

# CHARTERED SECRETARY

THE JOURNAL FOR GOVERNANCE PROFESSIONALS



**UNION BUDGET 2026**



**CS Pawan G. Chandak**  
President, The ICSI



**CS Dwarakanath C.**  
Vice-President, The ICSI



**THE INSTITUTE OF  
Company Secretaries of India**

**भारतीय कम्पनी सचिव संस्थान**

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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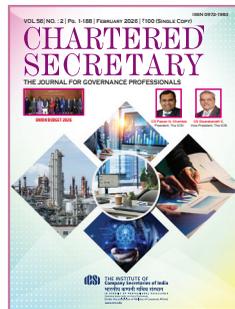
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## EDITORIAL

The month of January, witnessed the change in the ICSI leadership with the announcement of its newly elected **President, CS Pawan G. Chandak** and **Vice-President CS Dwarakanath Chennur**. Under their able leadership the Institute organised its 8<sup>th</sup> Leadership Summit, 'Sankalp-2026' attended by the ICSI Central Council members, Regional Council Members, Heads of all Directorates from Headquarters & CCGRTs, Regional Directors of all Regions and Chairpersons of Chapters of ICSI, with the objective to brainstorm on new initiatives and provide a platform for sharing innovative ideas toward the growth of the profession.

I would like to express my deep gratitude to the Government of India for empowering ICSI and other professional Institutions to develop a cadre of "Corporate Mitras" for providing guidance to Micro, Small and Medium Enterprises (MSMEs) in Tier-II and Tier-III cities, for meeting their compliance requirements at affordable costs, as announced in the Union Budget for FY 2026-27.

With the intent to invite articles on varied topics of professional interest, this month's issue of Chartered Secretary Journal is dedicated to a General Theme.

The four articles on, '**Dividend Governance in India**', '**Corporate Governance Standards for Municipal Corporations: A Compliance Framework**', '**From Boardroom to System Architecture: The Techno-Legal Role of Company Secretaries under the DPDP Act, 2023 and DPDP Rules, 2025**', and '**The Earnings Call: Beyond the Balance Sheets**', capture various facets of the Corporate Governance landscape and Boardroom dynamics for ethical conduct in organisations.

The legal and regulatory requirements in demerger is covered in article titled '**Listing Status of Demerged Entities under Indian Corporate and Securities Law: Statutory Interpretation, Regulatory Practice, and Judicial Guidance**'.

Further, the article on '**Loans, Guarantees, and Investments: A Comprehensive Review of Sections 185 and 186**', reflects on the provisions under relevant Sections of the Companies Act, 2013.

The article in Global Connect on, '**Reimagining Startup Insolvency in India**', outlines the creditor-initiated insolvency resolution process as introduced in IBC (Amendment) Bill, 2025 and discusses global frameworks.

The research paper on, '**Distribution of Sale Proceeds between first and second charge holders under liquidation: An Unsettled but evolving legal position**' examines the manner of settlement of sale proceeds in liquidation.

Happy Reading!

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

# CHARTERED SECRETARY GREETES AND CONGRATULATES

**CS PAWAN G. CHANDAK AND CS DWARAKANATH CHENNUR ON THEIR ELECTION AS  
PRESIDENT AND VICE-PRESIDENT RESPECTIVELY OF THE INSTITUTE FOR THE YEAR 2026-27**



## **CS Pawan G. Chandak, President, The ICSI**

CS Pawan G. Chandak is a qualified Company Secretary with specialization in Labour Laws and Labour Welfare. He is the founder partner of M/s. KPRC & Associates with footprints all over India. He has varied experience in the fields of Corporate Law, Foreign Exchange Law, Industrial Law, Legal Metrology, Secretarial Audit, Arbitration matters, SEZ, STPI, EOUs and DOT.

He has worked with large corporate houses and MNCs in the capacity of Independent Director and Advisor and has a deep understanding of the challenges and issues surrounding his areas of expertise which includes handling and advising on corporate legal matters, deal structuring and merger-amalgamations.

CS Pawan G. Chandak has been serving the ICSI in different capacities for last many years. He served as the Vice-President of the ICSI for the year 2025. Before being elected to the Central Council of ICSI for the term 2023-2026, CS Pawan G. Chandak was elected to the Western India Regional Council (WIRC) of ICSI for the term 2019-2022 and served as Secretary of the Region in 2019, Vice-Chairman in 2020 and Chairman of WIRC ICSI in the year 2021. Prior to that he served as the Chairman of the Pune Chapter of WIRC of ICSI in 2012 and 2017.

He is a hands-on-leader with a proven track record of over 20 years in guiding organizations in corporate and allied laws, managing risks, rolling-out new systems and improving operational efficiency and effectiveness.



## **CS Dwarakanath Chennur, Vice-President, The ICSI**

CS Dwarakanath Chennur, a Fellow Member of the ICSI, is a B.Com. Graduate from Sri Venkateswara University, and LLB-Special from Gulbarga University. He is also an Insolvency Professional and an empanelled Social Auditor.

Having started his career as a Company Secretary in the year 1992, he worked for different Companies for nearly 10 years, before taking up practice in the year 2002. Presently, he renders services to various private & public companies, including listed and subsidiary of foreign companies, under Companies Act, FEMA, RBI Regulations, and SEBI Regulations.

His area of expertise includes Corporate Laws and Insolvency and Bankruptcy Code, 2016.

CS Dwarakanath Chennur has served the ICSI as Chairman of the Regulations & Elections Reforms Committee in the year 2025, PCS Committee in the year 2024 and Peer Review Committee in the year 2023. Before being elected to Central Council of the ICSI for the term 2023-2026, he was a Member of Secretarial Standards Board, ICSI for the year 2019 & 2020. Prior to that he served the Southern India Regional Council (SIRC) of the ICSI for the term 2011-2014 and was the Chairman of the SIRC of ICSI in 2013. He was elected to the Managing Committee of Bangalore Chapter of ICSI for two consecutive terms in 2004-2006 and 2007-2010, and served as the Chairman, Bangalore Chapter for the year 2008.

He has also been conferred the title “VIDYA VIKAS”, recognizing his excellent service in the field of education by Dr. D.G. Shetty Educational Society, Dharwad in the year 2014.

# ELECTION OF PRESIDENT AND VICE-PRESIDENT, THE ICSI FOR THE YEAR 2026-27

President : CS Pawan G. Chandak  
Vice-President : CS Dwarakanath C.







ICSI delegation led by CS Pawan G. Chandak, President, The ICSI called upon Ms. Deepti Gaur Mukerjee (IAS), Secretary, MCA.



ICSI delegation led by CS Pawan G. Chandak, President, The ICSI met with Shri Balamurugan D, Joint Secretary, MCA, Smt. Anita Shah Akella, Joint Secretary, MCA, Sh. Santanu Mitra, Senior Economic Adviser, MCA and Sh. N. K. Dua, Director, MCA.



Interaction of CS Pawan G. Chandak, President, The ICSI with Former Presidents of ICSI from Pune and Former Chairman's of Pune Chapter of WIRC of The ICSI on January 21, 2026 at Pune.



19th Regional Conference of Practising Company Secretaries at ICSI-CCGRT, Kolkata Campus held on January 17, 2026 organised by EIRC of The ICSI.



Capital Market Week and National Programme on Internal Audit at BCC&I, Kolkata held on January 10, 2026.



EIRC of The ICSI organised Prarambh 2.0 Intercollege Competitions and Education Fair at ICSI-CCGRT, Kolkata Campus on January 15, 2026.



Annual Regional Conference of NIRC of The ICSI held on January 03, 2026 at Ayodhya, U.P. Dr. Chandranshu Ji Maharaj, Ayodhya, U.P. and Shri Harshvardhan Singh, State General Secretary, BJYM U.P. were the Special Guests. CS Ashish Garg, Former President, The ICSI, CS Suresh Pandey, Central Council Member, The ICSI were the Guest Speakers.



NIRC of The ICSI organized a Seminar on “The Confluence of ESG, Governance & Digitalization: Redefining the Company Secretary as the Architect of Future Ready Governance” on January 17, 2026 at New Delhi. CS Ranjeet Pandey, Former President, The ICSI graced the occasion.



National Programme on Internal Audit: A Framework for Enhanced Stewardship was held by WIRC of The ICSI on January 10, 2026. Shri M. K. Sahu, RD (WR), MCA and Shri Santosh Kumar, RD (WR-II), MCA were the Guests of Honour. Shri Sumit Kumar, Principal Additional Director General, DGTS, Mumbai Zonal Unit was the Chief Guest.



Thane Chapter of WIRC of The ICSI conducted a visit of the 27<sup>th</sup> batch of EDP students to The National Stock Exchange.

# STARTUP WEEK 2026

**Theme:** Transforming Startup Ecosystem: Creating A Digitally Empowered Nation



WIRC



Indore



Bhubaneswar



Bengaluru



Thane



Jaipur



Ahmedabad



33<sup>rd</sup> Foundation Day of Noida Chapter of NIRC of ICSI celebrated on January 10, 2026 in the presence of CS Nesar Ahmad, Former President, The ICSI and other dignitaries.

## GLIMPSES FROM THE ICSI CCGRTs



ICSI-CCGRT, Hyderabad conducted 28<sup>th</sup> CLDP from January 4-18, 2026. Shri Chaitanya Josyula, Business Development Leader, Cisco Capital (Asia Pacific, Japan and China), Hyderabad was the Chief Guest. CS Datla Hanumanta Raju, Former President, The ICSI and CS Venkata Ramana R., Central Council Member, The ICSI & Convenor ICSI-CCGRT, Hyderabad graced the occasion.



ICSI-CCGRT, Mumbai organised Two days Residential/Non-Residential Workshop on 'Intricacies of ESG for CS' on January 10-11, 2026. CS Devendra V. Deshpande, Former President, The ICSI graced the programme.



Capacity Building Programme under Indian Technical and Economic Cooperation (ITEC) Programme under the aegis of the Ministry of External Affairs, Govt. of India organised by The ICSI at ICSI-CCGRT, Kolkata and concluded on January 25, 2026.

# ICSI LONG SERVICE AWARDS FUNCTION ON THE OCCASION OF 77<sup>th</sup> REPUBLIC DAY ON JANUARY 26, 2026



# GLIMPSES OF 8<sup>th</sup> ICSI LEADERSHIP SUMMIT Sankalp 2026

Date & Venue: January 30-31 & February 01, 2026 at Greater Noida, Uttar Pradesh





# ICSI Achievers Awards, 2025





# Traditional Attire Winners



# Release of ICSI Directory





शारदा शारदाम्भोजवदना वदनाम्बुजे ।  
सर्वदा सर्वदास्माकं सन्निधिं सन्निधिं क्रियात् ॥

(May Goddess Sharda always reside in our speech and heart.)



Dear Professional Colleagues,

**Y**ou dream, you work, you wait and you achieve - and when you do so, the very first feeling that the heart is filled with unquantifiable surge of emotions. Emotions of immense gratitude - towards all my near and dear ones, both within the profession and beyond, emotions of pride - of being bestowed with the opportunity to take a magnanimous legacy forward; emotions of humility - of gaining a chance to serve the Alma mater and the profession and steering it from the top most designation and above all with emotions of extreme elation - on receiving copious amounts of love and affection from across the nation.

