIRC
14	CS G NARAYANAN	ACS - 3470	SIRC
15	CS PRIYANKA BADOLA	ACS - 40888	NIRC
16	CS RATNESH KUMAR PANDEY	ACS - 30053	SIRC
17	CS SHIKHA DAHIYA	ACS - 64530	NIRC
18	CS THIRUPATHI VODNALA	FCS - 7128	SIRC
19	CS AANVI RUSHABH ADANI	ACS - 52060	WIRC
20	CS SURESH KRISHNAMACHARI	FCS - 4320	SIRC
21	CS G J RAMESH BABU	ACS - 30739	SIRC
22	CS KUNAL AGGARWAL	ACS - 35119	NIRC
23	CS GARIMA JAIN	ACS - 43645	WIRC
24	CS RAVNEET KAUR SETHI	ACS - 29425	NIRC
25	CS VARUN KUMAR SK	ACS - 58622	SIRC
26	CS SANJAY BANSAL	FCS - 10012	NIRC
27	CS RAJESH SHROFF	ACS - 15490	WIRC
28	CS NIKHIL DESHPANDE	ACS - 28940	WIRC
29	CS KUNAL PANDEY	ACS - 58812	NIRC
30	CS HRIDESH AGARWAL	ACS - 17367	NIRC

31	CS NEHAL THADANI	ACS - 43405	NIRC
32	CS SAUMYA AWASTHI	ACS - 50497	NIRC
33	CS DHIRAJ RAJKESHWAR TIWARI	ACS - 64625	WIRC
34	CS SHRADHA CHETAN SHARMA	FCS - 10277	WIRC
35	CS BABITA KULDIP SHARMA	ACS - 13329	WIRC
36	CS SEEMA MAHESHWARI	ACS - 47317	EIRC
37	CS PRASHANT BHARATKUMAR PATEL	FCS - 7365	WIRC
38	CS NISHA PATODIA	ACS - 37845	EIRC
39	CS RAMESH SUBRAMANYAM	ACS - 11329	WIRC
40	CS SHRUTI ANIL KUMAR JAIN	ACS - 19684	WIRC
41	CS VEENU GUPTA	ACS - 24846	NIRC
42	CS PRIYANKA ASHOK KALRA	ACS - 27769	NIRC
43	CS NAVEEN MADHWAL	ACS - 31928	NIRC
44	CS NATASHA P RAO	ACS - 36856	SIRC
45	CS PUJA JAISWAL	ACS - 39151	EIRC
46	CS SURABHI SUNIL DHORJE	ACS - 53330	WIRC
47	CS VIJITA K NAMBOOTHIRI	ACS - 60935	SIRC
48	CS MONIKA MAHENDRA GADA	ACS - 67399	WIRC
49	CS PRIYANKA MUNDHRA	ACS - 68467	EIRC
50	CS RUTA ABHAY DESAI	ACS - 28289	WIRC
51	CS PRAGATI JAIN	ACS - 40665	NIRC
52	CS SIKHA DHANUKA	ACS - 48636	EIRC
53	CS SHAH HARDIK MUKESH	ACS - 62941	WIRC
54	CS NIHAL PRAVIN SAKARIA	ACS - 65012	WIRC
55	CS RUTA RAJESH KABRA	ACS - 65937	WIRC
56	CS NITIN KUMAR SHRIVASTAVA	ACS - 19241	NIRC
57	CS GAZAL INANI	ACS - 23246	NIRC
58	CS RONAK SAIN	ACS - 63880	SIRC
59	CS NEHA NATANI	ACS - 71795	NIRC
60	CS GIRISH KAMLAKAR SATHE	ACS - 12499	WIRC
61	CS MEGHA SHARMA	ACS - 43272	NIRC
62	CS PRACHI SAXENA	ACS - 44417	WIRC
63	CS PAYAL RAJAWAT	ACS - 48951	NIRC
64	CS PRAJAKTA RAJENDRA DESHPANDE	ACS - 70621	WIRC
65	CS ARTI SHRIRAM GOPAL KHETAN	ACS - 22560	WIRC
66	CS JITENDRA SHARMA	ACS - 31493	NIRC
67	CS S VELUSWAMY	ACS - 5405	SIRC

68	CS SUBASH GAJJES S	ACS - 64866	SIRC
69	CS CHANDRASEKHAR RAMADURAI	ACS - 68525	SIRC
70	CS ISRAR KHAN	FCS - 6824	WIRC
71	CS VINITA YADAV	ACS - 71765	NIRC
72	CS NAMITA BAPAT	ACS - 54733	WIRC
73	CS BHAKTI KUNTAL DAVE	ACS - 69517	WIRC
74	CS MANJARI SHARMA	ACS - 15126	NIRC
75	CS GEETANJALI KUMARI	ACS - 30962	NIRC
76	CS PRIYAL NITIN SHAH	ACS - 41904	WIRC
77	CS POOJA ASHOK SOLANKI	ACS - 55657	WIRC
78	CS SHRADHA AGARWAL	ACS - 61136	EIRC
79	CS NIKITA RITHWIK NAYAK	ACS - 61739	SIRC
80	CS DIKSHITA DILIPKUMAR JAIN	ACS - 68965	WIRC
81	CS S SRIDHARAN	ACS - 7173	SIRC
82	CS ANKIT JAIN	FCS - 6349	NIRC
83	CS KALYAN GHOSH	ACS - 10790	NIRC
84	CS BHAVIKA DHANSUKH GOHIL	ACS - 27847	WIRC
85	CS JEROME PRIYANKA MOTICHAND	ACS - 40483	WIRC
86	CS DIVYA BHARTI	ACS - 45448	NIRC
87	CS PRINCY ASATI	ACS - 65847	SIRC
88	CS PAYAL	ACS - 37359	SIRC
89	CS NIDHI BHATI	ACS - 50767	NIRC
90	CS ANAMITRA BASU	ACS - 66786	EIRC
91	CS NAND LALL MANDHANA	FCS - 686	WIRC
92	CS ANUSHA VERMA	ACS - 29227	EIRC
93	CS RAKESH KUMAR	ACS - 41739	NIRC
94	CS PANKAJ PASI	ACS - 65872	NIRC
95	CS SURBHI JAIN	ACS - 70230	WIRC
96	CS SHRUTI AJMERA	ACS - 20298	NIRC
97	CS IPSITA PRAFULLA MURANJAN	ACS - 23034	WIRC
98	CS GARIMA KAKARANIA	ACS - 37125	SIRC
99	CS ANURADHA GAUR	ACS - 39205	NIRC
100	CS NABAR AARTI SUHAS	ACS - 44059	WIRC
101	CS BABITA JAIN	ACS - 46091	NIRC
102	CS JAFEEL P S	ACS - 59056	SIRC
103	CS K V R SUBRAMANIAM	ACS - 8774	WIRC
104	CS SURESH B PANCHOLI	FCS - 1413	WIRC
105	CS M K ANANDAKUMAR	FCS - 6819	SIRC
106	CS SHEETAL DIVAKAR VAIDYA	ACS - 17093	WIRC
107	CS NIDHI BAGRI	ACS - 24765	EIRC
108	CS KANIKA MIGLANI	ACS - 73236	NIRC
109	CS A GURUDUTT	ACS - 9062	SIRC

110	CS YOGESH KUMAR YADAV	ACS - 49095	NIRC
111	CS S RAJENDIRAN	ACS - 5115	SIRC
112	CS RENUKA GUNASEKHAR	ACS - 63007	SIRC
113	CS SWETA AGARWAL	ACS - 64726	EIRC
114	CS SIMRAN SANJAY ASRANI	ACS - 67769	WIRC
115	CS VARUN JAIN	FCS - 12044	NIRC

CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF JUNE 2025

SL. NO.	NAME	MEMB NO	COP NO.	REGION
1	CS PANKHURI MATHUR	FCS - 10301	12559	NIRC
2	CS RACHITA GOHIL	ACS - 31302	16264	WIRC
3	CS ARAVIND PALAVESAM	ACS - 69055	26676	SIRC
4	CS BHOOMIKA CHIMAN CHAWDA	ACS - 75740	27869	WIRC
5	CS CHANDRASHEKHAR BHAGWANRAO DESHPANDE	FCS - 6107	5937	WIRC
6	CS DHEERAJKUMAR PANNALAL TIWARI	ACS - 44510	16810	WIRC
7	CS PRIYA AGARWAL	ACS - 58778	27717	EIRC
8	CS RAHUL CHAUDHARY	FCS - 12884	20341	NIRC
9	CS VIJAYA LAKSHMI VARSHNEY	ACS - 26741	14735	SIRC
10	CS MADHAVI HEGDE	ACS - 36601	26449	SIRC
11	CS VIBHA TRIVEDI	ACS - 56752	26547	NIRC
12	CS SANDEEP SINGH	ACS - 66954	27032	NIRC
13	CS ISHU SAINI	ACS - 30799	27999	NIRC
14	CS IYAPPAN KANNAN	ACS - 40603	27517	SIRC
15	CS JINAL SURESH MANIAR	ACS - 71162	26663	WIRC
16	CS PREETI SONDHI	FCS - 8676	26903	NIRC
17	CS SUDIPA SINGH	ACS - 56989	24929	EIRC
18	CS ANNU TIWARI	ACS - 25254	26151	SIRC
19	CS ESHITA GOEL	ACS - 59055	27418	NIRC
20	CS JALPA JINENDRA SHAH	ACS - 38009	15210	WIRC
21	CS CHARU	FCS - 10853	23703	NIRC
22	CS MEGHANA AMOL LOKHANDE	ACS - 57156	21679	WIRC
23	CS APOORVA JAIN	ACS - 61073	27492	NIRC
24	CS DIVYA ASHOK KOTHARI	ACS - 72650	27006	WIRC
25	CS MEENA MENGHANI	FCS - 11561	18424	NIRC
26	CS VRUSHALI R GANDHI	ACS - 20121	7873	SIRC
27	CS ADITI GUPTA	ACS - 40308	22152	NIRC
28	CS CHITRA JAISWAL	FCS - 13689	27554	EIRC
29	CS DEEPTI SINGH	ACS - 64749	27210	WIRC

30	CS ANKITA KUKREJA	ACS - 71280	26981	WIRC
31	CS BHOOMI RASHMIN NAYGANDHI	ACS - 65784	24592	WIRC
32	CS BANGALORE GOPALAKRISHNA SHARMA VENKATESH SHARMA	ACS - 58757	22207	SIRC
33	CS AVADHI LALITKUMAR JAIN	ACS - 64238	26368	WIRC
34	CS SUNNY KESHRI	ACS - 66366	25218	SIRC
35	CS YOGITA AKSHAY DHOOT	ACS - 47197	18714	WIRC
36	CS ASHRITA REDDY TAMMA	ACS - 48555	25441	SIRC
37	CS NISID KUMAR SINGH	FCS - 9444	10562	NIRC
38	CS ANAMIKA KHAITAN	ACS - 59353	23883	EIRC
39	CS FARHA NAAZ	ACS - 36952	25008	NIRC
40	CS MANPREET KAUR	ACS - 57101	27495	SIRC
41	CS MEGHA RASTOGI	ACS - 39197	27691	NIRC
42	CS NEHA GUPTA	ACS - 56428	23293	NIRC
43	CS ABHISHEK SHARMA	ACS - 73975	27918	NIRC
44	CS BINDI SHAH	ACS - 24220	27586	WIRC
45	CS KARAN KHANNA	ACS - 38842	15871	NIRC

46	CS PRIYANKA	ACS - 48505	19176	NIRC
47	CS SHIKHA PARTH PATEL	ACS - 43955	16201	WIRC
48	CS SUMIT CHANDHOK	ACS - 30449	20905	NIRC
49	CS VANITA PASHUPATINATH AGARWAL	ACS - 40506	15368	WIRC
50	CS CHARU LATHA R	ACS - 67044	27726	SIRC
51	CS RAMESH CHANDRA PATWARI	FCS - 12638	15904	NIRC
52	CS RENU	ACS - 34545	25612	NIRC
53	CS SHIRISHCHANDRA VRAJLAL ADHIA	ACS - 10731	22204	WIRC
54	CS AMIT MITTAL	ACS - 42639	26590	WIRC
55	CS DEEPA JAYRAMDAS LAKHWANI	ACS - 64195	24581	SIRC
56	CS DEEVI MADHAVI LATHA	FCS - 7394	27212	SIRC
57	CS SHRUTHI RAMANATHAN	ACS - 68687	27552	SIRC
58	CS SUJATHA KOLLURI	FCS - 4403	14851	SIRC
59	CS PREETI GOEL	FCS - 10414	27374	NIRC
60	CS RAJIV VINODCHANDRA JOSHI	ACS - 8103	23397	WIRC
61	CS SUMIT AGARWAL	ACS - 44383	24537	EIRC

NEW ADMISSIONS

For latest admission of Associate and Fellow Members, Life Members of Company Secretaries Benevolent Fund (CSBF), Licentiates and issuance of Certificate of Practice, kindly refer to the link <https://www.icsi.edu/member>



OBITUARIES

Chartered Secretary deeply regrets to record the sad demise of the following members:

CS RAJENDRA PRASHAD BASIA (20/07/1952 – 28/08/2024) a Fellow member of the Institute from Delhi

CS L A K SINHA (02/01/1940 – 18/11/2024) a Fellow member of the Institute from Delhi

CS BHARAT KANAIYALAL SHAH (25/07/1953 – 23/11/2024) an Associate member of the Institute from Pune, Maharashtra

CS P BALAKRISHNAN (28/07/1935 – 10/12/2024) a Fellow member of the Institute from Mumbai, Maharashtra

CS SUNIL SUDHAKAR GUPCHUP (13/03/1955 – 27/03/2025) an Associate member of the Institute from Pune, Maharashtra

CS SHAH BIMAL MAHENDRABHAI (16/06/1966 – 27/05/2025) an Associate member of the Institute from Vadodara, Gujarat

May the Almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the departed souls rest in peace.

CHANGE / UPDATION OF ADDRESS

The members are requested to check and update (if required) your professional and residential addresses ONLINE only through Member Login. Please indicate your correspondence address too.

The steps to see your details in the records of the Institute:

1. Go to www.icsi.edu
2. Click on **MEMBER** in the menu
3. Click on **Member Search** on the member home page
4. Enter your membership number and check
5. The address displayed is your Professional address (Residential if Professional is missing)

The steps for online change of address are as under:

1. Go to www.icsi.edu
2. On the Online Services ----select **Member Portal** from dropdown menu
3. Login using your membership number e.g. A1234/F1234
4. Under **My Profile** --- Click on View and update option and check all the details and make the changes required and save
5. To change the mobile number and email id click the side option "**Click Here to update Mobile Number and E-mail Id**"
6. Check the residential address and link the Country-State-District-City and check your address in the fields Add. Line1/Add. Line2 & Add. Line3 (Click Here to change residential address)
 - a) Select the Country[#]
 - b) Select the State
 - c) Select the City
 - d) Submit the Pincode which should be 6 digits without space
 - e) Then click on "Save" button.
7. Select the appropriate radio button for Employment Status and check your address in the fields Add. Line1/Add. Line2 & Add. Line3 click the link on the right (Click Here to change Professional address)
 - a) Select the Country[#]
 - b) Select the State
 - c) Select the City
 - d) Submit the Pincode which should be 6 digits without space.
 - e) Then click on "Save" button.
8. Go back to the Dashboard and check if the new address is being displayed.

