

Articles Part - I

50 The Dual Pillars of Global Trade: Navigating India's FEMA, FT (D&R) Act, and the Enforcement Landscape**CS Sachin Shiva Kotian**

Beginning with a basic understanding and the key differences in FERA and FEMA, the article evaluates the core provisions of FEMA, 1999 & FT (D&R) Act, 1992. The role of regulatory bodies such as RBI, DGFT etc. is highlighted. The RBI compounding mechanism is discussed in the article. The SCOMET list is India's domestic embodiment of multilateral export control regimes, notably the Nuclear Suppliers Group (NSG), Missile Technology Control Regime (MTCR), and the Wassenaar Arrangement. The HBP serves as the definitive operational manual for the Foreign Trade Policy, detailing the process for obtaining licenses and meeting post-export obligations. The punitive action and the adjudication process under FEMA are discussed.

57 FEMA & FDI Rules for E-Commerce Marketplaces: 100% Automatic Route Review**Dr. Biranchi Narayan P Panda**

This article throws light on Regulatory Framework Governing FDI in Indian E-Commerce. The author provides distinction between Marketplace and Inventory models. The first schedule to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under FEMA, is responsible for implementing the sectoral FDI caps and conditions. Under the first schedule, 100% FDI is allowed under the automatic route only for marketplace-based e-commerce activities. Further the article analysis the implications of the implementation of DPIIT Press note 3 issued in 2020 that formalised amendments in the NDI rules.

62 The Trust Architecture: FEMA, FTP and the Governance behind India's Borders**CS Madhavan M. K.**

In the article, the author emphasizes the importance of the role of Company Secretaries and their duties in enforcing FEMA and fostering a conducive environment for the implementation of FTP in India. As systems become increasingly digital—such as FIRMS, DGFT Online, ICEGATE, and AD Bank portals—the boundaries between these frameworks have significantly blurred. Cross-border transactions reflect a harmonious relationship between FEMA and FTP. A share subscription governed by FEMA could later be recognized as an export obligation under FTP. An export invoice originating from the logistics department may need to be settled according to FEMA timelines.

66 Foreign Exchange Legislation in India: Role of Professionals**CS A. P. K. Chettiar**

This article throws light on the evolution and growth of Foreign Exchange Legislation in India. Over the past three decades India's foreign exchange regime has transformed from a tightly controlled regulatory framework designed to preserve scarce foreign exchange, to a more liberal, market-aligned system that facilitates global economic integration while safeguarding national interests. This transformation has occurred due to the dynamic nature of globalisation, coupled with advancements in digital technology, complex financial products, and evolving geopolitical risks. This has made foreign exchange management a highly specialised domain.

71 Hybrid Instruments & FOCCs: Decoding OCDs and OCPS Under FEMA**CS Shujath Bin Ali, CS Dinesh Sharma**

As per the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 certain hybrid instruments such as OCDs and OCPS are treated as debt instruments and are therefore governed by the Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulations, 2018 i.e., External Commercial Borrowings (ECB) guidelines. In order to ascertain whether investments made by a FOCC in OCDs and OCPS fall within the ambit of the ECB framework, it is imperative to examine the statutory definition of ECB, the permissible forms of ECB, and the eligibility criteria prescribed for recognized lenders under

the applicable regulatory regime. The authors explicate the key judicial findings of the Supreme Court's decision in *IDBI Trusteeship v. Hubtown Ltd.* reinforcing the principle that economic substance must align with regulatory intent, and that equity-linked instruments must not be disguised debt vehicles. The article concludes that FOCCs may invest in non-equity instruments without triggering FDI conditions, but conversion into equity reclassifies the investment as downstream, requiring compliance with pricing and sectoral norms. Company Secretaries are advised to monitor conversion terms and regulatory triggers closely to ensure compliance.

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Remodeling FEMA Governance: Integrating Financial Strategy and RegTech for FDI in India's Technology Sector

Saurabh Khakhkharr

The article outlines the intricacies involved in incorporating technology into regulations through the use of illustrative case studies. The initial hurdle in any tech Foreign Direct Investment (FDI) transaction is typically the valuation aspect. For a Company Secretary, submitting Form FC-GPR is a crucial responsibility as it serves as a certification that the transaction complied with FEMA pricing regulations. The difficulty arises due to the fact that the valuation of a tech startup can appear irrational. Therefore, the function of a Company Secretary as a strategic advisor with a comprehensive grasp of commercial and financial matters becomes particularly important. The author introduces a three-tier framework for the implementation of RegTech in FEMA compliance and governance.