Penning the first message of the Journal which has shaped your knowledge trajectory throughout your journey as a student and as a professional is a feeling par description in words. After all, it is through these pages, that the person at the helm of affairs of the Institute has given us a peep into the past events, the present activities and the future dreams and aspirations simultaneously. And all of this is wrapped up tidily alongside personal experiences, the sentiments and moods, creating a silent bond with the readers from all corners of the profession and beyond.

As I begin my journey, both as the president of the ICSI as well as the penman of this Journal, I am laying the groundwork for a lifelong relationship with each one of my members, students and all other stakeholders and I firmly believe that in our togetherness we shall strive to take this Institute, this profession and this nation to great heights.

## 8<sup>TH</sup> LEADERSHIP SUMMIT - A SANKALP REVISITED

*"Follow your dreams. They know the way."*

It was in 2019 that the ICSI had conceived the idea of hosting a mega planning event at the beginning of the year. Yes, indeed, the fond memories of that event which marked the beginning of my tenure as a member of the Western India Regional Council, are still fresh. And what's even more delightful is the fact that all of them have been multiplied with each passing year.

And with each passing year, the intent has been to focus upon fostering integrated ties, stronger bonds of togetherness and an ever-burning desire to serve the profession.

Although I have attended the event in various roles - as Secretary, Vice Chairman and Chairman of the Western Region and for the past 3 years as the Council Member and Vice-President - the feeling differed this year from all the preceding ones.

Up until this moment, as I strived to work hard to live up to the dreams of my Presidents, it was an honour to witness the same exhilaration and excitement amidst the members of the Council, CCGRTs, Regions, Chapters and those of the Team ICSI - the eagerness to serve truly swelled my heart with pride. To find myself working with such a dedicated Team of men and women, I truly believe a sense of immense humility that this journey is not of my dreams alone but the one that we are seeing together and with all our combined efforts live and relish together.

The proceedings of the 3-day event spread across the 30<sup>th</sup> and 31<sup>st</sup> January and 1<sup>st</sup> February, accommodated both brainstorming and Indian Tradition in a single event. And as I mention this, I would like to congratulate once again, all the winners – hoping that the years to follow will find the list getting longer.

Each presentation, each deliberation, each question and each solution opened up doors of multiple opportunities – opportunities to serve our stakeholders better, opportunities to build stronger bonds, and opportunities to explore even greater opportunities.

As I wrap the entire Leadership Summit around opportunities, the event came to us as the very first management lesson – one that we crammed during our school and college days but one that we were expected to enliven all our life – PLANNING...!

And just as no plan can work in isolation, it is indeed imperative that when we wit to chalk out our plans, the Teams across the country – the ones who were to shape our dreams into reality were on the same page. It is for this joining of hands and meeting of minds that the tickets were booked, arrangements made and the entire ICSI Team, brought together as one big Family at a single place. Giving way nearly 50 awards to the Chapters and Regions for their achievements in various categories felt like a personal win...

The 8<sup>th</sup> Leadership Sankalp was one of the finest examples of planning – planning for approximately 80,000 members, 2.5 lakh students, our teams spread across 73 Chapters, 4 CCGRTs, 4 Regional Offices, and those extending beyond the territorial borders as well... So, practically with, for and by what my predecessor fondly calls – the ‘ICSI Multiverse’.

Beginning this new year, this journey with the support of the entire ICSI, I cannot help but hold my belief strong and dreams & aspirations sky-high...

It will be our shared SANKALP to serve the profession and the nation to the best of our abilities and capabilities...!

For as the famous quote goes,

*“We never know how high we are till we are called to rise. Then if are true to form our stature touch the skies.”*

- Emily Dickinson

## UNION BUDGET 2026-27: THE INDIAN GOVERNMENT'S SANKALP

*“Our Government’s ‘Sankalp’ is to focus on our poor, underprivileged and the disadvantaged. To deliver on this Sankalp, and given that this is the first Budget prepared in Kartavya Bhawan, we are inspired by 3 kartavyas.”*

- Smt. Nirmala Sitharaman, Hon’ble Union Minister of Finance and Corporate Affairs  
(Budget Speech 2026-27)

The three *kartavyas* that the Hon’ble Minister deliberates upon are accelerating and sustaining economic growth; fulfilling aspirations of the people making them strong partners in India’s path to prosperity; and aligning to the vision of *Sabka Sath, Sabka Vikas*, ensuring that every family, community, region and sector has access to resources, amenities and opportunities for meaningful participation.

Given the vast expanse of the responsibilities that the Government shoulders and the multifarious aspects that the Budget touches upon, it is indeed worth commending that the Union Budget is truly all-inclusive and *“transforms aspiration into achievement and potential into performance”*.

And we would agree with the fact that this threefold approach requires a supportive ecosystem – one where the momentum of structural reforms is sustained in the presence of a robust and resilient financial sector and cutting-edge technologies, serving as force multipliers for better governance.

As we commend the various reforms undertaken towards, building a much stronger and resilient nation, we also laud the Ministry for understanding the compliance and governance needs of the Micro, Small and Medium Enterprises, or the MSMEs and rolling out the ‘Corporate Mitr’ Project.

Not only does the project feel closer to home, with expanding the outreach of professional guidance in the tier-II and tier-III cities but it also aims to strengthen the governance framework of the smallest and yet the most impactful group of entities – the MSMEs.

Having solicited the support of the three professional bodies including the ICSI, we are delighted to support the Ministry in its endeavour to fortify and reinforce governance in these entities.

Looking forward to synergistic collaborations !!!

## 77<sup>TH</sup> REPUBLIC DAY : THE JOURNEY OF THE NATION WITH GOVERNANCE

*“of the people, by the people, for the people”*

The course of Company Secretaryship, the profession of Company Secretaries has been a governance centric one. And the very pursuance of governance hinges upon the framework of laws encasing – at an Individual level, the corporates and at a macro level, the entire citizenry.

The celebration of Republic Day is not just a moment of pride stemming from the hoisting of the national flag but a reminder for each one of us to uphold the significance of law in its true spirit and intent. The Constitution of India, which forms as the base law for the country is a matter of great pride, as well as it is a matter of enormous responsibility. And the celebration of this day is a celebration of the very values that the profession lives by “Speak the truth and pursue righteousness”.

At ICSI, as the fervour is shared pan India with Chapter, Region and CCGRT-wide celebrations, the ICSI Headquarters celebrates the day with a different touch. It is here that we honour and acknowledge the long-serving employees of the ICSI, the ones who have shared their years of life and experience with us and served the profession and all its stakeholders with utmost integrity.

While the stories shared by them from more than 3 decades ago give us a peep into the life of the profession and the Institution back then, it also fills us with a sense of wonder and humility of serving beside such foundational pillars of the Organisation.

A big thanks to all of you...!

### ICSI : WHAT'S NEW

With the ICSI Ascend giving us the roadmap for strategic action and transformation, space is being made for new developments. One such development which would be reaping fruits in the near future is the decentralization of processes, authority and responsibility – from the ICSI Headquarters to Regional Offices and to Chapters.

If Spiderman says that “With great power comes great responsibility”, his words are true for us as well. Going forward there will be a heightened sense of expectation from the Regions and Chapters, we will be relaying the same sense of responsibility upon ourselves as well.

And to share the thought of service and expand our base with our members and students, the Institute has announced the constitution of two new Evolving Chapters at Rewari (Haryana) & Jabalpur (Madhya Pradesh), in accordance with Section IX of the ICSI Chapter Management Guidelines, 2024. The constitution of these Evolving Chapters is a step in extending the Institute’s presence beyond metropolitan boundaries and much deeper into tier-II and tier-III cities.

To quote the ICSI thought, *“These Evolving Chapters will strengthen ties with students, members, & other stakeholders in the vicinity of the cities and will serve as a platform to organize student outreach programmes, professional development initiatives etc.”*

As I come to the conclusion of this message, there is hope in the heart and a feeling of high-spiritedness for the days ahead. The events lined up, the initiatives to be rolled, the activities impending – all are an indication of an immensely eventful year ahead...

I am grateful to the Officials of the Ministry of Corporate Affairs for extending their best of wishes upon my attaining the Office of the President, ICSI, beginning with Ms. Deepti Gaur Mukerjee (IAS), Secretary, MCA, Sh. Santanu Mitra, Senior Economic Advisor, MCA, Smt. Anita Shah Akella, Joint Secretary, MCA, Shri Balamurugan D, Joint Secretary, MCA, and Sh. N. K. Dua, Director, MCA. The shared smiles and visions were a reaffirmation of the synergistic days ahead...

I am even more hopeful of receiving the blessings and support of my predecessors, the active participation of my Council Colleagues, the determination of my Team and the love and affection of my members and Students...

On that note of hope, aspiration and committed action...

Let’s begin...!!!

With warm regards,

With warm regards



**CS Pawan G. Chandak**  
President, ICSI

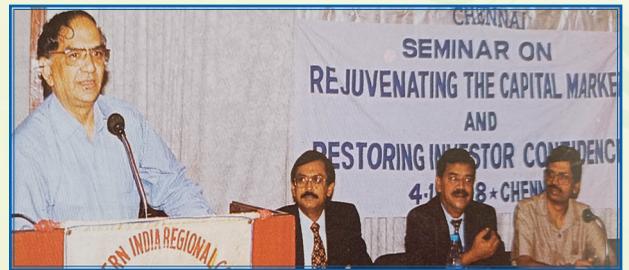
# This Month That Year



**1997** President's address to Practicing Company Secretaries: Sitting (L to R) S.K. Jain, Dr. K.R. Chandratre, S.S. Dave and J. Sridhar.



**1999** SIRC - MADURAI CHAPTER Inauguration of New Premises of the Chapter - B.P. Dhanuka cutting the ribbon to mark the inauguration.



**1999** SIRC-Seminar on Rejuvenating the Capital Market and Restoring Investor Confidence - T.S. Krishna Murthy (Secretary, DCA) addressing. Others seated are (L to R) R. Rani, A. Santhanakrishnan (Director & Secretary, SPIC Ltd.), and M. Chandrappa.



**2001** EIRC - Inauguration of ICSI-EIRC Building - Hon'ble Hasim Abdul Halim (Speaker, W.B. Legislative Assembly) inaugurating the Building.



**2001** Sitting at Insurance Teleconference are (L to R) J. Sridhar, H.O. Sonig (Member, IRDA), N.N. Joshi (Chief Advisor, ING Insurance), Prof. Sukumar Nandi (IIFT), C.S. Rao (Addi. Secretary and Financial Advisor, Ministry of Steels) and Suparas Bhandari (AGM, United India Insurance Co.).

# Activity Highlights of January, 2026

## MEETINGS WITH DIGNITARIES

- Ms. Deepti Gaur Mukerjee (IAS), Secretary, MCA
- Smt. Anita Shah Akella, Joint Secretary, MCA
- Shri Balamurugan D, Joint Secretary, MCA
- Sh. Santanu Mitra, Senior Economic Adviser, MCA
- Sh. N. K. Dua, Director, MCA

## ICSI GLOBAL CONNECT

### ICSI'S CAPACITY BUILDING INITIATIVE UNDER THE INDIAN TECHNICAL AND ECONOMIC COOPERATION (ITEC) PROGRAMME, MINISTRY OF EXTERNAL AFFAIRS

The ICSI organized a 12-day Capacity Building Programme on "Corporate Governance for a Better Tomorrow: Empowering Leaders in Compliance, Risk & Sustainability" under the auspices of the Indian Technical and Economic Cooperation (ITEC) Programme of the Ministry of External Affairs, Government of India, from January 14-25, 2026 at the ICSI-CCGRT, Kolkata. A total of 18 delegates from 16 countries across the globe participated in this residential programme. Renowned Company Secretaries and subject matter experts from various parts of the country conducted engaging and insightful sessions. As part of the programme, participants had the opportunity to interact with Shri R. K. Tiwari, Regional Director (Eastern Region), Ministry of Corporate Affairs, Government of India. The delegation further explored the rich cultural heritage of the "City of Joy," visiting iconic landmarks such as the Victoria Memorial, Princep Ghat, and Belur Math.