[#]in case of Foreign Country and State is not available in options then Select "**Overseas**" – A pop-up will open and you can add the "City, District, State" of that Country alongwith Zipcode

Members are required to verify and update their address and contact details as required under Regulation 3 of the CS Regulations, 1982 amended till date

For any further assistance, we are available to help you at <http://support.icsi.edu>

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
- 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

Documents downloadable from the DigiLocker Platform

The National Digital Locker System, launched by Govt. of India, is a secure cloud based platform for storage, sharing and verification of documents and certificates. In the wake of digitization and in an attempt to issue documents to all the members in a standard format and make them electronically available on real-time basis, the Institute of Company Secretaries of India had connected itself with the DigiLocker platform of the Government of India. The initiative was launched on 5th October, 2019 in the presence of the Hon'ble President of India.

In addition to their identity cards and Associate certificates, members can also now access and download their Fellow certificates and Certificates of Practice from the Digilocker anytime, anywhere.



How to Access:

- Go to <https://digilocker.gov.in> and click on Sign Up
- You may download the Digilocker mobile app from mobile store (Android/iOS)

How to Login:

- Signing up for DigiLocker with your mobile number.
- Your mobile number is authenticated by an OTP (one-time password).
- Select a username & password. This will create your DigiLocker account.
- After your DigiLocker account is successfully created, you can voluntarily provide your Aadhaar number (issued by UIDAI) to avail additional services.

How to Access your Documents digitally:

Members can download their digital ID Card / ACS / FCS / COP certificate(s) by following the steps given below:

1. Log in to <https://www.digilocker.gov.in> website
2. Go to Central Government and select Institute of Company Secretaries of India
3. Select the option of ID card / Membership Certificate / Practice Certificate
4. For ID Card, enter your membership number e.g. ACS 12345 / FCS 12345.
5. For membership certificate, Enter your membership and select ACS / FCS from drop down.
6. For COP certificate enter your COP number e.g. 12345 and select COP.
7. Click download / generate.
8. The ID Card / Membership certificate / Practice Certificate can be downloaded every year after making payment of Annual Membership fees.

Issues and Practical Challenges on Prohibition of Insider Trading

The Secretarial Standards Board (SSB), constituted by the Institute of Company Secretaries of India (ICSI), is entrusted with the responsibility of formulating and revising Secretarial Standards to promote uniformity and best practices in corporate governance. In line with its mandate, the SSB periodically updates Guidance Notes to reflect the evolving legal and regulatory landscape. Recognising the intricacies of insider trading transactions in corporates, the SSB has undertaken the initiative to revise the Guidance Note on Prevention of Insider Trading. This endeavour seeks to align the Guidance Note with emerging corporate governance practices and legal frameworks.

Objective:

To identify issues and practical challenges as well as to provide clear directives for compliance with legal provisions relating to Prohibition of Insider Trading (PIT).

Call for inputs:

We invite members, corporate professionals, and stakeholders to contribute their insights on:

- ❖ Practical challenges encountered in formulating the trading plan or issues related to inadequate restrictions on procurement of unpublished price sensitive information (UPSI).
- ❖ Difficulties faced in determining who qualifies as a Designated Person especially in large or group Companies.
- ❖ Suggestions for improving disclosure requirements and governance mechanisms.

Note: The Guidance Note on Prevention of Insider Trading was originally issued in January 2020 and subsequently revised in January 2022. It comprehensively addresses practical issues identified up to the time of its last revision. Stakeholders are invited to provide suggestions regarding new or emerging challenges that have not been captured in the earlier versions.

Please refer to the Guidance Note on Prevention of Insider Trading (PIT) available at:
https://www.icsi.edu/media/webmodules/GN7_Guidance_Note_on_Prevention_of_Insider_Trading.pdf

Submission Format:

Please arrange to send your suggestion in the following format:

A. Suggestions to Update Guidance Note on Prevention of Insider Trading

Sl. No.	Para No. / Page No.	Existing Text of GN	Suggestions	Rationale for the Suggestion

B. Other Practical Issues/Challenges Faced in Compliance of PIT Regulations

[Please provide detailed description of practical issues and challenges]

Kindly, share your comments latest by **August 31, 2025**.

Your comments in the above format may be sent through e-mail at ssb@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)

Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टको फेद त्रुपेदः कोवेदः इगु फेदः इदः।

Mission

"To develop high calibre
professionals facilitating
good corporate governance"



THE ICSI
PULSE

Watch the ICSI Podcast

<https://www.youtube.com/playlist?list=PLg8pXGyes7VftijvXbZeEb1cqMQQU8pPQ>



CS Dhananjay Shukla
President, The ICSI

CS Pawan G Chandak
Vice President, The ICSI

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6

MISCELLANEOUS CORNER



- GST CORNER
- ETHICS IN PROFESSION
- CG CORNER
- MARITIME CORNER
- ESG CORNER
- MSME CORNER
- GIST OF ROC & RD ADJUDICATION ORDERS

GST PORTAL IS NOW ENABLED TO FILE APPEAL AGAINST WAIVER ORDER (SPL 07)

Taxpayers who have submitted waiver applications through Forms SPL-01 or SPL-02 are now receiving formal responses from their jurisdictional GST authorities. These responses may come in the form of either an Acceptance Order (SPL-05) or a Rejection Order (SPL-07).

Goods and Services Tax (GST) Portal has now been equipped to allow taxpayers to file Appeal Applications (APL-01) against Rejection Orders issued in SPL-07.

Steps to File Appeals Against SPL-07 Orders can follow the given steps:

- Go to: Services → User Services → My Application
- Select Application Type as: "Appeal to Appellate Authority"
- Click on New Application

It may further be noted that once an appeal is filed under the waiver scheme, it cannot be withdrawn through the GST Portal, therefore, it is advised to exercise due diligence and ensure accuracy of all details before submission.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/615>

TAXPAYER ADVISORY ON UPCOMING SECURITY ENHANCEMENTS

The Goods and Services Tax (GST) system is set to introduce new enhancements aimed at bolstering data security and ensuring greater transparency for taxpayers interacting through Application Suvidha Providers (ASPs). These measures will soon be rolled out as part of a continued effort to improve taxpayer confidence in the digital GST ecosystem.

According to officials, ASPs connect with the GST system via authorized API channel partners known as GST Suvidha Providers (GSPs). In order to provide more transparency and control to taxpayers, the following key enhancements are being introduced:

1. Real-time Notifications for OTP-Based Consent

Taxpayers will now receive email and/or SMS notifications every time they provide OTP-based consent to an ASP for data access through the GSP interface.

The notification will be sent to the authorized signatory of the taxpayer and will include:



The name of the ASP and the associated GSP

Date and time of the OTP consent

Validity period of the consent

The GST Common Portal dashboard is being upgraded to allow taxpayers to view both current and historic data access granted to ASPs/GSPs. Taxpayers will also have the option to revoke any active consent, granting them greater control over their data sharing permissions. This new feature will be accessible after logging in to the GST portal.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/616>

ADVISORY: REGARDING GSTR-3A NOTICES ISSUED FOR NON-FILING OF FORM GSTR 4 TO CANCELLED COMPOSITION TAXPAYERS

The Goods and Services Tax Network (GSTN) has acknowledged that, due to a system-related glitch, Form GSTR-3A notices were erroneously issued to certain taxpayers for non-filing of GSTR-4, including those whose GST registrations had already been cancelled before the Financial Year 2024–25.

Under the provisions of Section 39(2) of the CGST Act, 2017, read with Rule 68 of the CGST Rules, 2017, notices in Form GSTR-3A are mandated in cases where the annual return in Form GSTR-4 is not filed. However, officials have confirmed that technical issues have caused these notices to be wrongly dispatched in inapplicable cases.

The issue is currently under active review by the technical team. GSTN has assured that corrective measures are being implemented to prevent such errors in the future.

Taxpayers who have either already submitted their returns or whose GST registrations were cancelled before FY 2024–25 are advised to disregard these notices, as no action is required from them.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/618>

Due Diligence in Incorporation of Companies - KYC and Particulars of Subscribers/Promoters/Directors

As per Section 22 of the Company Secretaries Act, 1980, “*professional and other misconduct*” shall be deemed to include any act or omission provided in any of the Schedules, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Director (Discipline) under sub-section (1) of Section 21 to inquire into the conduct of any member of the Institute under any other circumstances.

Company Secretaries in Practice are expected to exercise due diligence while certifying or filing forms for Incorporation of Companies. Due care regarding KYC documents and particulars of Subscribers/Promoters/Directors is important.

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 against one Practicing Company Secretary (hereinafter referred to as ‘the Respondent’). The Complainant has *inter-alia* stated /alleged that the Respondent on behest of foreign nationals has facilitated the incorporation of one Private Limited Company for ulterior motives knowing the fact that documents submitted for incorporation are apparently fabricated/ fake or morphed or using the documents, which were submitted by the unemployed youth for getting employment, etc. KYC documents (photos, PAN Card/Aadhaar Card/Bank account details etc.) of BPO employees/ unemployed youth have been used to register the Company by appointing them as directors and subscribers to the MOA and AOA of the Company. In Form DIR-2, consent to become director of such person are attached to show their consent, but it is not known as to whether the Respondent and perpetrator have misused their Digital Signature Certificate (DSC) and system without their knowledge.
2. The Complainant has alleged that in Form INC-32 SPICe, filed for the incorporation of the Company by the Respondent, the premises/address mentioned therein, was shown as the registered office of the Company by attaching NOC and utility bill. However, proof of ownership has not been attached as required under Rule 25(2)(c) of the Companies (Incorporation) Rules, 2014 read with Section 4 and 12 of the Companies Act, 2013. The Complainant has also alleged that in the said Form INC-32 SPICe, phone numbers of both the directors is given as ‘000000’ which is fake. This may be done to conceal their identity. The Complainant has referred to the email id mentioned for the Company.
3. The Respondent has denied the allegations and *inter-alia* stated/contended that he was engaged by the promoters/directors of the Company to incorporate a Company while ensuring compliance of the applicable laws and rules. The Respondent has facilitated the incorporation of the aforesaid Company on the basis of the information and documents, in original, provided to him. He has checked and verified all the original documents before certifying the Form INC-32 SPICe of the Company. He has done proper due diligence before checking the documents. No person has been appointed by the Respondent in the Company with any intention of committing fraud and has not been roped in by him. The Respondent used the DSC of the directors at time of incorporation of the Company only after proper authorization/permission from the directors and they were always aware of the use of their DSC.
4. The Respondent has stated that as per the MoA, the Company had intentions to carry business of manufacturing and sales of auto parts and motorcycle accessories etc. He believes that the Company has not even commenced its business; and has not received any FDI/ Capital/ Subscription amount. Even if the Company has any intention to commit fraud, the Complainant has no grounds or evidence to prove that any foreign national belonging to the Company or the Respondent has any intention to commit fraud.
5. The Respondent has stated that in Form INC-32 SPICe, correspondence office address of the company has been provided. Further, the Email id provided by his client at the time of its incorporation, was mentioned as email id of the Company. Form INC-32 SPICe required a landline number [phone (with STD/ISD code)] allowing 8 digits only and the directors were not having any landline number. Moreover, the phone numbers of the directors have not been specified in the Form DIR-2 signed and certified by the directors to be true and correct.
6. The Complainant in rejoinder submitted that the Complaint filed is self-explanatory.
7. The Respondent has stated that he has filled the information in the Form based on the notarized and apostilled documents submitted by his client. PIN Code was not specified in those documents, and he was not aware of PIN Code of Foreign Nation. Further, the information uploaded in the form is duly verified by the CRC (MCA) and the same was never objected by them. Email ids of the directors were provided by his Client, a Consulting Company, and they apprised the

Respondent that they want to use their email id till the time the Company starts its operations.

8. The Respondent has also stated that due to clerical error different ids of directors were filled in the Form INC-32 SPICe. It was without any ill intention and the same can be rectified. Incorporation form was not accepting contact numbers of outside India due to which he has mentioned the numbers provided by his Client, a Consulting Company.
9. The Respondent has further submitted that mentioning wrong date of birth is a typing error. The correct date of birth is mentioned in Form INC 32 SPICe which shows his Bonafide intention. The Respondent has stated that he has maintained the original email id and the contact number of subscribers and directors in his official records and apologized for his errors in the forms.
10. The Disciplinary Committee observed that the Respondent has certified Form INC-32 SPICe for incorporation of the Company, in which the email id, telephone number, PIN Code and date of birth has been mentioned incorrectly. It is further observed that address of the first subscriber Company/ promoter/ director is of a foreign nation for which PIN code is mentioned as '000000'. In Form DIR-2 common email id is used for all three promoters/directors; while one another email id has been mentioned in Form INC-32 SPICe for subscribers/promoters/directors. Email id of one foreign national is mentioned differently at two places. Phone number of subscriber companies, their authorised representative and foreign national promoters/directors were wrongly mentioned as "0000-000000". In Form DIR-2 mobile number of Indian promoter/ directors is apparently, a land line number in India. Very same contact number is wrongly mentioned in Forms DIR-2 of both the foreign national promoters/ directors. In Form INC-32 SPICe this land line is mentioned as phone number (with STD code) of Company having correspondence address in another city. Different date of birth (*month is different*) of Indian promoter/ director is mentioned in Form INC-32 SPICe and in Form DIR-2.
11. The Disciplinary Committee after considering the materials 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 Act for not exercising required due diligence. After giving an opportunity of being heard to the Respondent, the Disciplinary Committee passed an order of 'Reprimand' and Fine of ₹ 20000/- (Rupees Twenty thousand) under Section 21B (3) of the Company Secretaries Act, 1980.



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Global Gender Gap Report 2025 by World Economic Forum

The Global Gender Gap Report 2025 issued by World Economic Forum annually benchmarks the current state and evolution of gender parity across four key dimensions namely: Economic Participation and Opportunity, Educational Attainment, Health and Survival, and Political Empowerment. Since 2006, it is the longest-standing index tracking the progress of numerous countries efforts towards closing these gaps over time.

The 19th edition of the Global Gender Gap Index benchmarks gender parity across 148 economies, providing a basis for the analysis of gender parity developments across two-thirds of the world's economies. Further, the index examines a subset of 100 economies that have been included in every edition of the index since 2006, offering a broad country sample for longitudinal and trend analysis. The Global Gender Gap Index measures scores on a 0-1 scale and scores can be interpreted as the distance covered towards parity (i.e. the percentage of the gender gap that has been closed, numbers rounded). Cross-economy comparisons support the identification of the most effective policies to close gender gaps. Key findings of the report include the index results in 2025, trend analysis of the trajectory towards parity and in-depth examination of historical and emerging patterns through new metrics, partnerships and contextual data.