Articles Part - II

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Independent Director: Perspectives as to Appointment, Re-appointment and Cooling off Period

CS (Dr.) K. R. Chandratre

The article elaborates on Section 2(47) of the Companies Act, 2013 that defines Independent Director and the related provisions. The author provides insights on the manner and procedure for selection of Independent Directors, the duties and responsibilities of the Board, whether there is a need for appointment of Independent Director as Additional Director, retirement by rotation, applicability of Section 160, tenure of an Independent Director, and the interpretation of the proviso of section 149(11) in relation to Cooling off period.

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BRSR Reporting and the Evolving ESG Landscape in India

CS, CA (Dr.) Vivek Mehta, CA Sagar Narendrakumar Surana

The BRSR, which has been made compulsory for the top 1,000 listed companies by market capitalization from financial year 2022–23, replaces the earlier Business Responsibility Report (BRR). The BRSR is a robust, principle-based and performance-operative system that aims to deliver granular quantitative comparable data. This paper provides a timely assessment of the BRSR framework, its most recent regulatory add-ons (the BRSR Core and Value Chain Disclosures) and the implications these have for Indian companies preparing to respond to a converging global reporting landscape consisting both in the new EU Corporate Sustainability Reporting Directive (CSRD), as well as ISSB's IFRS S1 and S2 standards.

Research Corner

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The Significance of AI for Governance Professionals and its Importance for Company Secretaries: A Perspective

CS (Dr.) R. Ravichandran, Dr. Laxmana Rao

This research article dwells on the review of related literature on the concept and significance of AI and its influence on Governance. It also explores the strategies that Governance professionals should adopt when integrating AI into their workflows to enhance compliance management. The authors propose a theoretical framework for the successful application of AI in Corporate Governance.

Legal World

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- **LMJ 12:12:2025** We find that the directions issued by the company court are in the interest of all the creditors and are well within its jurisdiction. [SC]
- **LW 88:12:2025** Since the shares of Telsonic were not in dematerialized form, the act of Appellant Company in rejecting the application of the Respondent is fully in consonance with Rule 9A(1)(a) of the Rules. [NCLAT]
- **LW 89:12:2025** The direction given by the Ld. Tribunal for winding up the companies doesn't suffer from any procedural or legal error when the Appellant himself has expressed his no objection. [NCLAT]
- **LW 90:12:2025** We find that the classification, which has resulted on account of introduction of Para 83 in the principal Scheme, satisfies the test of permissible classification, and therefore, it is our considered opinion that the same cannot be said to be violative of Article 14 of the Constitution of India. [DEL]
- **LW 91:12:2025** In the absence of any demand having been raised by the aggrieved persons with the Appropriate Government qua their alleged illegal termination, no reference either by way of amendment or otherwise could have been made by the Government on this count. [HP]
- **LW 92:12:2025** There is no absolute prohibition on representation of any party before the Labour Court and the restriction is confined to Conciliation proceedings only. [JHR]
- **LW 93:12:2025** The issuance of a demand notice and the consequent imposition of interest for default form part of a sequential and mandatory statutory process, which nowhere empower the CCI to impose interest retrospectively or from a date preceding the valid service of a demand notice. [DEL]
- **LW 94:12:2025** Evidently, all acts done by the aforesaid three parties were with the intent of getting the impugned tenders awarded to Ecoman Enviro Solutions Pvt. Ltd. thereby manipulating the entire bidding process and enabling illegal gains. [CCI]
- **LW 95:12:2025** For an offence under Section 138 of the NI Act to be attracted, the cheque must be for the discharge of a debt or liability, and the debt must be equal to or greater than the amount of the cheque presented. [DEL]

From The Government P-113

- The Companies (Meetings of Board and its Powers) Amendment Rules, 2025
- Request for Proposal (RFP) to undertake a Market Study on "Qualitative and Quantitative thresholds for Big Tech Companies and Core Digital Services (CDS)"
- Additional incentives to distributors for onboarding new individual investors from B-30 cities and women investors
- Specification of the terms and conditions for Debenture Trustees for carrying out activities outside the purview of SEBI
- Modifications to Chapter IV of the Master Circular for Debenture Trustees dated August 13, 2025
- Timeline for submission of information by the Issuer to the Debenture Trustee(s)
- Amendments to Directions - Compounding of Contraventions under FEMA, 1999
- Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2025
- Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Delisting of 02 Entries
- Reserve Bank of India (Trade Relief Measures) Directions, 2025
- Master Direction – Reserve Bank of India (Repurchase Transactions (Repo)) Directions, 2025