## ICSI MEMBERS

### EMERGING SOUTH - GROWTH BEYOND METROS

The ICSI organized National Seminar "Emerging South - Growth Beyond Metros", Digital Horizons - Impact on IT, MSMEs, Startups, Foods & Textiles Sector (Focusing on Technology, Policy Incentives, Funding Schemes & Opportunities) on January 17, 2026 at University of Mysore, Mysuru. The event was attended by a total of 170 participants. Shri Vinayak P. Hegde, Vice President & Development Centre Head, Infosys, Mysuru graced the occasion as Guest of Honour and CS Dwarakanath Chennur, Council Member, The ICSI was the Programme Director. The discussions spanned over following topics:

- From Local to Global: IT and Start-ups beyond Metros
- From Local to Global: MSMEs as Growth Engines
- Transforming Food Processing: Technology, Challenges, and the Road Ahead
- Heritage Meets Innovation: Traditional Textiles in Modern Markets

## MAGNIFICENT WEST: EMPOWERMENT THROUGH 3Is – INNOVATION, INCLUSION & IMPACT

The ICSI organised National Seminar on Magnificent West: Empowerment through 3Is: Innovation, Inclusion and Impact on January 17, 2026 at Pune (Maharashtra). The event was attended by around 180 delegates in person & about 250 participants virtually joined the programme. The programme was conducted under the guidance of CS Rajesh Tarpara, Programme Director, whose leadership ensured seamless execution and academic depth.

- Engaging discussions spanning the following topics charted a progressive trajectory for Pharma, Automobile and cooperative sector and beyond
- Driving growth in Pharma Sector: Advancing Innovation, Quality, and Compliance
- Innovation on the Move: Shaping the Future of Automotive Ecosystems
- Cooperative Governance & Professionalization: The Strategic Role of Company Secretaries

## 8<sup>TH</sup> ICSI LEADERSHIP SUMMIT – 2026

The 8<sup>th</sup> ICSI Leadership Summit - 2026 was successfully organized at Jaypee Greens Golf & Spa Resort, Greater Noida during 30<sup>th</sup>, 31<sup>st</sup> January & 1<sup>st</sup> February, 2026. The Summit was attended by the Council Members, the ICSI, Members of the Four Regional Councils, Chairmen of the Chapters of the Institute, Senior Management and officials of the Institute. The Summit encourages every individual to share the ideas and innovative solutions. The Summit provides forum where the Institute ensures that everyone is working towards a common vision. The activities undertaken included:

- Orientation Programme
- Health Talk
- Walkathon
- Presentation by Senior Management
- Presentations by Chairpersons of Chapters and Regions
- Sharing of key initiatives by Council Members, The ICSI
- President's Meet with entire Leadership Team of the Country

## ICSI ACHIEVER AWARDS 2025

Award	RO	Diamond	Platinum	Gold	Silver
Maximum % of targets for admission to CRT for CSEET			Hyderabad	Kochi	Thrissur
Maximum % of targets for admission to CRT for Executive & Professional Programme	SIRO	Bengaluru	Hyderabad	Kochi	Thrissur
Maximum marks in Student Month	NIRO	Pune	Indore	Kochi	Belagavi
Maximum % of targets for Registration in CSEET	NIRO	Pune	Bhopal	Patna	Mangaluru
Maximum % of targets for Registration in Executive Programme	NIRO	Bengaluru	Indore	Patna	Varanasi
Maximum % of student registration vs. target of students during CAP	NIRO	Pune	Bhopal	Patna	Mangaluru
For adding maximum number of members in CSBF	WIRO	Bengaluru	Ahmedabad	Kanpur	
Maximum Operating Surplus generated during FY 2024-25	WIRO	Pune	Ahmedabad	Kochi	Thrissur
Maximum sale of ICSI publications	WIRO	Bengaluru	Hyderabad	Kochi	Nashik
Maximum % of targets for conducting TDOP	EIRO	Pune	Indore	Bhayandar	Kozhikode

## CAPACITY BUILDING SERIES ON LABOUR LAWS &amp; RELATED COMPLIANCES

Date	Session	Topic	Faculty
02.01.2026	Session-2	The Code on Wages, 2019	CS Manoj Kapoor, Director & Chief Mentor, Kapgrow Corporate Advisory Services Pvt. Ltd.
09.01.2026	Session-3	The Code on Social Security, 2020	CS (Dr.) M. K. Pandey, Advocate, Supreme Court of India
23.01.2026	Session-4	The Occupational Safety, Health and Working Conditions Code, 2020	CS Shantanu Pethe

## CAPACITY BUILDING SERIES ON MSMEs AND STARTUPS

Date	Session	Topic	Faculty
05.01.2026	Session-5	MSME Rehabilitation Framework	Shri Jeetender Gupta, Advocate, Supreme Court of India and Delhi High Court
15.01.2026	Session-6	Company Secretaries as Startup & MSME Catalysts	CS Bala Nadar, Practicing Company Secretary

## EEE 5.0: MASTER KNOWLEDGE SERIES

Date	Topic	Faculty	Link
07.01.2026	LLP: Regulatory Framework & Practical Insights	CS Manoj Hurkat, PCS	<a href="https://youtube.com/live/Z3Qd4bsvMGM?si=Evh8c83M1HhweIBu">youtube.com/live/Z3Qd4bsvMGM?si=Evh8c83M1HhweIBu</a>
14.01.2026	Nuances of Internal Audit and Role of Company Secretaries	CS Sidheshwar Bhalla, Former President, The Institute of Internal Auditors (India)	<a href="https://youtube.com/live/ax3HT5ZKE80?si=4ZC94jwGYPRHbRUH">youtube.com/live/ax3HT5ZKE80?si=4ZC94jwGYPRHbRUH</a>

## MCA USER AWARENESS SESSIONS ON ANNUAL FILING

Date	Faculty	Link
21.01.2026	Technical Team from LTI	<a href="https://youtube.com/live/JuUx-Rd0hCA?si=g5bGd-PjTocVCGis">youtube.com/live/JuUx-Rd0hCA?si=g5bGd-PjTocVCGis</a>
22.01.2026		<a href="https://youtube.com/live/VVkv7gkf7c?si=ZjFcGDMII88Uksxl">youtube.com/live/VVkv7gkf7c?si=ZjFcGDMII88Uksxl</a>
23.01.2026		<a href="https://youtube.com/live/7_Eavd5D3rg?si=OmDQI5yB6fqgEopW">youtube.com/live/7_Eavd5D3rg?si=OmDQI5yB6fqgEopW</a>
27.01.2026		<a href="https://youtube.com/live/jXEjkrdCiQI?si=T9gbE0vTHUWn-XdM">youtube.com/live/jXEjkrdCiQI?si=T9gbE0vTHUWn-XdM</a>
28.01.2026		<a href="https://youtube.com/live/h7NZpnirKOc?si=8RrCQr9ZINgS_2S1">youtube.com/live/h7NZpnirKOc?si=8RrCQr9ZINgS_2S1</a>
29.01.2026		<a href="https://youtube.com/live/MwOUUdpDdjA?si=zPx2L8g178rgVA1z">youtube.com/live/MwOUUdpDdjA?si=zPx2L8g178rgVA1z</a>
30.01.2026		<a href="https://youtube.com/live/QQH_p_xQXAMg?si=VIejctUObViLNyB4">youtube.com/live/QQH_p_xQXAMg?si=VIejctUObViLNyB4</a>

## ICSI NATIONAL CONCLAVE FOR NCLT PRACTITIONERS - 2025

Date	Host	Speakers	Number
24.01.2026	Chennai	<b>Chief Guest:</b> Hon'ble Justice Shri Kumar Sharma, NCLAT, Chennai <b>Guest of Honour:</b> Hon'ble Justice Shri Jatindranath Swain, NCLAT, Chennai <b>Speakers:</b> CS Gaurav Kumar Jain, Advocate, Chennai CS Ramachandran G, PCS, Chennai CS Krishna Sharan Mishra, PCS, Chennai CS Jayanth Viswanathan, PCS, Chennai	158

## NATIONAL PROGRAMME ON INTERNAL AUDIT

Date	Venue	Guests / Speakers	Participants
10.01.2026	SIRO	<b>Speakers:</b> CA Gopal Krishna Raju, CA, IP, RV and Arbitrator, Chennai CA S Srikanth Practising Chartered Accountant Chennai CS Ravi Kumar Mandavilli, Risk, Compliance & ESG Consultant, Hyderabad	145
10.01.2026	WIRO	<b>Chief Guest:</b> Shri Sumit Kumar, Principal Add. DG, DGTS, Mumbai Zonal Unit <b>GUEST OF HONOUR:</b> Shri Santosh Kumar, RD (WR), MCA <b>Panellists:</b> Shri M. V. Phadke, Former ED & Chief Auditor, IDBI Bank Smt. Shyamala Gopinath Former Deputy Governor, RBI Shri Pradip Kumar Das Former ED, IDBI Bank CS Sailesh Daga, Group CS Mahindra & Mahindra Ltd. CS Ajay Aggarwal, Company Secretary & Chief Compliance Officer, Brookfield Renewable (Evren)	190
10.01.2026	EIRO	<b>Special Guest:</b> Shri Vikas SS, General Manager, SEBI <b>Panel 1:</b> CS Jitendra Kumar, CS & President (Legal & Corporate Affairs) Exide Industries Ltd. Shri R Veerabahu, Director (Finance), Braithwaite & Co. Ltd. Shri Ravi Kumar Gupta, ED (Finance), Hindustan Copper Limited (HCL) Shri Sourav Ghosh, Vice President – Internal Audit & CRO II CORPORATE, Exide Industries Limited CS CA Vivek Agarwal, Partner, S. K. Agarwal and Co. LLP	110

## STARTUP WEEK 2026

Date	Venue	Guests / Speakers	Participants
12.01.2026	Madurai	<b>Chief Guest:</b> Shri Darwin Mosesraj, DGM, South Indian Bank, Madurai Regional Office <b>Speaker:</b> Shri Sethuraman Sathappan, Senior Business Consultant CS ANS Vijay, Practising Company Secretary, Bengaluru	68
13.01.2026	Kolhapur	<b>Chief Guest:</b> Hon'ble Shri Suresh Prabhu, Former Union Minister <b>Speaker:</b> Shri Suryakant Dodmise, CEO, SIBIC Business Incubator	41
15.01.2026	Kochi	<b>Chief Guest:</b> Dr. M. Kailasnath, Honorary Director, CITTIC, and Professor & Director, ISP, CUSAT <b>Guest of Honour:</b> Dr. Binu Mole K., Director, School of Legal Studies, CUSAT <b>Speaker:</b> CS Manu Francis, PCS and Founder of GHC Growth Lab	91