GLOBAL RESULTS AND TIME TO PARITY

- When considering the constant set of 100 economies covered continuously since the 2006 edition, the gap has narrowed by 0.4 percentage points, from 68.6% in 2024 to 69.0% in 2025. Based on the collective speed of progress of those 100 economies, it will take 123 years to reach full parity globally.
- The 2025 Global Gender Gap Index shows that no economy has yet achieved full gender parity. Iceland (92.6%) continues to lead the Global Gender Gap Index, holding the top position for 16 consecutive years, and remains the only economy to have closed more than 90% of its gender gap since 2022.
- Each of the top 10 ranked economies have closed at least 80% of their gender gaps and are the only economies to do so. European economies dominate the top 10, occupying eight of the spots. Among them, Iceland (92.6%, 1st), Finland (87.9%, 2nd), Norway (86.3%, 3rd), and Sweden (81.7%, 6th), have consistently ranked in the top 10 in every edition since 2006. Compared to the 2024 edition, the United Kingdom (83.8%, 4th) and the Republic of Moldova (81.3%, 7th) moved up in the

rankings from last year to join the top 10. Germany (80.3%, 9th) and Ireland (80.1%, 10th) are also among the top 10 this year, marking their 7th and 18th appearances, respectively. New Zealand (82.7%, 5th) and Namibia (81.1%, 8th) have held the two remaining spots in the top 10 since 2021.

- At the aggregate level, high-income economies have closed 74.3% of their gender gap which is slightly higher than the averages observed in lower income groups: 69.6% among upper-middle income, 66.0% among lower-middle-income, and 66.4% among low-income economies. However, the top performers among lower income economies have closed a greater share of their gender gaps than over half of the economies in the high-income group.
- The pathway to full gender parity varies across the four subindexes. Among the 148 economies covered in the 2025 index, the Health and Survival gender gap has closed by 96.2%, the Educational Attainment gap by 95.1%, the Economic Participation and Opportunity gap by 61.0%, and the Political Empowerment gap by 22.9%.
- To date, the greatest progress towards gender parity has been observed in the areas of Economic Participation and Opportunity as well as Political Empowerment. Yet, these two dimensions continue to have the largest remaining gaps to close. Across the 19 editions of the index, Political Empowerment has seen by far the most improvement, with the gap narrowing by 9.0 percentage points from 14.3% in 2006 to 23.4 % in 2025 among the 100 economies continuously included in every edition. At the same time, at the current pace it will still take 162 years to fully close this gap. Similarly, the Economic Participation and Opportunity gap has narrowed by +5.6 percentage points over the same period, from 55.1% in 2006 to 60.7% in 2025, with full parity projected to take another 135 years if current trends persist.

Gender parity is both a principle and a strategy. Diversity of thought, knowledge and experience often lie at the heart of solving problems, starting creative endeavours, and unleashing innovation in teams, organizations and countries. Economies that tap into the full spectrum of their talent and human capital are best positioned to navigate an era of transformation and accelerate productivity and prosperity.

For details: https://reports.weforum.org/docs/WEF_GGGR_2025.pdf

The ICSI has always committed to explore new areas of opportunity for professionals and to undertake initiatives for their capacity building. The increase in maritime trade over the past three years has significantly boosted employment opportunities across the sector. Growth in cargo handling, expansion of port infrastructure, and rising coastal and inland waterway operations have led to the creation of jobs in logistics, shipping, port operations, shipbuilding, and related industries. In order to create more awareness about the maritime sector amongst the professional fraternity, this “Maritime Corner” is published by the ICSI comprising of key terms and developments in the maritime industry. We hope that this initiative will be useful for professionals in exploring areas of interest and professional opportunities in maritime sector.

MARITIME TERMINOLOGY

CHARTER PARTY

An agreement between a Vessel Owner and a Charterer which provides for the terms under which the Charterer may use or employ the ship. The three most prevalent types of charter parties are:

- time charters under which the Charterer hires the vessel (including the crew) from the Owners for a period;
- voyage charters under which the Owners agree to carry the Charterers cargo from particular port(s) to particular port(s) and
- demise or bareboat charters under which the Charterer hires the vessel but provides the crew and vessel management.

CLAUSE PARAMOUNT

A standard clause in a bill of lading or charter party which provides a process for determining which rules shall apply to the bill of lading. Typically, a clause paramount state that the Hague Rules “...enacted in the country of shipment shall apply to this contract. When no such enactment is in force in the country of shipment, the corresponding legislation of the country of destination shall apply. In respect of shipments to which there are no such enactments compulsorily applicable, the terms of Articles I-VIII [of the Hague Rules] inclusive of said Convention shall apply.” The importance of the Clause Paramount, among other things, is that the clause provides for determining which package limitation applies to shipment.

DEMISE CLAUSE

Clause commonly found in a bill of lading issued by time charterers of a ship, which provides that the contract of carriage is between the shipper or bill of lading holder and the shipowner. Depending on the country, the demise clause may be accepted in favour of charterers or shipowners.

LIEN CLAUSE

Clause in a voyage charter party allowing the shipowner or carrier, in possession of the goods, to exercise a lien. Put differently, to retain physical control over the cargo until any freight, airfreight or demurrage is paid.

PROTECTIVE CLAUSE

Clause in a charter party that contemplate generally unforeseeable circumstances, like, strikes or collision.

WAR CLAUSE

Clause that may be inserted into a bill of lading or charter party that sets out master's options if the ship is put at risk because of war. Under these clauses, the master will never be required to put his ship at risk of harm.

MARITIME NEWS

PARLIAMENT PASSES ‘BILLS OF LADING, 2025’ BILL ON THE FIRST DAY OF MONSOON SESSION

On the first day of monsoon session, the ‘Bills of Lading, 2025’ bill was passed by the Rajya Sabha paving the way for Presidential Assent. It marks a watershed moment for India's maritime sector. The bill, already passed by the Lok Sabha, now awaits Presidential assent to become law. Once enacted, it will replace the 169 years-old colonial era *Indian Lading Act, 1856* with a modern, simplified, and globally aligned legal framework for maritime shipping documentation in India.

The bill renames the outdated law, symbolising a decisive move away from India's colonial past. It simplifies legal language, restructures complex provisions, and introduces an enabling clause empowering the Central Government to issue directions for effective implementation. By incorporating a standard repeal and saving clause, the legislation ensures continuity and legal validity of past actions under the old Act. These reforms aim to enhance clarity, promote ease of understanding, and enable smoother enforcement in line with contemporary trade and legal standards enabling Ease of Doing Business (EODB) in India.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2146522>

MARITIME FINANCING SUMMIT 2025

The Ministry of Ports, Shipping & Waterways successfully hosted the Maritime Financing Summit 2025 on July 24, 2025 in New Delhi, bringing together senior policymakers, industry leaders, global investors and domain experts to deliberate on transformative financial strategies for India's maritime future. The summit aligns with the Maritime Amrit Kaal Vision (MAKV) 2047, which seeks to position India among the world's leading maritime powers by strengthening shipbuilding, port infrastructure and financial resilience.

During the conference it was asserted that Indian ports have significantly improved operational efficiency, with the average turnaround time reduced from 4 days to less than 1 day, outperforming many advanced nations. Container capacity at major ports has grown by over 70%, and cargo volumes through coastal and inland waterways have multiplied. With 100% FDI permitted in shipping under the automatic route, simplified customs clearance and the strategic advantage of GIFT City IFSC, India now offers one of the most attractive investment ecosystems in the maritime domain. The objective is to make India a global maritime hub not just in trade, but also in finance, shipbuilding and green maritime infrastructure.

Another key announcement was the proposed Maritime Development Fund (MDF), a dedicated blended finance vehicle aimed at lowering capital costs and attracting long-term investment into shipyards, coastal infrastructure and inland waterways. The MDF has been developed through wide-ranging consultations with over 100 stakeholders, including

global investors, shipowners, insurance companies and financial institutions. A major highlight was the launch of the Financial Digital Maturity Matrix (FDMM), a comprehensive framework to evaluate and elevate digital financial capabilities at major ports, enabling investor-ready, high-performance infrastructure.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2147994>

INDIA HOSTED SECOND BIMSTEC PORTS CONCLAVE

India hosted the 2nd BIMSTEC Ports Conclave in Visakhapatnam on 14-15 July 2025. The theme of the Conclave was “Navigating the Future: Blue Economy, Innovation and Sustainable Partnerships”. The Conclave was inaugurated by Minister of Ports, Shipping & Waterways and saw participation of delegations of the BIMSTEC member nations, i.e., Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka & Thailand, comprising officials, maritime experts, port authorities, private sector leaders, and regional development partners.

Building upon the momentum of the 1st BIMSTEC Ports Conclave, the meet aims to operationalise the recently signed BIMSTEC Agreement on Maritime Transport Cooperation (AMTC), facilitate dialogue on port-led development, and foster deeper integration in maritime trade, logistics, cruise tourism, and skill development. The Conclave is designed to chart a common path towards a sustainable, resilient, and integrated maritime future for the Bay of Bengal, promoting robust economic growth while ensuring environmental stewardship. India was first to ratify the agreement. India called upon speedy ratification of AMTC and implementation.

The Conclave discussed diverse issues such as harmonising customs procedures and enhancing logistical links to boost intra-regional trade, port-linked industrial zones, cruise tourism, digital integration, upskilling maritime workforce, industry-academia ties, green shipping, etc. This initiative by India, in line with its Neighbourhood First policy, will further strengthen maritime cooperation in the Bay of Bengal region.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2144656>

INDIGENOUSLY-BUILT 1 MW GREEN HYDROGEN PLANT COMMISSIONED AT KANDLA PORT

The Union Minister of Ports, Shipping & Waterways inaugurated the 1 MW Green Hydrogen Power Plant at the Deendayal Port Authority (DPA), Kandla on 31st July 2025. The commissioning of the 1 MW module within just four months, as part of the larger 10 MW project, reflects a new benchmark for implementation in India's green hydrogen ecosystem. This milestone stands as a powerful symbol of India's green transformation and reinforces the nation's commitment towards Net Zero emissions.

The plant is capable of producing approximately 140 metric tonnes of green hydrogen annually and is poised to play a crucial role in maritime decarbonisation and sustainable port operations.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2150882>

INDIA MARITIME INVESTMENT MEET HELD IN LONDON TO STRENGTHEN GLOBAL MARITIME PARTNERSHIPS

The India Maritime Investment Meet was successfully organised by the Ministry of Ports, Shipping and Waterways (MoPSW), Government of India, at India House, London, with the aim of deepening maritime cooperation and attracting global investments into India's growing maritime ecosystem.

The event witnessed participation from global maritime leaders, investors, regulators, and key stakeholders for a comprehensive dialogue on India's evolving maritime infrastructure and opportunities for collaboration under the Maritime India Vision 2047. The meet was inaugurated by High Commissioner of India to the United Kingdom, who highlighted the long-standing maritime partnership between India and the UK and reaffirmed the shared commitment towards building sustainable and resilient blue economy corridors. He emphasised the importance of leveraging maritime infrastructure to support global trade, clean energy transitions, and inclusive economic growth.

Reaffirming India's commitment to sustainability, it was stated that green shipping, shipbuilding, and recycling are central pillars of the national maritime strategy. The development of three Green Hydrogen Hub Ports at Deendayal, Chidambarnar, and Paradip, along with the implementation of the Green Tug Transition Programme, were cited as important milestones in India's decarbonisation efforts. India is playing a lead role in shaping transnational maritime connectivity through initiatives such as the India–Middle East–Europe Economic Corridor (IMEEC), the Eastern Maritime Corridor, and the International North-South Transport Corridor (INSTC). Global stakeholders expressed keen interest in India's liberalised ship flagging regime, the tonnage tax structure, and blended financing models under the Maritime Development Fund, all of which were seen as progressive steps to de-risk capital and crowd-in private investment.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2143453>

INDIA HIGHLIGHTS MARITIME SAFETY AND GENDER INCLUSIVITY AT THE 134TH SESSION OF IMO COUNCIL

At the 134th session of the International Maritime Organisation (IMO) Council, India delivered a firm statement on maritime safety, especially concerning recent incidents involving foreign container vessels in Indian waters. These incidents, attributed to undeclared hazardous goods and vessel stability issues, raised serious concerns. India proposed the establishment of IMO-led investigations into such incidents to help build global best practices, improve standardisation, and strengthen operational norms that ensure the safety and security of container ship operations across the world.

India stressed upon the need for stricter international regulations governing the packaging, declaration, and monitoring of lithium-ion batteries and other dangerous cargoes. India also highlighted the proactive roles of its Navy and Coast Guard in safeguarding maritime zones. Moreover, India reaffirmed its commitment to gender equality in the sector, referencing the **Sagar Mein Samman** initiative launched in November 2024. This programme promotes a respectful, safe, and inclusive working environment for women in all maritime roles, aligning with the IMO's gender inclusion strategy and India's Vision@2047.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2143430>

INDIA LAUNCHES 14 CLIMATE TOOLS TO BOOST RESILIENCE, FOCUSES ON OCEAN ECONOMY

In a significant push toward building a climate-resilient and scientifically empowered India, a set of 14 new scientific tools and digital services developed by the Ministry of Earth Sciences (MoES) were unveiled calling for deeper public engagement and wider awareness of science-driven citizen services.

These tools include rainfall monitoring and crop-weather calendars, advanced weather forecasting systems like the Bharat Forecast System – Extended Range Prediction (BharatFS-ERP), Wave Atlases, Seismic Microzonation Maps, Marine Weather Forecasting Tools, Oceanographic Data Services, High-Resolution Rainfall Data Atlas, Crop-Weather Calendars, Rainfall Monitoring Systems, Advanced Weather Forecasting Models, Climate Change Impact Assessment Tools, Digital Public Service Platforms, Tsunami Ready Mobile Application, Tsunami Ready Recognition for 30 Coastal Villages and IMD Documentary on 'Life Saving Impact'.

These tools collectively aim to bolster India's climate resilience, particularly in coastal and marine environments, by providing critical data and forecasting capabilities for agriculture, fisheries, disaster management, and water security. The ocean economy focus is evident in tools like oceanographic data services and marine weather forecasting, which support sustainable marine resource management and safe maritime operations.

Source: <https://tinyurl.com/indiaclimatetools>

MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE HAS RELEASED ENVIRONMENT PROTECTION (MANAGEMENT OF CONTAMINATED SITES) RULES, 2025

The Environment Ministry has notified Environment Protection (Management of Contaminated Sites) Rules, 2025 under the Environment Protection Act that lays out a process to address sites that are chemically contaminated.

Contaminated sites, according to the Central Pollution Control Board, are those where hazardous and other wastes were dumped historically. This has most likely resulted in contamination of soil, groundwater and surface water that pose a risk to human health and the environment. Some of the sites were contaminated when there was no regulation on management of hazardous wastes.

In some instances, polluters, responsible for contamination, have either shut their operations or the cost of remediation is beyond their capacity, thus the sites remain a threat to the environment. These sites may include landfills, dumps,

waste storage and treatment sites, spill sites, and chemical waste handling and storage sites.

A State Board, or a reference organisation, would examine these sites and provide a 'preliminary assessment' within 90 days of being thus informed. Following these, it would have another three months to make a detailed survey and finalise if these sites were indeed 'contaminated'. This would involve establishing the levels of suspected hazardous chemicals – there are currently 189 marked ones under the provisions of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules 2016 – and if these exceeded safe levels, the location of these sites would be publicised and restrictions placed on accessing it.

Source: <https://tinyurl.com/mgtocontaminatedsiterules>

ESMA SETS EMISSIONS REDUCTION TARGETS FOR 2027 AND 2030 IN FIRST CLIMATE TRANSITION PLAN

The European Securities and Markets Authority (ESMA) has released its first Climate Transition Plan, marking a strategic shift to align its internal operations with the EU's long-term climate goals and the Paris Agreement. With this initiative, ESMA targets climate neutrality by 2050 and sets interim GHG reduction goals of 15.4% by 2027 and 31.4% by 2030 compared to its 2023 emissions baseline.

The plan outlines a series of internal actions, including the introduction of an annual GHG emissions budget for air travel, optimising energy usage by closing underutilised office floors, and promoting lower-carbon food options in staff canteens and catering services. Progress will be disclosed annually via ESMA's annual report and environmental statement, with future revisions adjusting to external changes and data improvements.

Approximately 72% of ESMA's 2027 reduction target could be achieved through actions under its direct control—such as switching long-haul flights from business to premium economy, implementing energy-saving measures, and changing catering orders to reduce their carbon footprint.

Source: <https://tinyurl.com/esmaemissionreductiontargets>

ICJ DELIVERS LANDMARK CLIMATE RULING ON STATE OBLIGATIONS TO CURB EMISSIONS

International Court of Justice (ICJ) delivered an advisory opinion on July 23, 2025, clarifying state obligations regarding climate change. The decision offers unprecedented clarity on the legal responsibilities of countries to tackle rising GHG emissions and their devastating effects.

The request for this advisory opinion, initiated by the small island nation of Vanuatu and supported by over 130 countries, underscores the urgent existential threat of climate change worldwide. The ICJ's ruling unequivocally asserts that states failing to take meaningful action to protect the climate and nature systems could be interpreted as a breach of international law under customary principles.

The decision declared that every person has a fundamental human right to a clean, healthy, and sustainable environment. This pivotal recognition could significantly shape future climate litigation at both national and international levels, providing a powerful legal tool for affected communities seeking redress.

The Court explicitly outlined that, states have a legal duty to prevent significant environmental harm and to cooperate in addressing the climate crisis. This extends beyond existing climate treaties like the Paris Agreement, drawing upon broader principles of customary international law. Importantly, the opinion also opens the door for reparations for countries already impacted by the crisis, stating that if states have legal duties to prevent climate harm, then victims of that harm have a right to redress, potentially in the form of restitution or compensation.

The Court's pronouncement suggests that the failure of a state to take appropriate action to protect the climate system from GHG emissions – including through fossil fuel production, fossil fuel consumption, the granting of

fossil fuel exploration licenses, or the provision of fossil fuel subsidies – may constitute an internationally wrongful act.

Source: <https://tinyurl.com/ICJclimatedecision>

ABU DHABI LAUNCHES FIRST CLIMATE ADAPTATION PLAN FOR ENVIRONMENT SECTOR TO PROTECT NATURAL RESOURCES THROUGH 2050

Abu Dhabi has launched its first Climate Change Adaptation Plan for the Environment Sector (2025–2050), establishing a long-term, science-based strategy to build climate resilience across the emirate's natural systems. Developed by the Environment Agency – Abu Dhabi (EAD), the plan forms a cornerstone of the Abu Dhabi Climate Change Strategy 2023–2027 and aligns with the UAE National Climate Change Plan 2017–2050 and the UAE Framework for Global Climate Resilience introduced at COP28.

The plan targets three climate-vulnerable systems—groundwater, soil, and biodiversity—critical to food security, water supply, and ecosystem health. It outlines 142 actions, including 86 high-priority projects for the next five years. The plan also directly supports Abu Dhabi's strategic goals to enhance its natural capital, boost food self-sufficiency, and promote sustainable land and water management.

Source: <https://tinyurl.com/abudhabiclimatadaptationplan>





**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"

Motto

सत्यं वद। धर्मं चर।

इष्टकारं कुरु। तृणपत्रेः कवेन्द्रे ह्यु कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"

MSME & STARTUP HELPLINE



"MSME sector, deserve the credit for bringing India to this place of pride by inducing new energy in the country."

"Startups are the engines of exponential growth, manifesting the power of innovation."

-Shri Narendra Modi
Hon'ble Prime Minister, Govt. of India

MSMEs and Startups have come to play a significant role in defining and determining the growth trajectory of the Indian Economy.

The Institute of Company Secretaries of India, with the intent of creating a platform for resolving the issues and challenges being faced by these entities is launching two helplines :



MSME HELPLINE
msme@icsi.edu



STARTUP HELPLINE
startup@icsi.edu

Highlights



Resolution of queries pertaining to applicable laws



Guidance in compliance obligations



Expert advice on challenging legislative matters



Hassle-free solutions on tricky matters

CS Dhananjay Shukla
President, The ICSI

CS Pawan G Chandak
Vice-President, The ICSI

CS Manish Gupta
Chairman, CLGC and
Former President, The ICSI

CS Asish Mohan
Secretary, The ICSI

Connect with ICSI

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Online Helpdesk : <http://support.icsi.edu>



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MSME & STARTUP CATALYST

Creating a Pool of Guidance and Handholding

ICSI initiative for

Handholding MSMEs and Startups to:

- Strengthen governance framework
- Enhance compliance culture
- Guide on applicable schemes
- Receive funding through government and other entities

Creating opportunities for Company Secretaries to:

- Expand their Professional Profile
- Mentor in incubators
- Build synergies with MSME Chambers

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Expression Of Interest For MSME and Start-Up Catalyst

MSME and Startup Catalyst is an initiative of the Institute of Company Secretaries of India aimed at guiding and handholding the MSMEs and Start-ups in undertaking the necessary compliances and making good and effective use of the incentives and schemes rolled out by the Government of India for their benefit.

To bring together MSMEs & Startups with the Governance Professionals, it has been thought fit to create a dedicated pool of Professionals adept in the nuances of these Entities. The information of Company Secretaries registering themselves as MSME & Startup Catalyst will be made available at the ICSI Website.

Furthermore, the information may also be shared with State MSME Departments & Directorates and Start-up Cells and Incubation Centres.

Next

Company Secretaries in Practice are urged to register as MSME & Startup Catalyst at <https://stimulate.icsi.edu/>



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MSMEs – ODR Scheme for Recovery of Delayed Payments

INTRODUCTION

On MSME Day 27th June, 2025, President of India unveiled Online Dispute Resolution (ODR) web portal. The webportal is first of its kind across all ministries of Government of India.

In India, Online Dispute Resolution (ODR) is being introduced in stages. At grassroot level, the **online things** is resulting into positive transition and COVID period has played a pivotal role in expediting the whole process.

- Crowds in Court Rooms have started thinning now – as court hearings are happening in Hybrid Mode (the option of attending hearing in physical mode or through VC);
- Easing out of parking pressures in and around campuses of courts / quasi-judicial authorities as many legal representatives are now attending hearings from the comfort of their offices;
- Court Rooms are now less messy as physical files are now getting reduced. Judges, judicial and technical members are now having large size computer screens to go through the petitions, responses, rejoinders, sur-rejoinders, written submissions, decided cases, etc.
- Pressure on record rooms attached to courts is started reducing as physical files are no more being asked by many courts, e.g. Delhi High Court;
- Submission of petitions, replies, rejoinders, sur-rejoinders, written submissions happening through online mode is resulting into saving of tonnes of papers on all India basis.

But this was only first phase of digitalization / online dispute resolution as Judges were still travelling to their chambers and courts; hearing was still allowed in hybrid mode; even filing was in dual mode in most of the courts and so on.

Second and more exciting phase is starting now with the launch of ODR web portal by Ministry of Micro, Small and Medium Enterprises on MSME day. With the launch of ODR portal for '**Recovery for Delayed Payment for MSEs**' following interesting features have emerged in India for the first time:

- First two stages (out of total four stages) will be Judge Free;
- Physical filings are being totally done away with;
- Physical visits are no more required (at any of the four

stages) – neither for filing nor for attending meetings of MSEFCs nor for attending hearings with Mediators nor for attending hearings with Arbitrators – as the whole process is now online;

- Fee payment mechanism (to MSEFCs) is also likely to be online only (as of now no clarity);
- GOI proposes to reimburse INR 4,000 to MSEs entering into ambit of Recovery for Delayed Payment.

OLD SYSTEM OF RECOVERY OF DELAYED PAYMENTS

Prior to 27th June, 2025, MSME (Development) Act, 2006 provided for recovery of delayed payment mechanism which was completely in the domain of State Governments. 'Micro and Small Enterprises' (MSEs) seeking recovery of delayed payments through old mechanism faced following hardships/challenges:

- Filing of online application on Samadhaan webportal;
- Filing of physical Application with concerned MSE Facilitation Council usually situated at State Capital, though some large size States constituted more than one benches of MSEFC for a cluster of 4-12 Districts;
- Fee payment to MSEFCs;
- Physical visit for -
 - ♦ Filing;
 - ♦ Removal of defects;
 - ♦ Attending meetings of MSEFCs (though some of the States like Haryana facilitated online hearings as well);
 - ♦ Physical visits to Arbitrator/Mediator allotted by MSEFCs;
- Usually the solution to delayed payment system took 18-24 months;
- Involvements of dirty practices;
- Non-functional or ineffective MSEFCs (in some States MSEFCs were there only on papers but they were not proactive).

On an average, old system used to take about 18-24 months and overall recovery cost was around 6-10%. Due to costs and compliances, small claims of less than one lakh were rarely pursued by MSEs through this mechanism due to cost factor.

THE OBJECTIVES OF ODR

The ODR (Online Dispute Resolution) mechanism will help in attaining following written or unwritten objectives for MSEs:

To Remove Existing Difficulties—New system is likely to -

- substantially reduce cost of recovery,
- reduce timelines of litigation,
- provide easy access to justice delivery,
- facilitate end-to end digitalised solution for the recovery of delayed payment,
- reduce travel time and travelling cost for recovery of delayed payment,
- reimburse cost of documentation to MSEs (upto INR 2,000),
- reimburse fee payable to MSEFC (upto INR 2,000).

UNDERSTANDING 'ODR' MECHANISM

'Online Dispute Resolution' (ODR) is defined in technical notes of UNCITRAL as a "mechanism for resolving disputes through the use of electronic communications and other information and communication technology."

Ministry of MSME has launched interactive web portal www.odr.msme.gov.in under World Bank supported RAMP (Raising and Accelerating MSMEs Performance). Once fully loaded, then the major modules of ODR Portal will be maintained as under:

• Creation of Login Id and Password	• E-filing of Application for delayed payment recovery
• Separate Profile for each entity	• Separate Profile for each case
• Digital Guided Pathway	• Payment Gateway
• Automated Online Negotiation	• Online Case management
• Online Conciliation or Mediation	• Online Management System
• E-filing	• Online Display Board
• Issuance of Online Notices/Summons	• Online Hearings and Evidence
• Online Legal HelpDesk	• Online Notifications and alerts through email and text messages
• Standard forms and Templates	• Dashboard
• Grievance Management	• Accessibility in Vernacular Language
• Directory of Institutions / Centers providing online mediation	• Directory of Institutions / Centers providing online arbitration
• Settlement agreements	• Awards passed

It is interesting to note that ODR portal will not maintain the following (in order to maintain confidentiality and avoid legality of proceedings):

• Un-manned Negotiation Proceedings	• Conciliation / Mediation Proceedings
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The newly introduced ODR mechanism is a combination of informal and formal approach to dispute resolution for MSEs.

- The **informal approach** (also named as Pre-MSEFC Phase) to delayed payment precedes the formal approach. It is voluntary & out of court solution based on consent of both the parties to be concluded normally within a period of 15 days (further extendable for 15 days more). It includes two sequential stages:
 - Digital Guided Pathway
 - Un-manned E-Negotiation
- The **formal approach** (also named as MSEFC Phase) to delayed payment (follows failure of informal approach) includes two sequential stages:
 - Mandatory Conciliation
 - Statutory Arbitration

Now onwards, all the four stages (2+2) will be facilitated by way of use of online communication. The system is likely to be a game changer as it will facilitate faster (time wise) and cheaper (cost wise) recovery which is likely to rejuvenate MSE sector in India. Data of existing samadhaan portal will be migrated to ODR portal. Let us understand all the four stages in more detail:

Phase 1 – Digital Guided Pathway (DGP)

DGP Process will contain (i) **Legal guides (write-ups)** (ii) **Manuals** (iii) **FAQs** (iv) **Video tutorials** in order to facilitate the parties in navigating the MSME ODR Portal smoothly without the assistance of any intermediary. The Portal will be enabled by a 24*7 legal help desk or helpline to understand the legal processes and procedures. The notable stages in DGP Process will be as under:

Stage 1: Automated communication (AC) to the parties from ODR portal.

Stage 2: The parties (seller/buyer) can opt out of this stage within three days of AC (along with Claim form) received from ODR portal mechanism.

Stage 3: Both the parties to the dispute shall file duly filled 'claim form' within three days.

Stage 4: Artificial Intelligence-enabled Digital Guided Pathway will analyze the brief facts filed by the parties in the prescribed claim form and will generate the probable outcome of the case at the expiry of three days period (if parties have not opted out of the process).

Stage 5: Probable outcome would be conveyed to the parties.

Stage 6: Parties will have an option to discuss the same on MSME ODR portal to arrive at a settlement. First such date for discussion shall be not later than 5th day.

Stage 7: If parties come to settlement or accept the probable outcome then a draft settlement agreement recording the terms and conditions agreed by the parties will be generated and sent to the parties.

Stage 8: Parties will have an option to modify the clauses of draft settlement agreement by way of online recording of deviations.

Stage 9: On agreeing at mutual agreement, the online execution and signing of settlement agreement will happen through electronic signatures. Such agreement will also record that settlement has been arrived at free will and mutually.

Stage 10: Duly executed agreement will be sent to both the parties by MSME ODR Portal through email and text messages for the purpose of compliance.

Stage 11: At this stage, the matter will be closed and duly executed agreement will be entered in database and will be available on MSME ODR Portal.

Stage 12: The system will track and monitor the compliance with all the terms of the agreement by sending timely prompts.

Stage 13: In case of non-compliance with the terms of agreement by any of the parties, the complete case record including the application for delayed payments, documents, reply, etc. shall be forwarded to the concerned MSEFC for the commencement of dispute resolution proceedings.

Phase 2 – Un-manned Negotiation

Un-manned Negotiation Process (UNP) is completely voluntary process; dependent upon consent of both the parties; total absence of third party (negotiator or mediator).

On opting out of Phase 1 (Digital Guided Pathway) or failure to arrive at mutual settlement in DGP Process, the parties will enter into the Phase 2 on the MSME ODR Portal.

UNP is facilitated on MSME ODR Portal. Through discussions and negotiations, the parties to the dispute may attempt to reach to 'Out of Court Settlement (OCS). If not successful, then parties enter into the formal process of dispute resolution under the MSMED Act, 2006. UNP proceedings shall remain confidential and would be undertaken in a separate virtual room where only the parties to the proceedings and his/ her nominated legal representative, if any, would be allowed to enter.

The notable stages in DGP Process will be as under:

Stage 1: On opting out of DGP process, an automated communication regarding UNP phase would be immediately sent to the parties through text message and email.

Stage 2: Parties are provided a period of 2 days to opt out of UNP (Phase 2) from the date of receipt of this communication.