16.01.2026	Nagpur	<b>Chief Guest:</b> Mr. S. S. Muddamwar, Jt. Director of Industries, DIC <b>Guest of Honour:</b> Mr. H. R. Wagmare, Regional Officer / Centre Head & State Coordinator, Maharashtra Centre for Entrepreneurship Development (MCED), <b>Speakers:</b> Dr. Mragna Gupta, CEO, GHRUTBIF	64
16.01.2026	Mumbai	<b>Speaker:</b> Ms. Roshnek Dhalla, Partner, Khaitan & Co.	30
16.01.2026	Bhubaneswar	<b>Guest of Honour:</b> Shri Durga Prasad Gouda, CEO, AIC - Nalanda Institute of Technology Foundation <b>Special Guest:</b> Sh. Kamal Kanta Sahoo, Head-Odisha Chapter, Federation of Indian Export Organisations <b>Speakers:</b> Mr. Sanjeev Jaiswal, Manager – SME, BSE Ltd, RO, Kolkata CA P R Parhi, Chartered Accountant	30
16.01.2026	Indore	<b>Chief Guest:</b> Smt. Anjali Pokhriyal, ROC, Gwalior (MP) <b>Speakers:</b> CS Vinay A. Mehta, Head, MITCON Credentia Trusteeship Services Ltd - AIF, Mumbai CS Arvind Kumar Meena, PCS, Indore Adv. Raghav Dhoot, Co-Founder - Avyay Advisors, Pune Mr. Rajneesh Vohra, Retd. Add. Commissioner (IT), Mumbai	80
17.01.2026	Ahmedabad	<b>Speaker:</b> Mr. Kenil Thakkar, FCA, DISA (ICA), Registered Valuer (S&FA), PFA and Associates LLP	32
17.01.2026	Bhopal	<b>Chief Guest:</b> Mr. Prashant Trivedi, Assistant Director (Industry), Directorate of Industries, Madhya Pradesh <b>Speaker:</b> Mr. Saurabh Mishra, Seagull Ventures	
17.01.2026	Jaipur	<b>Speakers:</b> CS Piyush Mittal, Founder AVPM & Associates CS Gaurav Arora, Head of Investor Relations - Car Dekho	140
18.01.2026	Thane	<b>Speakers:</b> Dr. Pranita Phatak, Assistant Vice-President, Society for Innovation and Entrepreneurship (SINE) @ IIT Bombay CS Jigar Shah Partner JMJA & Associates LLP CS Chandana Dhar, Ethics & Compliance Liaison & Data Privacy Officer, BP Exploration (Alpha) Limited, Mumbai	67
18.01.2026	Pune	CA CMA Shivram R. Gadgil, PCA	36
22.01.2026	Bengaluru	Mr. N. Ravi Shankar, CEO, Aim High Consulting, Author, Columnist, Start-up Mentor and Investor	42
26.01.2026	Chennai	Shri C N Prem Kumar, Associate VP, Startup TN, Govt of TN CS ANS Vijay, PCS, Bengaluru	17

## PEER REVIEW CERTIFICATES ISSUED

During the month January 2026, Peer Review of around 65 Practice Units was completed and accordingly Peer Review Certificate issued. The updated list of Peer Reviewed Units can be accessed at [www.icsi.edu/media/webmodules/List\\_Peer\\_Reviewed\\_Practice\\_Units.pdf](http://www.icsi.edu/media/webmodules/List_Peer_Reviewed_Practice_Units.pdf)

## ONLINE SESSIONS FOR ICSI COURSES

Certificate Courses	Batch Number
Certificate Course on POSH	Batch 10
Certificate Course on IPR	Batch 7
Certificate Course on Professional Reboot	Batch 3
Certificate Course on FEMA	Batch 9
Certificate Course on CCM	Batch 9
Certificate Course on GST	Batch 14
Certificate Course on Forensic Audit	Batch 10

## PLACEMENT OPPORTUNITIES FOR COMPANY SECRETARIES

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

(January 2026)

No. of entities that Posted Jobs on the ICSI Placement Portal	109
No. of Openings available on the ICSI Placement Portal	192

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

## STATUS OF REGISTRATIONS AND POSTINGS AT THE PLACEMENT PORTAL

(On 27 January 2026)

Registered Users			Total no. of Vacancies
Members	Students	Corporates	Jobs / Trainings
22,241	34,266	8,147	39,595

## ICSI SECTION 8 COMPANIES

### ICSI INSTITUTE OF INSOLVENCY PROFESSIONALS

- Workshops

Date	Subject	Speaker(s)	YouTube link
17.01.2026	Role of Related Parties and Authorized Representatives under IBC	IP Raghuram Manchi CS and IP Shraavan Kumar Vishnoi	<a href="https://youtube.com/watch?v=N0bMfM-LXwes">youtube.com/watch?v=N0bMfM-LXwes</a>
20.01.2026	New Labour Code Regime and Navigating Adjudicating Practice	CS and IP K. Chandra Sekhar CS and IP Partha Kamal Sen	<a href="https://youtube.com/watch?v=qOYx5LL-rGH8">youtube.com/watch?v=qOYx5LL-rGH8</a>

- Workshop Series Perspectives On Ibc - An Array (Series – XIX)

Date	Subject	Speaker(s)	YouTube link
05.01.2026	Best Practices During Pre-CIRP-Part I	CS and IP Siva Rama Prasad Puvvala	<a href="https://youtube.com/watch?v=Uph_PP8zgEA">youtube.com/watch?v=Uph_PP8zgEA</a>
06.01.2026	Best Practices During Pre-CIRP-Part II		
07.01.2026	Best Practices During CIRP-Part I		<a href="https://youtube.com/watch?v=Uph_PP8zgEA">youtube.com/watch?v=Uph_PP8zgEA</a>
08.01.2026	Best Practices During CIRP-Part II		<a href="https://youtube.com/watch?v=Uv4k7kooG84">youtube.com/watch?v=Uv4k7kooG84</a>
09.01.2026	Best Practices During Post CIRP		<a href="https://youtube.com/watch?v=8yi_baHEF6g">youtube.com/watch?v=8yi_baHEF6g</a>

- Webinars

Date	Subject	Speaker(s)	YouTube link
02.01.2026	Distressed Asset Investing under IBC	CS and IP Sucheta Gupta	YouTube Link not available
16.01.2026	Impact of FEMA on Insolvency Resolution	CS and IP Rajinder Kumar	<a href="https://youtube.com/watch?v=NRKTryli2_4">youtube.com/watch?v=NRKTryli2_4</a>
21.01.2026	Critical Issues under IBC and Relevant Judicial Precedents	CS and IP Suhasini Ashok B.	YouTube Link not available
27.01.2026	Realisable Value of Intellectual Property Rights during CIRP	CS and IP Siva Rama Prasad Puvvala	<a href="https://youtube.com/watch?v=UDHG_PIMoJ4">youtube.com/watch?v=UDHG_PIMoJ4</a>

- Joint Programmes

- ICSI IIP jointly with IBBI, IIIP ICAI and IPA ICAI conducted Training for insolvency professionals from 23-01-2026 to 25-01-2026.

## ICSI REGISTERED VALUERS ORGANISATION

Date	Programme	Topic	Faculty	
15.01.2026	Online Continuing Professional Education	Enterprise Valuation in Distressed and Turn around Situations	Shri Murali Raman	
06.01.2026-12.01.2026	50 Hours Online Educational Course	Valuation of Securities or Financial Assets	Dr. Ajay Garg Mr. Chaitanya jee Srivastava CS K. Chandra Sekhar CS Kanishk Arora CS Preeti Garg CS Rajesh Mittal	CA Raveesh Chaudhary CS Sandeep Kothari CA Sumit Dhadda CS Rajiv Garodia CMA Murali Raman CA Divya Dhadda CS Harish Chander Dhamija

## ICSI INTERNATIONAL ADR CENTRE

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

## INSTITUTE OF GOVERNANCE PROFESSIONALS OF INDIA

### 5<sup>th</sup> Board Mentorship Programme organized at Jaisalmer, Rajasthan

The Institute of Governance Professionals of India organized the 5<sup>th</sup> edition of the ICSI Board Mentorship Programme, in Jaisalmer, Rajasthan from January 8-11, 2026. The four-day Programme navigated the Board's Legal and Regulatory Landscape by way of engaged, experiential and interactive learning, focusing primarily on developing expertise in governance and sustainability practices. The event was marked by the presence of 33 participants. The sessions were taken by the following expert faculties:

- Dr. Mohit Singhvi, Founder & Head, Singhvi & Co.
- CS Sanjeev Grover, Executive VP & CS, Maruti Suzuki India Limited
- CS Pramod Kumar Rai, CS and Compliance Officer, Nestlé India Limited
- CS Savitri Parekh, CS & Compliance Officer, Corporate Secretarial, Reliance Industries Limited

## ICSI CCGRTs

### ICSI-CCGRT HYDERABAD

Dates	Event	Guest	Participants
04.01.2026-18.01.2026	28 <sup>th</sup> CLDP Valedictory Session	<b>Inaugural Session:</b> Shri Chaitanya Josyula Business Development Leader, Cisco Capital (Asia Pacific, Japan and China), Hyderabad  <b>Valedictory Session:</b> CS Datla Hanumanta Raju Former President, The ICSI	23

### ICSI-CCGRT KOLKATA

Date	Event	Topic	Moderator
17.01.2026	Debating Society (Virtual)	Work from Home Increases Productivity Among Employees	CS Ketan Madia, Practicing Company Secretary

**ICSI-CCGRT MANESAR**

- Member's Programmes*

Dates	Event	Participants
02.01.2026-03.01.2026	1 <sup>st</sup> Residential Capacity Building Workshop	19

- Student's Programmes*

Dates	Event	Guest	Participants
04.01.2026-18.01.2026	2 <sup>nd</sup> batch of RCLDP	Shri Gyaneshwar Kumar Singh, Director General & CEO, IICA	47

**ICSI-CCGRT MUMBAI**

- Member's Programmes*

Dates	Event	Participants
10.01.2026-11.01.2026	2 days Residential/Non-Residential Workshop on 'Intricacies of ESG for CS'	55

- Student's Programmes*

Dates	Name of Event / Activity	Participants
04.01.2026-18.01.2026	40 <sup>th</sup> batch of CLDP Phase - II	50
21.01.2026-05.02.2026	41 <sup>st</sup> batch of CLDP Phase - II	40

**ICSI REGIONAL OFFICES****ICSI-EIRO**

- Member's Programme*

Date	Event / Activity
17.01.2026	19 <sup>th</sup> Regional Conference of Practicing Company Secretaries

- Student's Programmes*

Dates	Event / Activity
02.01.2026 - 18.01.2026	35 <sup>th</sup> 15-days Classroom EDP
06.01.2026 - 08.01.2026	22 <sup>nd</sup> Three Days Orientation Programme
20.01.2026 - 22.01.2026	23 <sup>rd</sup> Three Days Orientation Programme
20.01.2026 - 22.01.2026	24 <sup>th</sup> Three Days Orientation Programme

- Other Programmes*

Dates	Event
04.01.2026	Friendly Cricket Championship at Estadio Turf, Kolkata
15.01.2026	Prarambh 2.0 Intercollege Competitions and Education Fair
23.01.2026	Saraswati Puja
26.01.2026	77 <sup>th</sup> Republic Day celebration
30.01.2026 - 01.02.2026	Participation in Vyapar Expo 2026 at Biswa Bangla Convention Centre