Stage 3: If none of the two parties opt out, then another automated communication will be sent to the parties intimating date and time of the proceedings (along with other basic details) where they can virtually appear and discuss the case to arrive at a settlement. (NOTE: If parties opts out of DGP Process and directly availed UNP, then the first date would be not later than 6th day of filing of the delayed payment application).

Stage 4: On date of proceedings, the parties and their legal representative(s) would be allowed to virtually attend the proceedings.

Stage 5: Parties can arrive at amicable settlement based on the discussions during the UNP or can decide subsequent date and time within prescribed timeline to continue the process.

Stage 6: On mutually decided subsequent date, Stage 4 and 5 process can be repeated.

Stage 7 to Stage 13: Similar to stages mentioned in Phase 1.

If parties opt out or fail to reach at mutual settlement at Phase 2 UNP, then the matter will enter into Phase-3 and Phase-4 at MSEFC Stage – formal dispute resolution process.

Phase 3 & 4 – Mandatory Conciliation / Mediation and Statutory Arbitration

Stage 1: On receipt of a reference, the MSEFCs of seller state may conduct conciliation itself or may seek the assistance of any institution or centre providing alternate dispute resolution services by making a reference to such an institute or centre for conducting conciliation.

Stage 2: Where the parties fail to arrive at any settlement, the MSEFC of Seller state may take up the dispute for arbitration itself or may refer it to any institution or centre providing alternative dispute resolution services (Such arbitration would be conducted under the aegis of the Arbitration and Conciliation Act, 1996).

MSEFCs shall adopt a procedure that is -

- ♦ fair,
- ♦ transparent,
- ♦ follows due process of law,
- ♦ provides the right to be heard,
- ♦ provides sufficient time to participate in proceedings.

The arbitral awards must be supported with legal reasoning.

At Phase 3 and Phase 4, the parties to the dispute shall either:

Option 1: Submit undertaking that no other proceeding(s) has been initiated or pending or disposed-off, before any court of law or tribunal, with reference to the subject-matter of the delayed payment application between the same parties;

OR

Option 2: Submit complete details of the proceedings, if any other proceedings has been initiated or pending or disposed-off, before any court of law or tribunal along with relevant documents and orders of the same.

THE PROFESSIONAL OPPORTUNITY

MSME ODR (Online Dispute Resolution) is a widespread opportunity for Company Secretaries all over the country as Micro and Small Enterprises are spread all across India and regularly face matters related to '**Recovery of Delayed Payment**'. Company Secretaries, in particular 'Practising Company Secretaries' can fit into following roles for MSME ODR related practice:

- **Legal Representative to Sellers:**

Micro and Small Enterprises are shy of regular qualified staff and are dependent upon external consultants. Legal department is pariah to them. Delayed payment eats their working capital. Company Secretaries in Practice (PCS) can easily develop the procedural capabilities; create awareness amongst MSE business entities and represent them as their authorized legal representative. As per an estimate, 20% cases will get resolved in Phase 1 and another 20% cases will get resolved in Phase 2 of Pre-MSEFC stage. Legal representative services can continue to Phase 3 and Phase 4 as well.

- **Legal Representative to Buyer:**

The buyers purchasing goods and/or services from Micro and Small Enterprises may be tiny, small, medium or big size entities. Even they will require services of legal representatives who are well versed about MSME ODR mechanism and its super-fast procedure. Usually, 'internal legal department' is available only with very large size business organizations. Even if it is available, they may not be comfortable and/or well versed with the procedure and timelines of MSME ODR Mechanism. PCS can easily develop the procedural capabilities; and are eligible to handhold such buyers as their authorized legal representative and can guide them for amicable solution at lesser legal cost.

- **Mediator enrolled with Institution/Centre registered on MSME ODR Portal:**

As per estimate, 60% of the MSME ODR litigations will enter phase 3 out of which 1/3rd may get settled through online mediation. PCS who have completed their 'Post Membership Qualification in Alternative Dispute Resolution/Arbitration' will be very comfortable in acting as Mediator. To become mediator on MSME ODR portal, they need to enrol with Institution/Centres which are empanelled from their State on MSME ODR Portal. PCS looking for such opportunities are advised to frequently visit MSME ODR portal and enrol with Institution /

Centre from their State. The matters would be allotted on round robin basis, i.e., every enrolled mediator will get at least one case in a year. Company Secretaries looking for opportunities as Mediator are advised to visit empanelment guidelines available on MSME ODR portal. Additionally they may also handhold one of the BMO institution from their city to empanel on MSEM ODR portal.

- **Arbitrator enrolled with Institution/Centre registered on MSME ODR Portal:**

As per estimate, 40% of the MSME ODR litigations will enter phase 4 out of which 1/2 may get settled through online arbitration. PCS who have completed their 'PMQ in Arbitration' will be very comfortable in acting as Arbitrator. To become arbitrator on MSME ODR portal, they need to enrol with Institution/Centres which are empanelled from their State on MSME ODR Portal. PCS looking for such opportunities are advised to visit empanelment guidelines available on MSME ODR portal; develop formats and make mock drill for writing reasoned order.

It has been noticed that majority of the Company Secretaries are also qualified LLB and most of them practice as Company Secretaries if LLB was not their first professional degree. This MSME Online Dispute Resolution mechanism is first such golden opportunity for them.

They just need to take care of five equally crucial steps mentioned hereunder:

- Brush up the process prescribed on MSME ODR portal;
- Develop add - on online capabilities with super fast timelines;
- Understand the role of Artificial intelligence in legal arena;
- Develop and fine tune formats to act as Mediator and Arbitrator;
- Being first such initiative, they need to keep track of changing pace on MSME ODR portal.

Be ready many more such initiatives are in the offing. First movers will certainly be in advantageous position.

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Contributed by Dr. (CS) Ajay Garg, Social Entrepreneur and Member, MSME & Start-up Board, ICSI

GIST OF ROC & RD ADJUDICATION ORDERS

GIST OF ROC Adjudication Orders

1. **Adjudication Order for violation of Section 155 of the Companies Act, 2013 in the matter of Mr. Vamsi Anirudh Krishna Dhaduvai, Director (application filed suo moto)**

Mr. Vamsi Anirudh Krishna Dhaduvai, has filed suo moto application for violating the provisions of section 155 of the Companies Act, 2013 after hearing the dispute ROC Hyderabad issued adjudication order dated 15th July, 2025 that individual who has already possessed DIN under section 154, shall not apply for, obtain or possess another DIN. The adjudicating authority has imposed the penalty of ₹3,86,000 upon Mr. Vamsi Anirudh Krishna Dhaduvai for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=7NhyfVDrGQ2eZ38BwLoRZA%253D%253D&-type=open>

2. **Adjudication Order for violation of Section 155 of the Companies Act, 2013 in the matter of Mr. Laxman Kranti Allagadda Kumar, Director (application filed suo moto)**

Mr. Laxman Kranti Allagadda Kumar, has filed suo moto application for violating the provisions of section 155 of the Companies Act, 2013 after hearing the

dispute ROC Hyderabad issued adjudication order dated 15th July, 2025 that individual who has already possessed DIN under section 154, shall not apply for, obtain or possess another DIN. The adjudicating authority has imposed the penalty of ₹1,35,000 upon Mr. Laxman Kranti Allagadda Kumar for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=gxT0ZirSJ9rSZoC%252FOeCXAg%253D%253D&type=open>

GIST of RD Adjudication Order

1. **Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of VIRUPAKSHA ORGANICS LIMITED**

In the matter of Virupaksha Organics Limited the RD (SOUTH EAST) vide order dated 08th July, 2025 after considering the facts of the case reviewed the appeal against the RoC order and ordered to pay the penalty of ₹50,00,000 imposed upon the Company and four directors in default for violation of Section 203 of the Companies Act, 2013.

<https://www.mca.gov.in/bin/dms/getdocument?mds=CszGW1bE7fsCd1BlXHGueg%253D%253D&-type=open>

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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)

Vision
"To be a global leader in providing
good corporate governance"

Motto
सत्यं धर्मं कर्तुं यतः कृच्छते सत्यं श्रेष्ठं त्वं त्वं

Mission
"To develop high calibre professionals
facilitating good corporate governance."

Quick Response & Resolution Time (QRRT) and ICSI Service Charter



Benefits

- Transparent and Trackable Resolution System for Queries and Grievances raised by Members & Students of ICSI
- Resolution of Queries and Grievances as per Defined Timelines in the ICSI Service Charter

Key Features

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QRRT Service Applicability Domains

✉ academics@icsi.edu ✉ cpe@icsi.edu ✉ dss@icsi.edu ✉ journal@icsi.edu
✉ member@icsi.edu ✉ store@icsi.edu ✉ training@icsi.edu ✉ And many more

ICSI Support Desk (Monday to Friday)

Timings : 9.30 AM to 5.00 PM (Lunch Time 1.00 PM to 1.30 PM)

General Queries	0120-4522000
Queries related to Student Services (CSEET, Student Registration, Post Registration, Centralized Classroom Teaching, SEFT, Examination Enrolment etc.)	0120-4082162
Queries related to Dispatch of Material (CSEET Guide, Executive and Professional Programme Study Material, Publications etc.)	0120-4082163
Queries related to Training (TDOP, EDP, CLDP, Long Term Training, Quarterly Report, Training Completion Certificate (TCC) etc.)	0120-4082164
Queries related to Membership & CSBF (ACS, FCS, CoP, Convocation etc.)	0120-4082155

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA SERVICE CHARTER -Timelines for Various Services to the Stakeholders

S. No.	Activities	Timelines	Email
Directorate of Student Services			
1	Confirmation of CSEET / Executive Registration	7 working days	dss@icsi.edu
2	Generation of Identity Card & Registration Letter	Instantly on approval of registration	
3	Change of Address/Email/Mobile No.	Instantly at SMASH Portal	
4	Change of Name/ DoB/ Title / Photo / Signature	5 working days	
5	Cancellation of Registration	5 working days	
6	Issue of Bonafide certificate	3 working days	
7	Refund of fees other than Examination	15 working days	
8	Confirmation of Payment	2 working days (5 working days in case of Bank Chalan)	
9	Professional Registration / Denovo / Continuation of Registration / Reregistration	5 working days	
10	Grant of Paper-wise Exemptions	5 working days	
11	Students Education Fund Trust Request Processing	12 working days	
12	Verification of Institute verification forms received from students under the Minority Scholarship Scheme	10 working days	
13	Verification of Qualification / Intimation to Employer	5 working days	
14	Issue of Rail Concession Certificate	5 working days	
15	Issue of Pass Certificate (Professional Programme)	June Session in the month of November December Session in the month of May	enroll@icsi.edu
16	Issue of Duplicate Pass Certificate	5 working days	
17	Issue of Transcripts / Certified copy of Syllabus	15 working days	
18	Refund of Examination Fee	15 working days after the last date of enrollment (with late fee)	
19	Change of Examination Centre / Medium/ Module/ Elective Subject	3 working days	

S. No.	Activities	Timelines	Email
Directorate of Examination			
20	Verification of Marks	7 weeks	vom@icsi.edu
21	Supply of Certified Copies	7 weeks	
22	Inspection of Answer Books	7 weeks	
23	Supply of Duplicate Marksheets	15 working days	exam@icsi.edu
Directorate of Training			
24	ODOP / TDOP Queries	3 working days	training@icsi.edu
25	PCS / Company Registration for Imparting Long Term Training	7 working days	
26	Students Registration for Long Term Training at PCS / Company	7 working days	
27	Long Term Training Completion Approvals	7 working days	
28	Training Structure Switchover	3 working days	
29	Long Term Training Exemption	21 working days	
30	Quarterly Reports Approval	7 working days	
31	EDP / CLDP Fees Approvals & Completion Approvals	3 working days	
32	Training Completion Certificates (TCC)	7 working days	
33	General Queries related to Training	3 working days	
Directorate of Academics			
34	Queries related to Academics	3 working days	academics@icsi.edu
35	Queries related to e-Journal	3 working days	
36	Queries related to MoU / ICNOU	3 working days	
Directorate of Boards, PMQ & Certificate Courses			
37	Queries related to PMQ Courses	7 working days	pmq@icsi.edu
38	Queries related to Certificate / Crash Courses	7 working days	certificatecourses@icsi.edu
39	Queries related to Peer Review	7 working days	prb-icsi@icsi.edu
Directorate of Professional Development			
40	Queries related to ECSIN	3 working days	ecsini@icsi.edu
41	Queries related to UDIN	3 working days	udin@icsi.edu
42	Queries related to Knowledge on Demand (KOD)	3 working days	kod@icsi.edu
43	Queries related to PCS Orientation Programme	3 working days	profdevelopment.dept@icsi.edu
44	Queries related to PCS	3 working days	pcs@icsi.edu
45	Publication of Articles in the National Programme Souvenirs	3 working days	conference@icsi.edu
Directorate of Store			
46	Dispatch of Study Material (CSEET / Executive / Professional)	21 working days after approval of registration application	store@icsi.edu
47	Dispatch of Publications ordered through e-Cart and Amazon	3 working days	

S. No.	Activities	Timelines	Email
Directorate of Corporate Law			
48	Queries related to CPE Updation	3 working days	cpe@icsi.edu
49	Queries Received at companiesact2013@icsi.edu	3 working days	companiesact2013@icsi.edu
Directorate of Membership & CSBF			
50	Change of Professional/Residential address	3 working days	member@icsi.edu
51	ACS / FCS Admission	6 working days	
52	Restoration of ACS and FCS	4 working days	
53	Verification of Qualification	3 working days	
54	Issuance of Duplicate Certificate	25 working days	
55	Issue of Transcript	10 working days	
56	Issue / Renewal/ Restoration / Cancellation of CoP	6 working days	
57	Issue of Firm Name (LLP / Sole Proprietorship concern/ Partnership firm) / Any Change in related to Firm	6 working days	
58	Refund of fee	10 working days	
59	Issue of Certificate of Good Standing	3 working days	
60	Dispatch of Membership Kit to newly admitted Members	25 working days	csbf@icsi.edu
61	Dispatch of Printed Certificate (CoP/CSBF)	30 working days	
62	Change in Name/Marital status/DoB/Father's Name of members	4 working days	
63	Enrollment/renewal of Licentiate	4 working days	
64	Secretarial Executive Certificate	5 working days	
65	Change of Photo / Signature of Members	3 working days	
66	Sending data of members to MCA	Every Friday	
67	CSBF enrollment/ Dependent details updation	3 working days	
68	CSBF Financial Assistance	7 working days	
Directorate of Printing (Chartered Secretary Journal)			
69	Queries related to Chartered Secretary Journal	5 working days	journal@icsi.edu
70	Queries related to Dispatch of Chartered Secretary Journal	3 working days	

CS Dhananjay Shukla
President, The ICSI

CS Pawan G. Chandak
Vice-President, The ICSI

CS Ashish Mohan
Secretary, The ICSI

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PREVENTION OF MONEY-LAUNDERING ACT, 2002

Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Guidelines

Prevention of Money-laundering Act, 2002 casts certain obligations on the reporting entities and Financial Intelligence Unit- INDIA have implemented AML & CFT Guidelines effective from June 19, 2023 for Professionals including Company Secretaries in Practice to establish an efficient reporting mechanism to prevent money laundering, terrorist financing and proliferation financing.

Reporting Entity

(As notified by Ministry of Finance vide its notification dated May 03, 2023)

Company Secretaries in Practice, carrying out the following Financial Transactions in the course of his/her profession would be termed as 'Reporting entity' under PMLA and Rules made thereunder:

- buying and selling of any immovable property
- managing of client money, securities or other assets
- management of bank, savings or securities accounts
- organisation of contributions for the creation, operation or management of companies
- creation, operation or management of companies, limited liability partnerships or trusts, and buying and selling of business entities



Applicable Laws/Rules/Regulations

- Prevention of Money-Laundering Act, 2002 (PMLA, 2002)
- Recommendations 24 to 26 & 28 of Financial Action Task Force
- PML (Maintenance of Records) Rules, 2005
- AML & CFT Guidelines For Professionals with Certificates of Practice from ICAI, ICSI and ICMAI
- Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 [applicable to all Company Secretaries]

Registration of Reporting Entities

Company Secretaries in Practice falling under the definition of Reporting Entity as per AML/CFT Guidelines need to register as "Reporting Entity".

Do's for Reporting Entities

- Appointment of Designated Director and Principal Officer
- Reporting of Suspicious Transaction Reports to Financial Intelligence Unit- INDIA
- Maintenance of Records
- Adoption of appropriate policies and procedures to prevent money laundering, terrorist financing and proliferation financing
- Performing Client Due Diligence (CDD) / Enhanced Due diligence (EDD)
- Appropriate training to its employees on the procedures for KYC, CDD, sanction screening and record keeping

ICSI PMLA Portal

ICSI PMLA Portal accessible at <https://www.icsi.edu/home/money-laundering-prevention/> and consists of following: -

- FAQs on AML & CFT Guidelines for Professionals
- Designated List (Amendments): Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005:
- List of individuals, designated as terrorist, under UAPA, 1967
- Notifications of Ministry of Finance
- Weblinks of Documents related to Targeted Financial Sanctions Related to Terror Financing and Proliferation Financing

Steps to Register

- Click on the URL: <https://stimulate.icsi.edu/>
- Click on the tab "Reporting Entity"
- Click on the option "Register as a Reporting Entity"

For queries e-mail at: pmla@icsi.edu

CS Dhananjay Shukla
President, The ICSI

CS Pawan G Chandak
Vice President, The ICSI

CS Asish Mohan
Secretary, The ICSI

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7

BEYOND GOVERNANCE

Case Study

The Case Study section is inserted to make Chartered Secretary Journal (CSJ) more interactive for the members and students. The Case Study is followed by question(s) which are to be solved by member(s)/ student/s. The answer(s) are to be sent to cs.journal@icsi.edu latest by the 25th of each month.

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

'Crossword' contains terminologies/concepts from Companies Act, IBC, NCLT and such related areas of profession. Members/ students are to send the answers to the Crossword to cs.journal@icsi.edu latest by 25th of each month.

- The answer(s) will be published in the next issue of CSJ.
- The winners will be selected randomly.
- The name of three winners will be published in the next issue of CSJ.

National/International Reports: Analysis

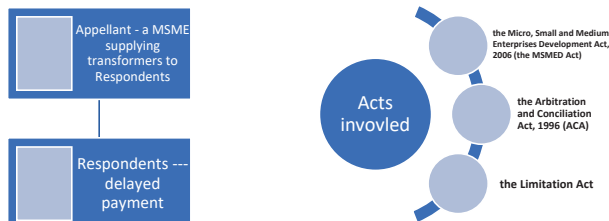
A new Section on 'National/International Reports: Analysis' from the March 2025 covering reports on the recent policy initiatives and insights at National and International level is introduced. The purpose is to communicate information amongst professionals on various reports released by National/International organisations, having an impact on the profession.

Book Review

A new Section on 'Book Review' is inserted from June 2025 issue onwards of Chartered Secretary Journal for creating awareness on books of latest titles related to profession. This section will cover a brief summary on the contents and central theme of the book.



Introduction of the parties involved:



Issues in the appeal

- Q1. Whether the Limitation Act applies to conciliation proceedings under Section 18 of the MSMED Act, and even if not, whether time-barred debts can be referred to conciliation?
- Q2. Whether the Limitation Act applies to arbitration proceedings under Section 18 of the MSMED Act, and whether time-barred debts can be referred to arbitration?

Further, what is the effect of disclosure of the unpaid amount in the buyer's financial statements as mandated under Section 22 on extending the limitation period?

Based on the following case study, decide above issues.

Relevant Facts

1. The appellants are small-scale industries supplying transformers to respondent no. 1.
2. Due to delay in payments, the appellants filed references before the MSME Facilitation Council under the MSMED Act.
3. By its award dated 28.01.2010, the Facilitation Council allowed the appellants' claims and awarded interest on the delayed payments.
4. Respondent nos. 1 and 2 challenged the award under Section 34 of the ACA and deposited the requisite amount under Section 19 of the MSMED Act. This was allowed by the Commercial Court by order dated 26.10.2017 and it set aside the award on the ground that the claims were barred by limitation, against which order the appellants filed appeals under Section 37 of the ACA before the High Court.

Order of High Court

5. The Facilitation Council cannot entertain time-barred claims for conciliation, and that the provisions of the Limitation Act are applicable to arbitration proceedings under the MSMED.
6. The Court also analysed the scheme of the MSMED Act and observed that the statute prescribes time limits for payment under Section 15, provides for a penal rate of interest in case of default under Section 16, and also provides a time-limit for the Facilitation Council to decide the reference under Section 18(5). The prescription of such timelines shows that the legislature did not intend for time-barred claims to be raised in arbitration under Section 18(3).

7. The MSMED Act does not create any "special right" in favour of the supplier and the right of recovery of the amount is the same as available under common law. If the limitation provisions are not applied to conciliation and arbitration under Section 18 of the MSMED Act, it would lead to an incongruous situation where a suit before the civil court for recovery of money would be rejected on the ground of limitation but the same can be claimed under Section 18 a number of years after the supply.

Submissions on behalf of the Appellant:

1. Relying on Section 2(4) of the ACA, it is submitted that Section 43, which provides for the applicability of limitation provisions in arbitral proceedings, does not apply to statutory arbitrations. Further, the Limitation Act only applies to courts, and not to quasi-judicial bodies or tribunals. Further, there is no provision under the MSMED Act providing for the applicability of the Limitation Act to proceedings under it.
2. Section 22 of the MSMED Act mandates the buyer to disclose in its books of accounts the principal amount and interest due thereon that remains unpaid to any supplier. It is submitted that such an entry in the balance sheet or financial statement of the buyer reflecting the unpaid sum is an acknowledgement of debt and extends the period of limitation as per Section 18 of the Limitation Act. Contravention of this requirement is punishable under Section 27 of the MSMED Act.
3. The MSMED Act has been enacted with the object of protecting suppliers, and the onus is on the buyers to make payments. Suppliers often do not raise complaints or claims in the fear that it would jeopardise future business with the buyer. No injustice would be caused to the buyer if Limitation Act is not applicable.
4. Finally, with respect to conciliation proceedings, it is submitted that the same is to provide an opportunity to parties to explore an amicable settlement. If time-barred claims cannot be referred to conciliation, it would render Section 25(3) of the Indian Contract Act, 1872 otiose, which enables parties to agree to pay time-barred debts. Further, the MSMED Act creates substantive rights beyond establishing a mechanism for speedy recovery.

Submissions of the Respondent:

1. The language under Section 18(3) of the MSMED Act provides for the applicability of the ACA to arbitrations under it as if the arbitration was in pursuance of an arbitration agreement under Section 7(1) of the ACA. Hence, the statutory fiction places arbitration under the MSMED Act on the same footing as those under the ACA and incorporates the entirety of the ACA, including Section 43.
2. Section 2(4) of the ACA addresses situations where statutes mandating arbitration prescribe their own limitation periods, and then the applicability of Section 43 of the ACA is excluded. However, when such statutes do not prescribe any such limitation period, Section 2(4) cannot preclude the applicability of limitation law to such arbitrations.

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 2025

CS Shalini Iyengar - ACS 75431

BEST ANSWER - CASE STUDY - JULY, 2025

A. INTRODUCTION

This case concerns the rectification of the register of members under Section 111A of the Companies Act, 1956 (now Section 59 of the Companies Act, 2013), subsequent NCLT and NCLAT orders, and the interplay between the jurisdiction of company law tribunals and the Securities and Exchange Board of India (SEBI) regarding violations of SEBI regulations on shareholding disclosures. The Supreme Court of India in *IFB Agro Industries Limited v. SICGIL India Limited* (2023) has definitively established that the National Company Law Tribunal (NCLT) cannot exercise parallel jurisdiction with SEBI for addressing violations of SEBI regulations. This landmark judgment clarifies jurisdictional boundaries and establishes SEBI as the exclusive forum for adjudicating securities market violations.

B. PARTIES INVOLVED

- Appellant: The company seeking rectification of its register of members.
- Respondents: Shareholders (including Respondent No. 1 and others) alleged to have acquired shares in violation of SEBI disclosure norms.

C. KEY FACTS

- Respondents acquired shares in the Appellant company, crossing the 5% threshold, triggering SEBI (SAST) and (PIT) Regulations.
- The Appellant alleged non-compliance with disclosure requirements.
- NCLT allowed the petition, ordering a buyback of shares held by Respondents.
- NCLAT overturned the buyback order, holding that the Tribunal had exceeded its jurisdiction.
- The matter was appealed to the Supreme Court.

D. ISSUES FOR DETERMINATION

Q1: Can NCLT under Section 59 of the Companies Act, 2013, direct buyback of shares by exercising parallel jurisdiction with SEBI for violations of SEBI Regulations?

A. Scope of NCLT's Jurisdiction Under Section 59

1. Nature of Rectificatory Jurisdiction

- Section 59 of the Companies Act, 2013 empowers the NCLT to order rectification of the register of members where entries are made or omitted without sufficient cause.
- The Supreme Court has clarified in *IFB Agro Industries Ltd. v. SICGIL India Ltd.* that this jurisdiction is summary in nature and is not intended for complex disputes or contested facts, especially those requiring regulatory expertise. Following the precedent in *Ammonia Supplies Corporation (P) Ltd. v. Modern Plastic Containers Pvt. Ltd.* (1998), the Court held that:
 - a) The power is intended for corrections or rectifications in the register of members relating to facts that are evident and need no serious enquiry.
 - b) It is not intended to be exercised where there are contested facts and disputed questions.
 - c) The jurisdiction is essentially limited and cannot be used to adjudicate complex legal violations.
- The NCLT's powers are limited to rectification—i.e., correcting the register—not to ordering buyback of shares or annulling transfers in cases involving alleged violations of SEBI regulations.

2. No Parallel Jurisdiction with SEBI

- The Supreme Court has expressly held in *IFB Agro Industries Ltd. v. SICGIL India Ltd.* that the NCLT does not exercise parallel jurisdiction with SEBI for addressing violations of SEBI (SAST) or (PIT) Regulations.
- If the dispute involves alleged contravention of SEBI regulations, especially where the facts are disputed or require regulatory scrutiny, the matter must be referred to SEBI.
- The NCLT cannot pass orders (such as buyback or annulment of share transfers) on the ground of SEBI regulation violations; its role is confined to rectifying the register where there is clear, uncontested evidence of improper entries.

Q2: Which is the appropriate forum for adjudication and determination of violations of SEBI (SAST) and (PIT) Regulations?

A. SEBI's Exclusive Jurisdiction

- The SEBI Act, 1992, and regulations framed thereunder (including the SAST and PIT Regulations) vests exclusive regulatory and adjudicatory power in SEBI for violations relating to acquisition of shares, takeover disclosures, and insider trading.
 - SEBI is empowered to investigate, adjudicate, and impose penalties for such violations. The NCLT's jurisdiction is not intended to overlap with or substitute SEBI's regulatory role. Judicial Precedents Strengthening SEBI's Authority.
1. ***Ammonia Supplies Corporation (P) Ltd. v. Modern Plastic Containers Pvt. Ltd. (1998)***
 - Established summary nature of rectificatory jurisdiction.
 - Held that complex disputed questions should be relegated to appropriate forums.
 2. ***Kesha Appliances (P) Ltd. v. Royal Holdings Services Ltd. (2006)***
 - Bombay High Court held that violations of SEBI regulations fall within SEBI's exclusive jurisdiction.
 - Established that common law rights flowing from SEBI regulations must be adjudicated by SEBI.
 3. ***Zandu Pharmaceutical Works Ltd. v. Devkumarvaitya (2009)***
 - CLB held it cannot exercise rectificatory jurisdiction unless SEBI first decides if there has been a violation.
 - Established that allegations must be "crystallized/confirmed" by the appropriate regulator.

B. Summary Table: Jurisdictional Demarcation

Issue	Appropriate Forum	Legal Basis
Rectification of register (uncontested)	NCLT (Sec. 59)	Companies Act, 2013
Disputed title, complex facts, regulatory breach	Civil Court/SEBI	Companies Act, 2013; SEBI Act, 1992
Violations of SEBI (SAST) or (PIT) Regulations	SEBI	SEBI Act, 1992; SAST & PIT Regulations

E. LEGAL IMPLICATIONS AND PRECEDENTIAL VALUE

a) Jurisdictional Clarity

This judgment provides definitive guidance on the boundaries between company law and securities regulation. The Court's holding prevents forum shopping and ensures that specialized regulatory bodies retain their primary jurisdiction.

b) Practical Impact

1. Companies cannot bypass SEBI: Entities cannot use Section 59 petitions to avoid SEBI's regulatory processes.
2. Regulatory efficiency: Violations are addressed by the appropriate specialized forum.
3. Investor protection: SEBI's comprehensive enforcement mechanisms remain intact.

c) Precedential Authority

The Supreme Court's decision in *IFB Agro Industries Limited v. SICGIL India Limited* now serves as binding precedent establishing that -

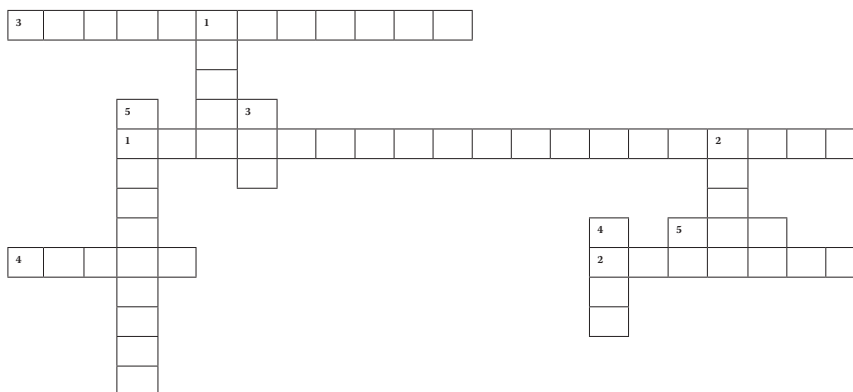
- NCLT cannot exercise parallel jurisdiction with SEBI.
- Securities law violations must be adjudicated by SEBI.
- Section 59 jurisdiction is summary and limited in scope.