## ICSI-SIRO

- Member's Programmes*

Dates	Event / Activity	Guests
02.01.2026-03.01.2026	49 <sup>th</sup> Southern India Regional Conference of Company Secretaries  Theme: Confluence of Techno-Compliance	<b>Chief Guest:</b> Shri Duddilla Sridhar Babu  Hon'ble Minister for IT, Electronics, Communications, Industries & Commerce, Govt. of Telangana  <b>Guest of Honour</b>  Dr. D Nageshwar Reddy, Chairman & MD, AIG Hospitals, Hyderabad

- Student's Programmes*

Dates	Event / Activity
27.01.2026 – 29.01.2026	13 <sup>th</sup> Three Days Orientation Programme
27.01.2026 – 29.01.2026	14 <sup>th</sup> Three Days Orientation Programme
30.01.2026	1 <sup>st</sup> Student Induction Programme

## ICSI-WIRO

- Member's Programmes*

Date	Event	Guest / Speaker	Participants
04.01.2026	RPTs - Practical Aspects under Company Law and SEBI Listing Regulations	CS Anoop Deshpande  CS and Compliance Officer, Sun Pharmaceutical Industries Limited	73

- Student's Programmes*

Dates	Name of Event / Activity
05.01.2026-23.01.2026	65 <sup>th</sup> Classroom Mode EDP
05.01.2026-23.01.2026	66 <sup>th</sup> Classroom Mode EDP
21.01.2026	Corporate visit for EDP students
28.01.2026-12.02.2026	2 <sup>nd</sup> Batch of CLDP Phase 1
01.01.2026-03.01.2026	13 <sup>th</sup> Batch of Three Days Orientation Program (TDOP)
27.01.2026-29.01.2026	14 <sup>th</sup> Batch of Three Days Orientation Program (TDOP)

- Study Circle Meetings*

Date	Study Circle	Topic
04.01.2026	Kandivali Study Circle	ESG Mutual Funds and Framework for ESG Debt Securities
05.01.2026	Aditya Birla Group (Corporate) Study Circle	Insider Trading Regulations: An Interactive Learning Session
10.01.2026	Bhilai Study Circle	POSH - Role of Company Secretaries
27.01.2026	H. T. Parekh Marg (Corporate) Study Circle	Insights into the Securities Market Code, 2025
28.01.2026	Reliance Industries Limited (Corporate) Study Circle	Analysis of critical issues under the Companies Act, 2013
29.01.2026	Santacruz (Corporate) Study Circle	PMLA Compliances: From Regulations to Real World Application

## ICSI-NIRO

### • Member's Programmes

Date	Event	Participants
03.01.2026	Annual Regional Conference	40
17.01.2026	Seminar on The Confluence of ESG, Governance and Digitalization: Redefining the Company Secretary as the Architect of Future-Ready Governance	165
18.01.2026	ICSI Placement Drive January-2026	29

### • Student's Programmes

Date	Name of Event / Activity
05-22.01.2026	62 <sup>nd</sup> Batch Executive Development Programme (EDP)
06-08.01.2026	25 <sup>th</sup> Batch Three Day Orientation Programme (TDOP)
06-22.01.2026	2 <sup>nd</sup> Batch of 15 Days CLDP
13-15.01.2026	26 <sup>th</sup> Batch Three Day Orientation Programme (TDOP)
15.01.2026	5 <sup>th</sup> CS Trainee Drive
20-22.01.2026	27 <sup>th</sup> Batch Three Day Orientation Programme (TDOP)
23.01.2026	1 <sup>st</sup> Batch of Student Induction Programme (SIP)
27-29.01.2026	28 <sup>th</sup> Batch Three Day Orientation Programme (TDOP)
27.01.2026-12.02.2026	63 <sup>rd</sup> Batch Executive Development Programme (EDP)

### • Other Programmes

Date	Name of Event / Activity
09.01.2026	New Year Get-Together and Gala Dinner
23.01.2026	Saraswati Pooja
26.01.2026	77 <sup>th</sup> Republic Day celebrations

### • Study Circle Meetings

Date	Topic	Speaker
24.01.2026	The Art & Science of Contracts: From Drafting to Delivery	<b>CS Reenu Rituraj</b> , Associate Director – Contract Management (India & Egypt), Accenture Solutions Private Ltd.

## ICSI EMPLOYEES

### • Wellness Webinar on "Kidney Stones" by Dr. Reddy's Foundation

A Wellness Webinar on "Kidney Stones" was organized by Dr. Reddy's Foundation on January 23, 2026 for the benefit of all employees. Dr. Sony Mehta, Urologist undertook the session. The training was attended by all the employees.

### • International Conference on Emerging Trends and Challenges in Open, Distance, Digital and Blended Learning from 29<sup>th</sup>-31<sup>st</sup> January, 2026 by University of Delhi

One employee was nominated for International Conference on Emerging Trends and Challenges in Open, Distance, Digital and Blended Learning from 29<sup>th</sup>-31<sup>st</sup> January, 2026 by University of Delhi. The Conference was held at Vigyan Bhawan. The objective of the conference is to offer a unique opportunity to engage with the most pressing trends, innovations and challenges in open, distance, digital and blended learning.

### • Health Talk during the 8<sup>th</sup> ICSI Leadership Summit, 2026

8<sup>th</sup> ICSI Leadership Summit, 2026 was organized from 30<sup>th</sup> Jan to 1<sup>st</sup> Feb, 2026 at Jaypee Greens Golf & Spa Resort, Greater Noida. A Health talk was organized during the program on the topic "Healthy Lifestyle" on 31<sup>st</sup> Jan, 2026 by Max Healthcare for all the Senior Management. The talk was presented by Dr. Manoj Kumar Gupta, Internal Medicine.

### • Service Award Function on January 26, 2026

On the occasion of 77<sup>th</sup> Republic Day, a Service Award Function was organized, alongside Republic Day Celebrations, to recognize the employees who have rendered 15, 20, 25, 30 & 35 years for their relentless and dedicated service to the Institute. In the function, 22 employees received the Award from the President CS Pawan G. Chandak, under different categories of awards, which was aired live across locations.

## ICSI STUDENTS

### CAPACITY BUILDING

- **Capacity Building Certificate Course**

Approved by the Council in its 318<sup>th</sup> Meeting, this residential course is designed exclusively for Executive Programme Pass students. The 10-day Programme focuses on enhancing employability skills, providing practical insights, and equipping students with the necessary confidence to excel in the corporate world. It will be conducted once a year at eligible Regional Offices, Diamond Grade Chapters, and CCGRTs. A communication has also been sent to the concerned RC/Chapter Offices.

- **Yuvotsav-2026 organised during January 11-12, 2026 at Chennai**

Yuvotsav-2026, National Conference of Student Company Secretaries was organised on 11<sup>th</sup>-12<sup>th</sup> January 2026 in Chennai. More than 500 students from across the country participated in various competitions in Yuvotsav-2026 through their Regional/Chapter Offices. Around 23 competitions were organised during Yuvotsav-2026 including Legal Puzzle, Elocution Competition, Debate Competition and Fashion show. The zeal and enthusiasm of the participants during Yuvotsav-2026 was unparalleled.

### FACILITATION AND RELAXATION

- **ICSI Student Amnesty Scheme 2025 (1<sup>st</sup> December 2025 to 28<sup>th</sup> February 2026)**

The Institute has introduced a special Amnesty Scheme for 3 Months w.e.f., 1<sup>st</sup> December 2026, one-time opportunity for earlier students to Rejoin, Restart, and Rebuild their path for becoming a Company Secretary.

Category	Eligibility	Fee
I	Earlier Students of Intermediate / Executive Programme Stage OR Final / Professional Programme Stage; and Registrations expired and are not eligible for Registration De-novo	₹ 5,000
II	Existing Students of Executive Programme under Syllabus 2022; and registered afresh in Executive Programme after expiry of earlier registration, as they were not eligible for Registration De-novo  OR Existing Students of Professional Programme under Syllabus 2022; and Registered in Professional Programme after expiry of earlier registration, through Re-Registration.	₹ 1,000

- As a result, 179 students have utilized the Amnesty Scheme under Category-1 since December, enabling them to regularize their status and continue their studies seamlessly. The detailed information is available at: [https://www.icsi.edu/whats\\_new\\_icsi/amnesty/](https://www.icsi.edu/whats_new_icsi/amnesty/)

- **CS Mitr Scheme:**

ICSI has introduced CS Mitr Incentive Scheme wherein any person who is above 18 years of age is eligible to become CS Mitr under the scheme. Incentive @ ₹500 will be paid per student to the CS Mitr for each student registered in Executive Programme. To register visit: [smash.icsi.edu/Scripts/Registration/Mitr\\_Registration.aspx?rmode=1#](https://smash.icsi.edu/Scripts/Registration/Mitr_Registration.aspx?rmode=1#) As on date, ICSI has 972 CS Mitr enrolled.

- **ICSI Waiver Scheme for Indian Armed Forces, Paramilitary Forces, Agniveers and Families of Martyrs**

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

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

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

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

Under the Scheme, Students who have passed the Executive Programme but did not register for Professional Programme - have an expired registration term and not eligible for de-novo; can continue their study from Professional Programme, eliminating the need to repeat the Executive level. As a result, 738 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**

For students who started their CS Course but due to some personal reasons, discontinued after passing the

Executive, the Institute is regularly communicating to encourage them to register for Professional to complete their CS Course. As a result, **16588** students registered in Professional Programme since August 2023.

- **Granting Associate Membership immediately after completion of CLDP 30 days/15 days in Online Mode (Alternative Method)**

The Institute has launched a scheme for allotment of Associate Membership Number to the CS students on the last day of CLDP 30 days/15 days in Online Mode (Alternative Method - through LMS on anytime/anywhere basis) subject to fulfilment of all the other conditions necessary for obtaining the Membership Number.

- **ICSI Samadhan Diwas**

63<sup>rd</sup> Samadhan Diwas was organised on January 14, 2026 through virtual mode for “on-the-spot” resolution to issues/grievances of students. In the Samadhan Diwas, students get opportunity to present their cases and interact directly with the Officials of the ICSI.

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

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

- **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, **29** Transcripts were issued. Likewise, on request of the employer/ PSU/government authorities and other Education verifier agencies, **14** Education Verification requests of CS students were processed.

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

Institute has facilitated Executive Programme students to register directly for the Executive Programme classes conducted by the Regional/Chapter Offices at the time of Executive registration. 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: [icsi.edu/media/webmodules/ATTENTION\\_STUDENTS\\_RECIPROCAL\\_EXEMPTION\\_NEW\\_SYLLABUS\\_2022\\_Updated.pdf](https://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 students who passed on or after June 2021 Session of Examination can download Professional Pass Certificate from DIGI Locker.

- **Dedicated Helpline Number for Student Queries**

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

## JUNE 2026 EXAMINATIONS

- **Online Master Classes**

ICSI is conducting online Master Classes for the students on critical topics of the CS Executive and Professional Programme (New Syllabus, 2022) appearing in December Examinations from March 02, 2026. These classes are specially designed to help the students in:

- ◆ Strengthening conceptual clarity on critical topics.
- ◆ Understanding the exam pattern and expectations.
- ◆ Revising the entire syllabus before the examination.

## TRAINING OPPORTUNITIES

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

<b>No. of Corporates/ MCA and other Government Bodies/PSUs/PCS Firms that Posted Training and Semi-qualified Job Opportunities on the ICSI Placement Portal</b>	186
<b>No. of Training/Semi-qualified Opportunities available on the ICSI Placement Portal</b>	263

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

## COMPANY SECRETARY EXECUTIVE ENTRANCE TEST (CSEET)

- **Last CSEET exam under old CSEET Structure (January 2026 Session)**

The last exam session under old Company Secretary Executive Entrance Test (CSEET) structure to be conducted on January 10, 2026 through Remote Proctored mode and the result was declared on January 20, 2026.

- **Centralized online Classes of CSEET**

Online Centralized classes are being conducted for students registered for the upcoming Session of CSEET. Faculties with vast experience take these classes.

- **Restructuring of COMPANY SECRETARY EXECUTIVE ENTRANCE TEST (CSEET) (Effective from June 2026 Session)**

The Institute is striving to continuously enhance the quality of education, professional standards, and overall learning experience for aspiring Company Secretaries. In line with this objective, a comprehensive review of the Company Secretary Executive Entrance Test (CSEET) structure has been undertaken by the Institute. The first session of restructured CSEET will be held in June 2026. The registrations for 1<sup>st</sup> restructured CSEET have commenced from 16<sup>th</sup> December 2025 to 15<sup>th</sup> February 2026.

*Fee Structure:*

Fee at the time of CSEET Registration (Inclusive of Student Induction Programme (SIP) and Online Classes)	₹7500
Examination Fee (to be paid separately - Per Session)	₹1500

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

To facilitate students and to prepare them for the CSEET examination, ICSI through its Regional/Chapter Offices will conduct CSEET classes in physical mode for the students registering for the upcoming Session of CSEET scheduled to be held in the month of June 2026. Faculties with vast experience shall be taking these classes. The Classes for June session are commencing soon. All interested students are requested to contact their nearest Regional/Chapter Office to join these classes.

- **Centralized online Classes of CSEET**

ICSI will conduct online Centralized classes for the students registered for the upcoming Sessions

of CSEET. Faculties with vast experience shall be taking these classes. The online classes for June 2026 Restructured CSEET will commence from March 09, 2026.

- **Exemption to Graduates and Post Graduates from appearing in CSEET and enabling them to take direct admission in CS Executive Programme**

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 are exempt from appearing in CSEET enabling them to take direct admission in CS Executive Programme on payment of applicable exemption fees along with requisite registration fees. For more details, click [www.icsi.edu/media/webmodules/granting\\_exemption\\_230621.pdf](http://www.icsi.edu/media/webmodules/granting_exemption_230621.pdf)

## KNOWLEDGE UPGRADATION

**Study material for new elective paper 'IFSCA-Regulations, Listing and Compliances'** under Syllabus 2022 as Elective 1; Paper 4.6 (Applicable from June 2026 session) is available at: [icsi.edu/media/webmodules/Academics/Final\\_Book\\_IFSCA\\_Regulations\\_Listing\\_and\\_Compliances\\_20012026.pdf](http://icsi.edu/media/webmodules/Academics/Final_Book_IFSCA_Regulations_Listing_and_Compliances_20012026.pdf)

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

The journals for the month of **January, 2026** are available at: [www.icsi.edu/e-journals/](http://www.icsi.edu/e-journals/)

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

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

- **Info Capsule:**

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

- **Study material of Executive Programme for June 2026 Examinations**

Under Syllabus 2022 as applicable for June 2026 examination has been uploaded on ICSI Website. Same can be accessed at: [icsi.edu/academic-portal/new-syllabus-2022/executive-programme/](http://icsi.edu/academic-portal/new-syllabus-2022/executive-programme/)

## CAREER AWARENESS

- *Career Awareness Programmes conducted across the country*

S. No.	Region	Name of Institution	Date	Venue
1.	SIRO	Voorhees College	06.01.2026	Vellore
2.	SIRO	Mazharul Uloom College, Ambur (Morning)	07.01.2026	Vellore
3.	SIRO	Islamiah Womens Arts and Science College	07.01.2026	Vellore
4.	SIRO	TAW College for Women	07.01.2026	Vellore
5.	SIRO	Mazarululoom College - Shift II evening students	07.01.2026	Vellore
6.	SIRO	CSI Ewart Women's Christian College	20.01.2026	Chennai
7.	SIRO	R.V. Government Arts College, Chengalpattu – Evening College	20.01.2026	Chennai
8.			21.01.2026	
9.	SIRO	Vidhya Sagar Women's College	21.01.2026	Chennai
10.	NIRO	SKV Mayur Vihar, Phase II Pkt. B	22.01.2026	Delhi
11.	NIRO	Gargi Sarvodaya Kanya Vidyalaya	28.01.2026	Delhi
12.	EIRO	Loreto Entally	09.01.2026	Kolkata
13.	EIRO	Ram Mohan College	16.01.2026	Kolkata
14.	EIRO	Delhi Public School	20.01.2026	Howrah
15.	WIRO	Sanjay Ghodawat University	13.01.2026	Kolhapur

- *Career Fair*

Name of Institution	Date	Venue/City
Gundecha Education Academy (Career Catalyst EduFest)	20-21.12.2025	Kandivali (E), Mumbai

- **Career Guidance Sessions conducted**

Career guidance programmes are conducted to help 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.
- ◆ Central Board of Secondary Education for conducting Career guidance sessions across all their 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.

- **Coordination with District Magistrates for Propagation of Company Secretaryship Course through Gram Panchayats**

To strengthen the penetration of its Career Awareness initiatives, letters addressed to District Magistrates are being sent through concerned Regional/Chapter offices appealing them to extend support by issuing directives to educational institutions and Gram Panchayats under their jurisdiction, enabling ICSI to propagate CS Course in a structured and impactful manner.

## DIGITAL ICSI

- Development and Implementation of registration portal for Restructured CSEET students.
- Development and Implementation of post-registration services for Restructured CSEET students as Registration letter, ID card, Call for process, Approval System.
- Development and implementation of Study Dispatch Module for Restructured CSEET students after success payment.
- Development and implementation of process to new elective subject i.e., IFSCA under professional new syllabus 2022.
- Development and Implementation of Advance Coaching Fees for Executive Registration.
- Implementation of random selection of faculty at CCGRT/RO/Chapter level for conduct of Training Programs in New Faculty Empanelment Module under Stimulate Project.

# 77<sup>th</sup> Republic Day Celebrations





NIRC



Gurugram



Bhayander



EIRC



Thane



Kota



Pune



Noida



Kochi

# Glimpses of ICSI YUVOTSAV 2026



SIRC



EIRC



Thane



Indore



Bhayander

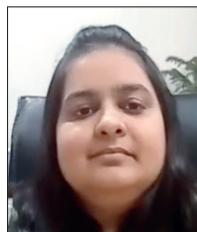
**EEE 5.0: Master Knowledge Series**

**WEBINAR ON**

**Limited Liability Partnership: Regulatory Framework & Practical Insights**  
held on January 7, 2026



**Faculty:**  
**CS Manoj Hurkat**  
Practicing Company Secretary



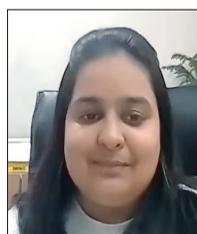
**Moderator:**  
**CS Surbhi Jain**  
The ICSI

**WEBINAR ON**

**Nuances of Internal Audit and Role of Company Secretaries**  
held on January 14, 2026



**Faculty:**  
**CS Sidheshwar Bhalla**  
Former President, The Institute of  
Internal Auditors (India)



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

**Capacity Building Series on Labour Laws & Related Compliances**

**WEBINAR ON**

**Session-2: The Code on Wages, 2019** held on January 02, 2026



**Faculty:**  
**CS Manoj Kapoor**  
Director & Chief Mentor, Kapgrow  
Corporate Advisory Services Pvt. Ltd.



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

**WEBINAR ON**

**Session-3: The Code on Social Security, 2020** held on January 09, 2026



**Faculty:**  
**CS (Dr.) M. K. Pandey**  
Advocate, Supreme Court of India



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

## WEBINAR ON

Session-4: The Occupational Safety, Health and Working Conditions Code, 2020 held on January 23, 2026



**Faculty:**  
CS Shantanu Pethe



**Moderator:**  
CS Surbhi  
The ICSI

**Capacity Building Series on MSMEs and Startups**

## WEBINAR ON

Session-5: MSME Rehabilitation Framework held on January 05, 2026



**Faculty:**  
Shri Jeetender Gupta  
Advocate, Supreme Court of India  
and Delhi High Court



**Moderator:**  
CS Suruchi Verma  
The ICSI

## WEBINAR ON

Session-6: Company Secretaries as Startup & MSME Catalysts held on January 15, 2026



**Faculty:**  
CS Bala Nadar  
Practicing Company Secretary



**Moderator:**  
CS Kanika  
The ICSI

# 1

## GLOBAL CONNECT



- 
- Reimagining Startup Insolvency in India
-

# Reimagining Startup Insolvency in India

The paper analyses the IBC (Amendment) Bill, 2025 to bring a chain of reforms. This bill proposes to omit the provisions relating to the fast-track corporate insolvency resolution process and introduce a creditor-initiated insolvency resolution process as an out-of-court pre-insolvency mechanism for companies that fulfil the thresholds or categories to be further notified by the Ministry of Corporate Affairs. This paper attempts to study the peculiar concerns of distressed startups and analyse the closest possible global frameworks, to shed light and deliberate on adequate reforms, thereby rethinking the design and features of this specialised mechanism for it to be more accessible for the targeted segment.



## CS Deepanshi Gupta, ACS

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## INTRODUCTION

The resolution of corporate insolvencies is not only an economic necessity but also serves the broader public (stakeholders') interest. The Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the "Code 2016") envisions mechanisms for the resolution of corporate and individual insolvency with the aim of maximising the value of assets, promoting entrepreneurship, and balancing the interests of all the stakeholders. Over time, the Code 2016 and related jurisprudence have evolved with several innovations like project insolvency, reverse corporate insolvency resolution process, pre-pack insolvency, and so on, on the basis of assessments of the industry requirements.

Globally, India ranks as the third-largest startup ecosystem.<sup>1</sup> Since being the largest in number or size is not enough, India is gearing to build a world-class ecosystem, to ensure ease of doing business. In light of these aspirations, and to promote entrepreneurship and growth of startups, Government of India has launched multiple schemes ranging from Atal Innovation Mission (AIM), Pradhan Mantri Mudra Yojana (PMMY), Startup India Scheme, Technology Incubation & Development of Entrepreneurs (TIDE 2.0), Credit Guarantee Fund Trust for Micro and Small Enterprises ("CGTMSE") to Make in India. During the financial years 2016-2023, startups

contributed ten to fifteen per cent to the growth of the gross domestic product (GDP) of India, and this trend is expected to continue upwards as Indian startups may add USD one trillion to the Indian economy by the financial year 2030.<sup>2</sup>

Startups are not full-grown companies; rather, they face peculiar challenges every day. While the Code 2016 has adopted a comprehensive scope towards companies, LLP, partnership firms, personal guarantors, and individuals, pre-packaged insolvency resolution process (PIIRP) for micro, small, and medium enterprises (MSMEs) and a separate mechanism for small companies and startups, namely, Fast Track Corporate Insolvency Resolution Process (FIRP), the diverse nature and needs of startups require the Code 2016 to revisit the mechanism from a fresh lens.