F. CONCLUSION

- NCLT cannot direct a buyback of shares or exercise powers akin to SEBI in matters involving alleged violations of SEBI (SAST) or (PIT) Regulations. Its jurisdiction under Section 59 is limited to summary rectification of the register in clear, uncontested cases.
- SEBI is the sole and appropriate forum for adjudication and determination of violations of the SAST and PIT Regulations, including issues of disclosure, insider trading, and takeover compliance.

The Supreme Court's jurisprudence ensures a clear demarcation of powers, preventing overlap and forum shopping, and upholding the integrity of both company law and securities regulation frameworks.

CROSSWORD PUZZLE – COMPANY LAW - AUGUST 2025



ACROSS

- Under the Limited Liability Partnership Act, 2008, the term “resident in India” means a person who has stayed in India for a period of not less than _____ days during the financial year.
- Under the Micro, Small and Medium Enterprises Development Act, 2006, “appointed day” means the day following immediately after the expiry of the period of _____ days from the day of acceptance or the day of deemed acceptance of any goods or any services by a buyer from a supplier.
- Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 on or before the _____ day of the insolvency commencement date, the resolution professional shall form an opinion whether the corporate debtor has been subjected to any transaction covered under Sections 43, 45, 50 or 66.
- Under the Companies Act, 2013, the scrutinizers appointed for the poll, shall submit a report to the Chairman of the meeting within _____ days from the date the poll is taken.
- Under the Companies Act, 2013, The company shall maintain a Register of Sweat Equity Shares in Form No. _____.
- Under the Companies Act, 2013, The company which has been authorized by a special resolution shall, before the buyback of shares, file with the Registrar of Companies a letter of offer in Form No. _____, along with the fee.
- As per the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, Form CP-2 (from constitution of CoC till issue of RFRP) is required to be filed on or before the 10th day of the subsequent month, after issuance of _____.
- Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, The resolution professional shall convene the first meeting of creditors, by giving such notice to the other participants as decided by the creditors, which shall not less than _____ hours.

DOWNARDS

- Under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, An Independent Director who resigns or is removed from the Board of Directors of the listed entity shall be replaced by a new Independent Director by listed entity at the earliest but not later than _____ months from the date of such vacancy.
- Under the Companies Act, 2013, every Director shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals, by giving a notice in writing in Form MBP 1. All notices shall be kept at the registered office and such notices shall be preserved for a period of _____ years from the end of the financial year to which it relates.

Winners - Crossword July 2025

1ST CS Namita Singla ACS-70881

2ND CS Anu Amodia FCS - 13055

3RD CS Pratik Agarwal ACS - 71266

Crossword Puzzle – July 2025 Answers

ACROSS

- NINETY
- THIRTY
- ONE HUNDRED AND TWENTY
- EIGHT
- MR.3

DOWNARDS

- SEVEN
- FORM AB
- ONE
- MICRO ENTERPRISES
- FINANCIAL

NATIONAL/INTERNATIONAL REPORTS: ANALYSIS

North Eastern Region - District SDG Index Report 2023-24

Organisation: Ministry of Development of North Eastern Region, NITI Aayog and UNDP

Month/Year of Release: July 2025

Source: <https://www.undp.org/india/publications/north-eastern-region-district-sdg-index-report-2023-24>

(Please refer the link for complete report)

INTRODUCTION

The North Eastern Region (NER) District SDG Index measures the performance of the NER districts on the Sustainable Development Goals (SDGs). It is based on the methodology adopted by the NITI Aayog's SDG India Index, the principal and official tool for monitoring progress on the SDGs at the national and State/Union Territory levels. The NER District SDG Index is aimed at enhancing analytical understanding of sectoral issues as well as data gaps while assisting in designing future courses of action in the region. The first edition of the NER District SDG Index Report 2021-22 was released on 26 August 2021.

A. Introduction to the second edition

Enhanced coverage of districts: While the first edition of the index covered 103 of 120 (86 percent) districts of the North Eastern Region, this edition covers 121 out of 131 (92 percent) districts.

Data: The second edition of the index has 84 indicators. Out of 84 indicators, data for 41 indicators is from various ministries/departments of Union Government and data for 43 indicators is from State sources. A significant improvement in the district-level reporting to the Union Government has been noted in the index.

B. Need and Significance of SDGs in the NER

The SDG framework holds a special significance in India's North Eastern Region given the region's distinctive ecological, cultural, and demographic characteristics.

The central challenge for this region lies in fostering development that enhances living standards while preserving traditional knowledge systems, cultural practices, and indigenous lifestyles. The complexity of these interconnected challenges underscores why the SDG framework is particularly valuable and significant for the NER, offering a comprehensive approach that addresses these multidimensional issues while recognizing the importance of preserving the region's unique cultural identity and environmental heritage.

The North-East focussed SDG Index will closely monitor the efforts and achievements and highlight critical gaps in the region and serve as a helpful trigger for ramping up targeted development initiatives by the Central and State Governments.

C. Selection of Indicators

To determine suitable metrics for inclusion in the Index, technically sound indicators based on valid quantitative criteria were chosen that had:

- a) Relevance to the SDG targets.
- b) Alignment with the NIE, SDG India Index, and the SIFs of the NER States.
- c) Data availability at the district level for most of the 131 districts, from the official statistical systems.
- d) The consent of the respective State departments
- e) Data ownership, either administrative ministries/departments at the Centre, survey derived, or by the line departments in the States.
- f) Due to prevailing data gaps, a threshold of data availability of at least 80 percent of the State-reported indicators for any given district was taken as the benchmark for the computation of scores. Districts that reported data for less than this number have been mentioned but not included in the ranking scheme, to avoid giving any undue advantage to them. Therefore, 121 out of the total 131 districts have been considered for computation and ranking. All the States, especially with newly created districts, are encouraged to report the data for all possible indicators in the future for maximum utility of the Index.
- g) Sufficient data coverage, such as data for at least 70 percent of the districts is available for any given indicator based on its applicability.

OBJECTIVES OF THE STUDY

- Rank the districts** of the eight NER States based on their relative performance across the 15 SDGs (excluding Goal 14 which is not applicable and Goal 17 for its limited applicability at the district level).
- Identify critical gaps and challenges in performance** and achievements to strategize necessary corrective measures.
- Highlight intrastate and interstate disparities** across the eight states, facilitating the design of suitable interventions.
- Promote competitive federalism** by enabling state-wise, district-wise, and SDG-wise comparisons. The ranking system also serves as a valuable tool for peer learning and performance improvement.
- Create a platform for collaboration** and enable districts to share and adopt best practices from their peers.
- Identify data gaps in the statistical system** of the States and the sectors in which robust and more frequent data collection needs to be instituted.

DATA ANALYSIS & INTERPRETATION

The districts under study were classified into four categories namely, Achiever, Front Runner, Performer, and Aspirant in accordance with their distance from target and the category-specific score range as given in below tables.

Table A. Top 10 Districts in NER District SDG Index 2023-24

Top 10 Districts			
State	District	Score	Rank
Mizoram	Hnahthial	81.43	1
Mizoram	Champhai	79.86	2
Tripura	Gomati	78.79	3
Nagaland	Mokokchung	78.43	4
Tripura	West Tripura	77.64	5
Nagaland	Kohima	76.93	6
Tripura	South Tripura	76.71	7
Sikkim	Gangtok	76.64	8
Mizoram	Kolasib	76.50	9
Nagaland	Dimapur	76.29	10

The top 10 districts have continued to perform well across SDG 9 (Industry, Innovation and Infrastructure), SDG 4 (Quality Education), SDG 15 (Life on Land), SDG 12 (Responsible Consumption and Production), SDG 8 (Decent Work and Economic Growth), and SDG 5 (Gender Equality), with opportunities to accelerate further in SDG 3 (Good Health and Well-being) and SDG 10 (Reduced Inequalities).

Table B. Bottom 10 Districts in NER District SDG Index 2023-24

Bottom 10 Districts			
State	District	Score	Rank
Arunachal Pradesh	Pakke Kessang	63.14	112
Arunachal Pradesh	Anjaw	63.07	113
Meghalaya	East Jaintia Hills	63.00	114
Manipur	Tamenglong	62.07	115
Arunachal Pradesh	Tirap	61.93	116
Arunachal Pradesh	Siang	61.71	117
Assam	South Salmara-Mankachar	59.71	118
Manipur	Pherzawl	59.71	118
Arunachal Pradesh	Kamle	58.86	120
Arunachal Pradesh	Longding	58.71	121

The challenges among the bottom 10 districts pertain to SDG 9 (Industry, Innovation and Infrastructure), SDG 10 (Reduced Inequalities), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Change).

A. NER District SDG Index Scores

SDG 1: NO POVERTY

The score for Goal 1 ranges between 78 and 47 for the 121 districts included in the ranking and computation. Mokokchung [NL], Gangtok [SK], and Thoubal [MN] are the top-performing districts. 36 districts fall in the category of Front Runners and 82 in the category of Performers, while 3 districts are in the category of Aspirants with scores less than 50.

SDG 2: ZERO HUNGER

The score for Goal 2 ranges between 83 and 40 for the 121 districts included in the ranking and computation. Champhai [MZ], Phek [NL] and Kakching [MN] are the top performing districts. 83 districts fall in the category of Front Runners and 37 in the category of Performers, while 1 district is in the category of Aspirant with scores less than 50.

SDG 3: GOOD HEALTH AND WELL-BEING

The score for Goal 3 ranges between 84 and 39 for the 121 districts included in the ranking and computation. Upper Siang [AR], East Siang [AR] and West Siang [AR] are the top performing districts. 48 districts fall in the category of Front Runners and 67 in the category of Performers, while 6 districts are in the category of Aspirants with scores less than 50.

SDG 4: QUALITY EDUCATION

The score for Goal 4 ranges between 88 and 38 for the 121 districts included in the ranking and computation. West Tripura [TR], Dimapur [NL]

and Gangtok [SK] are the top performing districts. 80 districts fall in the category of Front Runners and 30 in the category of Performers, while 11 districts are in the category of Aspirants with scores less than 50.

SDG 5: GENDER EQUALITY

The score for Goal 5 ranges between 98 and 45 for the 121 districts included in the ranking and computation. Saitual [MZ], Wokha [NL] and Longleng [NL] are the top performing districts. 112 districts fall in the category of Front Runners and 8 in the category of Performers, while 1 district is in the category of Aspirant with scores less than 50.

SDG 6: CLEAN WATER AND SANITATION

The score for Goal 6 ranges between 94 and 52 for the 121 districts included in the ranking and computation. Saitual [MZ] and Serchhip [MZ] are the top performing districts. 114 districts fall in the category of Front Runners and 7 in the category of Performers, while no district is in the category of Aspirants with scores less than 50.

SDG 7: AFFORDABLE AND CLEAN ENERGY

The score for Goal 7 ranges between 100 and 5 for the 121 districts included in the ranking and computation. 14 districts Leparada [AR], Lower Siang [AR], Jiribam [MN], Kakching [MN], Kamjong [MN], Kangpokpi [MN], Noney [MN], Tengenpual [MN], Pherzawl [MN], Hnahthial [MZ], Khawzawl [MZ], Saitual [MZ], Pakyong [SK], Soreng [SK] have scored a 100 in this Goal and fall in the category of Achievers. 58 districts fall in the category of Front Runners and 41 in the category of Performers, while 8 districts are in the category of Aspirants with scores less than 50.

SDG 8: DECENT WORK AND ECONOMIC GROWTH

The score for Goal 8 ranges between 100 and 52 for the 121 districts included in the ranking and computation. Lower Siang [AR] is the Achiever district. 111 districts fall in the category of Front Runners and 9 in the category of Performers, with no district in the category of Aspirants with scores less than 50.

SDG 9: INDUSTRY INNOVATION AND INFRASTRUCTURE

The score for Goal 9 ranges between 100 and 11 for the 121 districts included in the ranking and computation. Hnahthial [MZ], Champhai [MZ], Sepahijala [TR] and West Tripura [TR] are the top performing districts. 1 district falls in the category of Achiever, 92 districts fall in the category of Front Runners and 11 in the category of Performers, while 17 districts are in the category of Aspirants with scores less than 50.

SDG 10: REDUCED INEQUALITIES

The score for Goal 10 ranges between 86 and 0 for the 121 districts included in the ranking and computation. South West Khasi Hills [ML], Pakke Kessang [AR] and Dibang Valley [AR] are the top-performing districts. 43 districts fall in the category of Front Runners and 45 in the category of Performers, while 33 districts are in the category of Aspirants with scores less than 50.

SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

The score for Goal 11 ranges between 100 and 42 and are computed for the 79 districts which have urban local bodies. Gomati, North Tripura and Unakoti, all of them in Tripura are the top performing districts. These three districts fall in the category of Achiever, 66 districts fall in the category of Front Runners and 9 in the category of Performers, while 1 district is in the category of Aspirant with scores less than 50.

SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

The score for Goal 12 ranges between 98 and 7 for the 121 districts included in the ranking and computation. South Tripura [TR], Unakoti [TR] and Shi Yomi [AR] are the top performing districts. 51 districts fall in the category of Front Runners and 52 in the category of Performers, while 18 districts are in the category of Aspirants with scores less than 50.

SDG 13: CLIMATE ACTION

The score for Goal 13 ranges between 100 and 12 for the 121 districts included in the ranking and computation. Phek [NL], Mokokchung [NL], Khawzawl [MZ] and Hnahthial [MZ] are the top performing districts. 4 districts fall in the category of Achiever, 59 districts fall in the category of Front Runners and 9 in the category of Performers, while 49 districts are in the category of Aspirants with scores less than 50.

SDG 15: LIFE AND LAND

The score for Goal 15 ranges between 100 and 36 for the 121 districts included in the ranking and computation. 26 districts fall in the category of Achiever, 87 districts fall in the category of Front Runners, and 6 in the category of Performers, while 2 districts are in the category of Aspirants with scores less than 50.

SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

The score for Goal 16 ranges between 97 and 36 for the 121 districts included in the ranking and computation. Kamjong [MN], Noney [MN] and Hnahthial [MZ] are the top performing districts. 90 districts fall in the category of Front Runners and 26 in the category of Performers, while 5 district is in the category of Aspirants with scores less than 50.