PIIRP and FIRP were conceived to provide speedier resolutions; however, these are rooted in assumptions suited to tangible asset-backed businesses. In effect, the existing corporate insolvency resolution process (CIRP) in the Code 2016 is not suited for cash-light, asset-light, and intellectual property-heavy startups. This makes the ground reality of this segment different from full-grown or legacy corporates. Addressing startup insolvency lies within the core mandates of the Code 2016, i.e., better time-bound resolution mechanisms/outcomes, preserving value, promoting entrepreneurship and balancing the interests of all the stakeholders. While the FIRP under the Code 2016 was incorporated with an intent to address insolvency of startup-like entities, this provision remains largely unused, and so, even without testing its potential in the battlefield, it depicts the non-acceptance of concerned stakeholders, primarily the corporate debtors, creditors and the supporting infrastructure, deeming it unviable.

The distress of mature startups signals that a robust startup insolvency resolution ecosystem requires tailored solutions, including but not limited to relaxations and the introduction of innovative pre-insolvency measures. Accordingly, this paper intends to investigate whether a mere extension of the PIIRP to startups or modifications in the FIRP would meaningfully address their insolvency challenges or merely replicate the limitations seen in

<sup>1</sup> Ministry of Commerce and Industry, Government of India, '9 Years of Startup India' (Press Information Bureau, 16 January 2025) <<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2093125>> accessed 28 December 2025.

<sup>2</sup> Indian Brand Equity Foundation, 'Indian Startups May Add US\$1 Trillion to Indian Economy by FY30' (15 March 2024) <[www.ibef.org/news/indian-startups-may-add-us-1-trillion-to-indian-economy-by-fy30](http://www.ibef.org/news/indian-startups-may-add-us-1-trillion-to-indian-economy-by-fy30)> accessed 28 December 2025.

MSME cases, while also drawing comparative insights from the top startup-friendly jurisdictions like the United States, South Korea, Singapore, European Union, Germany, and Japan. Further, it proposes actionable reforms for designing a framework within the provisions of the Code 2016 to align legal mechanisms with Indian ambitions of building an innovation economy.

Few startups collapse due to fraud or wilful misconduct committed by their promoters and management, and such cases do not merit any flexible policies or benefits and shall be explicitly excluded from any beneficial framework. However, a large proportion of startup failures stem from their unsustainable unit economics, high cash burn but no runway, misreading market signals, or intense competition. The latter category represents the entrepreneurial spirit and deserves a second chance, and can be protected with legitimate and nimble restructuring measures.

## SCOPE OF THE STUDY

1. This paper seeks to address critical research questions ranging from how challenges faced by startups differ from legacy corporates, how the extant mechanisms or frameworks established within the Code 2016 fail to address such varied needs, how different countries are dealing with this aspect, to what reforms can help change the story of startup revival in India.
  2. The paper outlines an overview of the startups and a critical assessment of existing provisions under Chapter IV (Fast Track Corporate Insolvency Resolution Process) and Chapter III-A (Pre-Packaged Insolvency Resolution Process) of Part II of the Code 2016 to elaborate on whether the frameworks are misaligned for the needs of startups.
  3. Further the paper explores the comparative international mechanisms to look for features from global regimes that can help create a startup-aligned insolvency model for India.
  4. The paper concludes with recommendations for policymakers.
- a. It is not older than ten years from the date of its incorporation/ registration;
  - c. Its turnover has not exceeded Indian Rupees One Hundred Crores in any of the financial years since incorporation/ registration;
  - d. It is working towards innovation, development, or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation; and
  - e. It is not constituted by splitting up or reconstruction of an existing business.

The clause (wa) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, also refers to the above definition of startup; however, it excludes a partnership firm. It defines “startup” as a private limited company or a limited liability partnership that fulfils the criteria for startup as specified by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (“**DPIT**”).<sup>4</sup>

An enterprise is classified as an MSME based on its quantum of investment in plant and machinery or equipment up to Indian Rupees Fifty Crore and turnover up to Indian Rupees Two Hundred and Fifty Crore.<sup>5</sup>

In 2023, the Ministry of Corporate Affairs (“**MCA**”) sought public comments over a plethora of proposals, including the FIRP (“**MCA Notification 2023**”), thereby highlighting that the need to revamp the provisions of the FIRP was recognised years ago.<sup>6</sup> In the MCA Notification 2023, it was proposed to redesign the FIRP for a corporate debtor outside of the formal judicial process (i.e., an informal out-of-court procedure) while maintaining limited involvement of the adjudicating authority to enhance the legal certainty of the final outcome; and also proposed an opportunity for the financial creditors to drive the FIRP. As a development of such efforts, the **IBC (Amendment) Bill, 2025**<sup>7</sup> has rightly omitted the FIRP due to its low uptake and has further proposed the insertion of the creditor-led out-of-court insolvency resolution process (“**CIIRP**”) as Part IV-A of the Code 2016.

Section 57 of the Code 2016 allows an application for FIRP to be filed by a corporate debtor or its creditor(s). Section 55 of the Code 2016 states that an application can be filed for corporate debtors: (a) with assets and income

## FAST-TRACK AND PRE-PACKAGED INSOLVENCY: CURRENT FRAMEWORKS AND GAPS FOR STARTUPS

An entity is considered a Startup,<sup>3</sup> provided it fulfils each of the following criteria:

- a. It is incorporated or registered as a private limited company (under the Companies Act, 2013), or a partnership firm (under Section 59 of the Partnership Act, 1932), or a limited liability partnership (under the Limited Liability Partnership (LLP) Act, 2008) in India;

<sup>3</sup> Department For Promotion of Industry & Internal Trade, Ministry of Commerce & Industry, ‘Notification G.S.R. 127(E)’ (19 February 2019) <<https://www.startupindia.gov.in/content/dam/invest-india/Templates/public/198117.pdf>> accessed on 28 December 2025.

<sup>4</sup> Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Notification G.S.R. 127(E) (19 February 2019) <<https://www.startupindia.gov.in/content/dam/invest-india/Templates/public/198117.pdf>> accessed 28 December 2025.

<sup>5</sup> The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, s 7, as amended by Notification S.O. 2119(E) (26 June 2020) <<https://www.dcmsme.gov.in/Notification-S.O-no-1364-E-dated-21.03.2025-Revised-Definition.pdf>> accessed 28 December 2025.

<sup>6</sup> Ministry of Corporate Affairs, Invitation of comments from the public on changes being considered to IBC, File No. 30/38/2021-Insolvency (18 January 2023) <<https://ibbi.gov.in/uploads/whatsnew/7f55e29ae9c0023184a3895f849cd2ef.pdf>> accessed on 28 December 2025.

<sup>7</sup> Insolvency and Bankruptcy Code (Amendment) Bill, 2025, Bill No. 107 of 2025 (12 August 2025) <<https://ibbi.gov.in/uploads/legalframework/da78600a457741799bb2e7c8da25f946.pdf>> accessed on 28 December 2025.

below notified levels; (b) with a notified class of creditors/ amount of debt; or (c) other notified corporate persons. In 2017, MCA notified that such corporate debtors can be a small company, a Startup (other than the partnership firm) as defined by DPIIT, or an unlisted company with total assets worth Indian Rupees One Crore or below in the preceding financial year.<sup>8</sup> Furthermore, unlike PPIRP, the FIRP does not allow even a blended debtor-in-possession mechanism. Unlike long timelines of CIRP, FIRP has a strict 90-day timeline, with a 45-day extension window. However, taking a step forward, the proposed CIIRP provides for a blended mode of debtor-in-possession.

For an above threshold of default, an MSME may file for PPIRP with the adjudicating authority. However, there is no such threshold of default for startups in FIRP. The absence of a threshold may, on one hand, allow early intervention without waiting for larger defaults to take place, but on the other hand, may lead to potential misuse by pushing the company into the insolvency mode to obtain a moratorium for ill-motives or to defraud stakeholders of the company. Considering the latter as the larger concern to be addressed, a lower but reasonable threshold is required.

To date, *Right Tower Pvt. Ltd., CA(IB) No. 1390-KB-2019 in C.P. (IB) No. 505-KB-2017*, remains the rare and only example where an FIRP application was filed against the corporate debtor (Right Towers Private Limited) by the financial creditor, SREI Infra Fin. Ltd, under Sections 55-58 of the Code 2016. However, the resolution professional did not receive any expressions of interest, and as the corporate debtor did not have any assets and its operations were closed, the matter ended in liquidation. The National Company Law Tribunal (Kolkata Bench) passed the dissolution order on 08 November 2019. Notably, the corporate debtor had no liquid assets to bear the liquidation costs, and the financial creditor agreed to fund the liquidation costs in this matter and treat it as interim funding for the purpose of liquidation. Despite such a state, wherein liquidation was inevitable, it took almost two years for the dissolution order to come, and added financial burden on creditors who had not even recovered the principal, thereby defeating the stakeholders in terms of both cost and time involved. Similar to this case, startups are usually asset-light, and no assets would mean neither insolvency resolution for debtors nor financial recovery for creditors and rather add the burden of liquidation costs if it eventually ends with such dissolution, making FIRP futile for asset-less startups. While this may be the fate of many ailing businesses who fail to receive expressions of interest and viable resolution plans, as the Code 2016 cannot create value where none exists but can only provide a framework; if the intent is, however,

Addressing startup insolvency lies within the core mandates of the Code 2016, i.e., better time-bound resolution mechanisms/ outcomes, preserving value, promoting entrepreneurship and balancing the interests of all the stakeholders.

to bring a supportive framework to revive ailing yet viable startups and promote entrepreneurship, adoption of creative and innovative solutions are urgently required than mere shortened or restrictive timelines.

## CASE LAWS

In *Sanjay Kumar Ruia v. Catholic Syrian Bank Ltd., 2019 SCC OnLine NCLAT 548*, the National Company Law Appellate Tribunal (“NCLAT”) held that the adjudicating authority erred in converting a CIRP (filed under Section 9) into a FIRP, as the corporate debtor (SN Plumbing) did not fall within the requisite eligibility criteria of having assets and income below the notified levels. However, the judgment remains silent on whether a CIRP (initially filed under Section 7, 9, or 10, and not under Section 55) can be converted into FIRP midway, provided the corporate debtor qualifies the eligibility criteria for FIRP. While the midway conversion from FIRP to CIRP is straightforward, the *vice versa* may become a tool to delay or derail the existing insolvency proceedings, unless otherwise safeguards have been built within the provisions. Further, if the CIRP has already progressed to a later stage, a midway conversion to FIRP would not attain any significant results.

In *Pratima P. Shah v. IDBI Bank Limited, 2019 SCC OnLine NCLAT 1114*, the original issue was whether the application preferred by the corporate debtor (Amar Remedies Limited) formerly before the Board for Industrial and Financial Reconstruction (BIFR) and the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) in terms of clause (b) of Section 4 of the Sick Industrial Companies (Special Provisions) Repeal Act, 2003 (“**SIC Repeal Act, 2003**”), is barred under clause (d) of Section 11 of the Code 2016. While the application filed by

the corporate debtor was not directly related to FIRP, the NCLAT held that the prohibition under clause (d) of Section 11 of the Code 2016, to initiate CIRP against a corporate debtor in respect of whom a liquidation order has been made, does not extend to the initiation of the: (i) FIRP under Section 55 of the Code 2016, and (ii) CIRP by reference under clause (b) of Section 4 of the SIC Repeal Act, 2003. At a stage when the liquidation order has been made, assets are vested with the liquidator and the current management has ceased to exist, admitting it to FIRP will seriously dismantle the entire resolution process, and hence this judgment, with regard to FIRP, shall not be seen as a precedent. Interestingly, clause (c) of sub-section (2) of Section 54A of the Code 2016 explicitly prohibits the initiation of PPIRP if a liquidation order has been made against the corporate debtor under Section 33 of the Code 2016. Considering the close parallels in the nature of startups and MSMEs, this divergent treatment in statutory policy merits reconsideration.