B. Table 1: Percentage of Districts in each Performance Category- Composite Score

States	Performance Category in %					Total Districts
	Aspirant	Performer	Front Runner	Achiever	Not included in Competition	
Arunachal Pradesh	Nil	33.33	59.26	Nil	7.41	27
Assam	Nil	5.71	88.57	Nil	5.71	35
Manipur	Nil	25	75	Nil	Nil	16
Meghalaya	Nil	8.33	83.33	Nil	8.33	12
Mizoram	Nil	Nil	100	Nil	Nil	11
Nagaland	Nil	12.5	56.25	Nil	31.25	16
Sikkim	Nil	Nil	100	Nil	Nil	6
Tripura	Nil	Nil	100	Nil	Nil	8

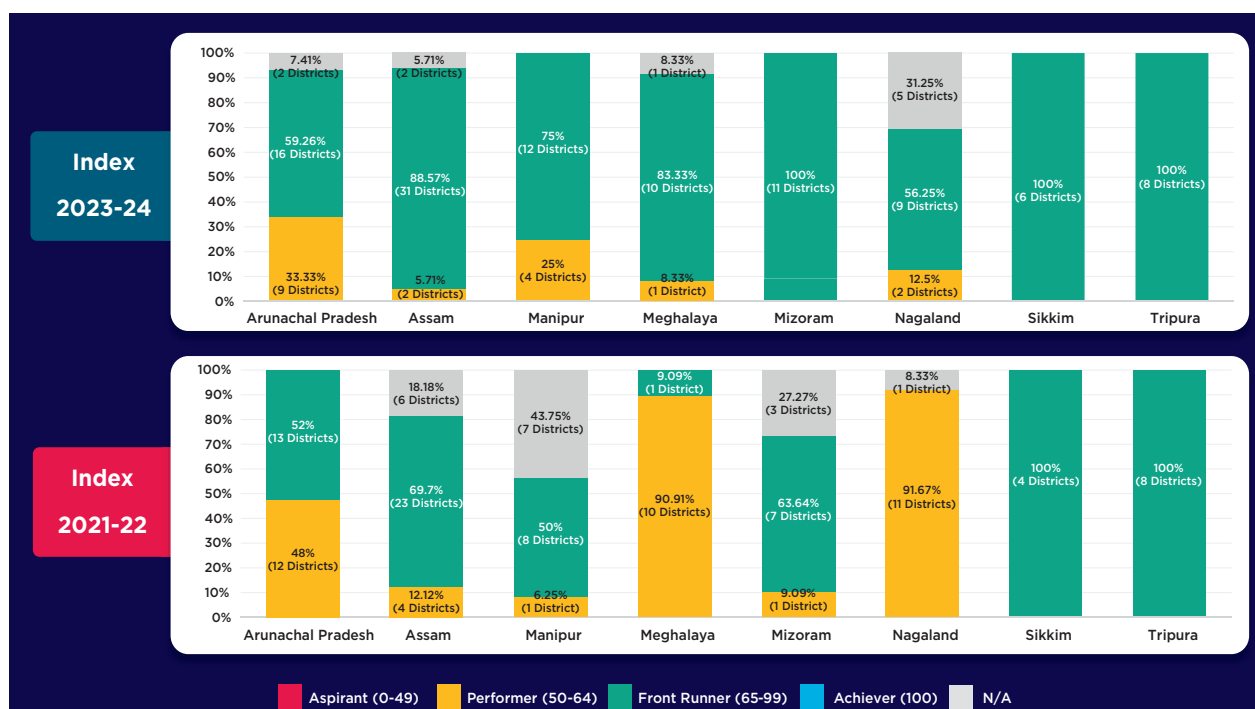
KEY FINDINGS AND IMPLICATIONS

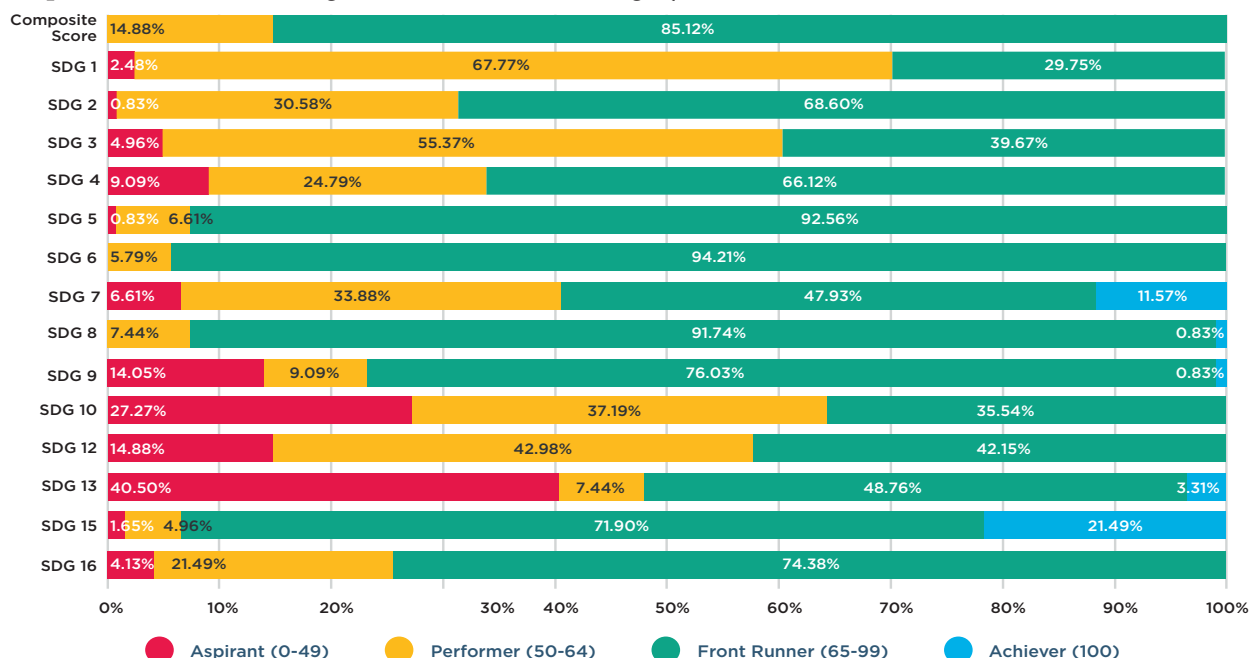
A. Improvement in the overall performance of districts

District-wise performance: The scores for the 121 districts ranges from 58.71 in Longding [AR] to 81.43 in Hnahthial [MZ]. Overall, there has been an increase in the proportion of districts in the Front Runner category from 62 percent in the last edition to 85 percent in this edition. This signifies the impact of the national flagship schemes coupled with the localisation efforts of the states and saturation of benefits through initiatives like the Aspirational Districts Programme. The state-wise performance based on the composite scores of SDGs is provided below:

Graph 1: State-wise Overall Performance Compared to the Previous Edition

Significant improvements have been observed in the indicators linked to the National Family Health Survey (NFHS) in sectors such as access to clean cooking fuel, housing, electricity, sanitation, drinking water, bank accounts, child and maternal health services, schooling and attendance, birth registration, unmet need for family planning, health insurance, among others. This momentum will be key to closing the gap with the national average in the short and medium term and for states to feature among the top states in the long term. In this context, indicator level analysis is crucial for identifying gaps and accelerating progress in the short term and beyond. It would also help in addressing intra-regional and inter-district disparities to ensure that performance is in line with or above the national average.



Graph 2: Goal-wise Percentage of Districts in Each Category**B. Policy relevance and utility of the index**

- The index provides a tool for integrating data-based decision making by providing information and insights which is horizontally expansive in terms of sectors (SDGs 1–16) and disaggregated at the level of the district to push for balanced regional planning.
- The index also brings focus to outcome-based targeting, which would encourage the mapping of expenditure to identified gaps, and desired outcomes to plug those gaps in order to reach out to districts in need of budgetary allocation in a particular sector.
- The granular analysis provided by the NER District SDG Index enables states to identify specific sectors in which immediate improvements can be made. By leveraging existing government schemes and programmes, state administrations can address the challenges highlighted by the Index effectively.
- As a first step, at the NER or State level, the bottom performing districts (bottom 30 percent) can be filtered for further analysis. The goal level scores of districts, especially those in the Aspirant (0-49) category, would be critical to identify the broad sectors, for example, a score of 41 in Goal 4 would necessitate a closer look in the education sector for a district. In other words, identifying the goals in which a district has not performed well and then following it up with a deep dive analysis of individual indicators to truly show the gap. This approach can help in gaining a deeper understanding of the challenges faced by districts and enable targeted interventions to address the root cause of underperformance.
- By mapping the performance at the indicator level to existing government schemes and programmes, policymakers can assess the effectiveness of these programmes and chart a course of implementation-related action. This approach can help in identifying the

gaps between the intended impact of government schemes and their actual outcomes on the ground. By addressing these gaps, policymakers can improve the effectiveness of the programmes and accelerate progress.

CONCLUSION

Over the past four years, the North Eastern States have successfully intensified the momentum of localising SDGs and measuring progress at the district level through the first edition of the NER District SDG Index and Dashboard. A few States have also initiated setting up SDG cells/coordination centres to institutionalise these goals. Sustaining this progress is key to bridging the performance gap in the short term and positioning districts/states as top Performers in the long run. It is worth noting that MDoNER has designed a new scheme, Prime Minister's Development Initiative for North East Region (PM-DevINE), based on the findings of the first NER District SDG Index. This scheme focuses on infrastructure development, industry promotion, and social development projects while enhancing livelihood opportunities for youth and women. It provides targeted support to address development gaps and accelerate progress on the SDGs in the North Eastern Region. Looking ahead, NITI Aayog and MDoNER are committed to ensure:

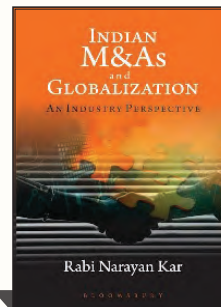
- Institutionalisation of SDGs in NE States through the whole of the government approach;
- Investment in data infrastructure and capacities;
- Integrating SDG targets into government budgets; and
- Recognise the role of partnerships, including South-South Cooperation.

The continued collaboration between NITI Aayog, the nodal ministry for SDG implementation, MDoNER, State governments, other development partners, and the private sector will be crucial in ensuring the effective implementation and monitoring of SDGs. This partnership will focus on strengthening institutional structures at the state and district levels, aligning them with the SDG agenda, and working towards achieving the goals outlined in Agenda 2030. □



Indian M&As and Globalization: An Industry Perspective

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INTRODUCTION

The scope of research on Mergers and Acquisitions (M&As) in India warrants further investigation, as this topic has been insufficiently explored. For instance, 1) How much has deregulation accelerated M&A activities in India? 2) What are the observable trends in M&A activities across various sectors? 3) Is there a surge in M&As in India comparable to that in developed capital markets? 4) What drives Indian companies to pursue M&As? 5) What is the effect on performance? 6) Is M&A regarded as a strategy for survival? 7) Do shareholders gain from M&As? 8) What are the Corporate Governance concerns? 9) What framework can be established for improved Corporate Governance? 10) What are the contentious issues surrounding M&As? These are some of the concerns that are to be addressed.

Among the above issues, this book aims to address the global trends in mergers and acquisitions, referred by the author as 'WAVES', primarily concentrating on the various types and motivations behind M&As, their effects on performance and shareholder value, as well as the challenges of post-merger integration. The different phases of M&A activity have been shaped by a century's worth of environmental influences that have impacted the restructuring of various industries. Beginning with the liberalisation in 1991, the corporate sector in India has extensively adopted the M&A strategy.

DETAILED REVIEW

Beginning with the Introduction in Chapter One, Chapter Two enumerates the concept of Corporate Restructuring and theories of M&A. Further, it examines the regulatory environment governing M&As in India. Chapter Three reviews the existing literature on the type and determinants of M&A deals in India and presents the research design for the study.

The various phases of evolution and growth of M&As in India, during pre-independence, post-independence, and post-liberalisation, are captured in Chapter 4, while Chapter 5 engages the reader with the secondary data analyses on Cross Border Mergers and Acquisitions relating to Indian enterprises and discusses with corporate examples, the challenges of inbound and outbound M&A deals.

Chapter 6 presents an analysis of the survey on India's M&A deals in 24 industries, their trends, patterns, and motivations. The Summary of the major findings of the study and its policy implications for Government agencies, Corporate entities, Industry associations, and Researchers are described in Chapter 7. Chapter 8 encapsulates concluding remarks and implications for future research.

CONCLUSION

The author systematically and clearly explicates the development and adoption of the M&A framework in India, supported by both primary and secondary research. The chapters include various illustrations from corporates that provide insights into the different viewpoints. A distinctive feature of this book is the survey covering 24 industries, which reveals the effect of M&A integration on the financial growth, challenges, and performance of different entities.

Given that regulations are constantly changing, the future edition of this book may emphasize surveys with updated data to analyse future trends and shifts in the performance metrics of various companies across these sectors, as well as the influence of government schemes and policies, particularly those aiding M&A transactions in the MSME sector of India. The notes and references included at the conclusion of the book serve as a valuable resource for further exploration on the topic.

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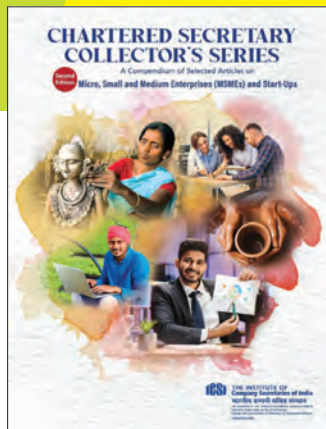
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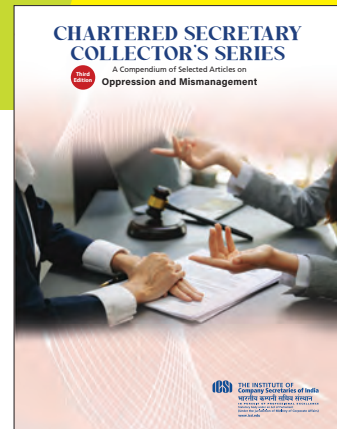
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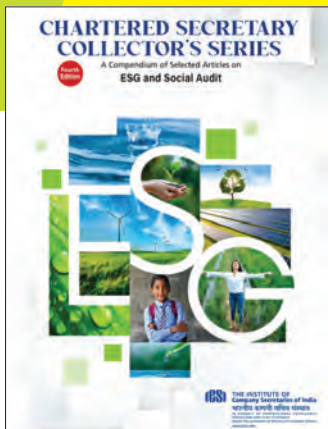
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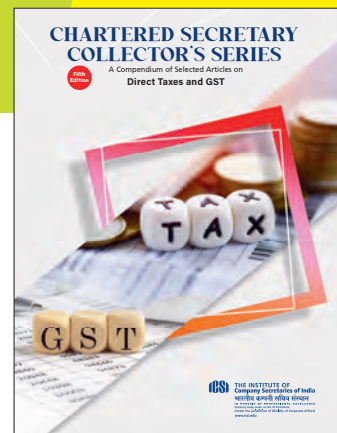
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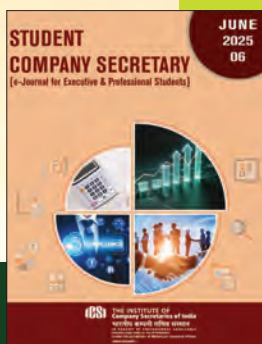
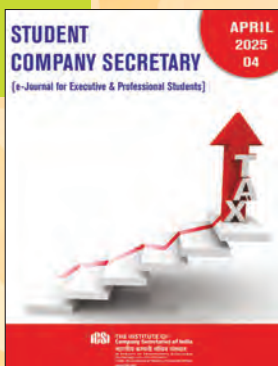
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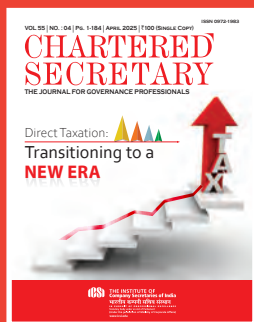
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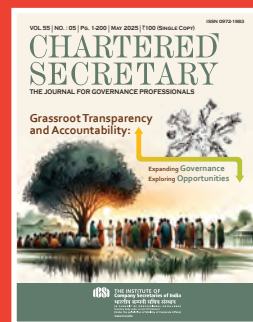
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