The provisions enshrined in Chapter III-A (Pre-Packaged Insolvency Resolution Process) of Part-II of the Code 2016, read with the IBBI (PPIRP) Regulations 2021 with

8. *Ministry of Corporate Affairs, Notification S.O.1910(E) and S.O.1911(E) (14 June 2017)*, <[www.mca.gov.in/bin/ebook/dms/getdocument?doc=OD-M5MA==&docCategory=Notifications&type=open](http://www.mca.gov.in/bin/ebook/dms/getdocument?doc=OD-M5MA==&docCategory=Notifications&type=open)> accessed on 28 December 2025, read with *Ministry of Corporate Affairs Notification S.O. 4142(E) (30 August 2022)*, <[www.mca.gov.in/bin/ebook/dms/getdocument?doc=Mzc0NTZzNDZ2&docCategory=Notifications&type=open](http://www.mca.gov.in/bin/ebook/dms/getdocument?doc=Mzc0NTZzNDZ2&docCategory=Notifications&type=open)> accessed on 28 December 2025.

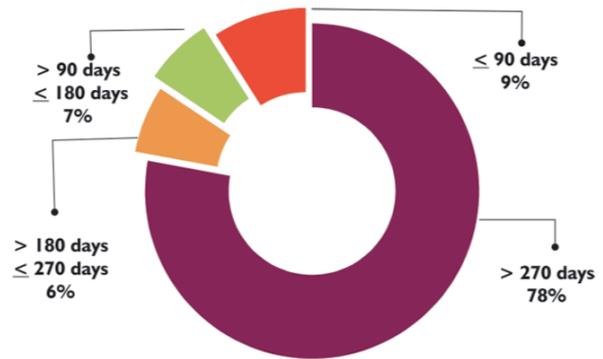
regard to the PPIRP, are available solely for MSMEs which are incorporated as either a company or a limited liability partnership, fulfil the eligibility criteria as stated under sub-section (1) of Section 7 of the MSME Act, 2006, and hold a Udyam Registration Certificate. The PPIRP blends debtor-in-possession with creditor-in-control. It allows a corporate debtor, having debts more than Indian Rupees Ten Lakhs but not exceeding Indian Rupees One Crore, to file an application after obtaining consent of at least sixty six per cent of its creditors (who are not related to the corporate debtor) and members' approval via special resolution. The role of the resolution professional is more of supervision and confirmation to ensure that the provision is not misused and submit the base resolution plan to the adjudicating authority, if it does not impair the claims owed to operational creditors and is approved by the committee of creditors. However, if it either impairs claims of operational creditors or is not approved by the committee of creditors, the resolution professional invites competing plans (legally known as the 'best alternative plan') from the prospective resolution applicants; and the best amongst both, the base resolution plan and the best alternative plan, gets approved. Furthermore, the provisions require the completion of the PPIRP within the timeline of one hundred and twenty days. While the hybrid debtor-in-possession model in PPIRP, with the limited role of insolvency professionals, limited judicial interference, and prior consent of creditors, was aspirational for a jurisdiction whose insolvency regime relies on the creditor-in-control model, the PPIRP did not meet its targeted aspirations and remains limited in use due to the involvement of procedural complexities and the impending risk that if PPIRP is left unsuccessful, it may lead to the initiation of CIRP.

Further, MSMEs typically rely on traditional bank lending routes for their funding requirements. Besides, banks are also accustomed to the business models of MSMEs, knowing predictable revenue streams, and often have sectoral relationships. Unlike startups, MSMEs are not always cash-light, and collateral is often easy to provide; and if not, the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) comes to the rescue. The CGTMSE enables MSMEs to obtain loans without collateral or third-party guarantees, and in case of a default by the MSME, CGTMSE pays the lending institution a specified percentage of the outstanding amount. Such benefits outside the Code 2016 help creditors to recover more value than they would have received in the PPIRP.

On average, it took two to three years for a CIRP to end in either liquidation or resolution in the financial year 2023-24.<sup>9</sup> As of June 2025, seventy eight per cent of the ongoing CIRPs in India are running behind the standard timeline of two hundred and seventy days for closure of CIRP (as shown below in Figure 1)<sup>10</sup>. Unquestionably, assets gradually decline in value over time as a result of depreciation. While companies having assets may still

retain some value at the end of such CIRP, value erosion happens much faster in startups, and thereby losing breath likely within six months of a crunch of funds. In other words, as startups operate on a cash runway of six to twelve months, by the time an FIRP is admitted by the adjudicating authority (due to practical delays witnessed in the CIRP mechanism), the startup may have already become unviable.

Figure 1: Timeline of ongoing CIRPs



(Source: IBBI Newsletter, Apr-Jun 2025)

## INTERNATIONAL PERSPECTIVES AND COMPARISONS

This section explores the comparative international mechanisms to look for features from global regimes and for their potential relevance that can help create a startup-aligned insolvency model for India.

### 1. European Union Directive

*European Union Directive on Preventive Restructuring Frameworks on Discharge of Debt & Disqualifications*<sup>11</sup> ("EU Directive") specifies standards for preventive debt restructuring mechanisms and debt discharge for entrepreneurs. It detailed ancillary measures like early warning systems and financial support for restructuring activities.

While it is commonly said that prevention is better than cure, when it comes to failing businesses, enterprises may turn deaf to it for multiple reasons ranging from late realisation of financial troubles, or a small financial trouble turning out to be a massive one due to domino effect or unintended mismanagement, to an emotional bias of promoters towards their brainchild leading to delays and denial.

For early identification of debt distress, the EU Directive has introduced early warning tools.<sup>12</sup> It exemplifies such tools as alert mechanisms when debtors have not made certain payments, incentives for third parties (say, an accountant, tax and social security authorities) to flag to the debtor a negative

<sup>9</sup> *Insolvency and Bankruptcy Board of India, Annual Report 2023-24* <ibbi.gov.in/uploads/publication/de2f17cca103664da3f2c845fef35505.pdf> accessed on 28 December 2025.

<sup>10</sup> *Insolvency and Bankruptcy Board of India (IBBI), Quarterly Newsletter, Vol. 35 (Apr-Jun 2025)* <ibbi.gov.in/uploads/publication/3694d8874ee2ac5802de48d293ad5802.pdf> accessed on 28 December 2025.

<sup>11</sup> *Directive (EU) 2019/1023 [2019] OJ L 172/18* <https://eur-lex.europa.eu/eli/dir/2019/1023/oj/eng> accessed 28 December 2025.

<sup>12</sup> *Directive (EU) 2019/1023 OJ L172/18 art 3*, <https://eur-lex.europa.eu/eli/dir/2019/1023/oj/eng> accessed 28 December 2025.

development, and so on. However, a fragmented warning tool may not be able to help companies, as it may give result on one fragmented segment; hence, it rather requires a comprehensive early warning system that combines all the alerts (expanding to, but not limited to, delayed negative working capital cycles/vendor payments and repeated bounced cheques), and uses benchmark mathematical ratios/ industry specific ratios and allows startups to gauge themselves and receive early warning signals by simply putting their monthly and annual financials on an online portal. It is worth noting that, at times, promoters fear the risk of being snatched out of their companies by their other stakeholders if their financial struggles become public or even known to stakeholders. Hence, the success key of such a system lies in confidentiality.

## 2. Germany – Two-tier restructuring system

### a. StaRUG – Preventive Restructuring Procedures/ Early Intervention Tool

Inspired by the EU Directive, the *Act on the Stabilisation and Restructuring Framework for Companies (Corporate Stabilisation and Restructuring Act – StaRUG)* is a pre-insolvency corporate rescue toolkit to avoid formal insolvency proceedings, which came into effect in 2021. It allows any company, which is yet not insolvent, but is facing imminent illiquidity (its expected inability to meet existing debt obligations on their maturity date in the forecasting period of the next 24 months), to initiate a debtor-led pre-insolvency preventive restructuring process.<sup>13</sup> This enables the debtor to remain in possession, secure a moratorium and slip under a protective shield, protecting them from creditors' enforcement actions while negotiating out-of-court restructuring with limited court intervention, working on restructuring and fostering value preservation by early actions. It remains a flexible, rapid, and low-disruption turnaround option.

While case studies of big names, like LEONI AG<sup>14</sup>, VARTA AG<sup>15</sup>, and Spark Networks SE<sup>16</sup> are available for discussion, where not only businesses were revived but also employments were preserved, the success of StaRUG cannot be defined in numbers as no official statistics are published since its inception in 2021 due to confidentiality and the structure of the regime.

German law requires companies to prepare a forward-looking liquidity plan, and if, in such a plan, imminent illiquidity is visible, management initiates StaRUG.

<sup>13</sup> *Act on the Stabilisation and Restructuring Framework for Companies (Corporate Stabilisation and Restructuring Act - StaRUG) art 3 (12 December 2020)* <[www.gesetze-im-internet.de/starug/BJNR325610020.html](http://www.gesetze-im-internet.de/starug/BJNR325610020.html)> accessed on 28 December 2025.

<sup>14</sup> *Leoni AG, 'Financial restructuring concept in place: Leoni's future is secured' (Press Release, 3 April 2023)* <[https://d3ga0yfowtcfnef.cloudfront.net/fileadmin/group/press/releases/2023/files/LEONI\\_AG\\_Press\\_release\\_Financial\\_restructuring\\_fin.pdf](https://d3ga0yfowtcfnef.cloudfront.net/fileadmin/group/press/releases/2023/files/LEONI_AG_Press_release_Financial_restructuring_fin.pdf)> accessed 28 December 2025.

<sup>15</sup> *Varta AG, 'Financial reorganization with StaRUG proceedings' (Press Release, 21 July 2024)* <<https://www.varta-ag.com/en/about-varta/news-press/details/varta-ag-announces-financial-reorganization-with-starug-proceedings>> accessed 28 December 2025.

<sup>16</sup> *Spark Networks, 'Continues Transformation on a Stronger Financial Basis' (4 January 2024)* <[www.spark.net/news-media/47jw5i0nq2fy0v0ef3rvnn1qxjsj2e2](http://www.spark.net/news-media/47jw5i0nq2fy0v0ef3rvnn1qxjsj2e2)> accessed 28 December 2025.

If, upon scrutiny, creditors later challenge the liquidity prognosis in courts. Accordingly, India can adopt a modified process, where such liquidity prognosis is first approved by a super-majority of creditors, before applying for the restructuring process.

### b. Debtor-in-possession model – Formal insolvency proceedings with self-administration

The insolvency court may order the opening of insolvency proceedings along with an order allowing the debtor-in-possession management, for such debtor is entitled to manage and realise the insolvency estate under the supervision of an insolvency monitor. The debtor may request the debtor-in-possession benefit, by submitting such request for the ordering of the debtor-in-possession along with a debtor-in-possession management plan covering: (i) a six-month financial plan along with account of the sources of finance for ordinary business operations to continue and proceedings' costs to be covered; (ii) strategy for conducting the insolvency proceedings, objective of debtor-in-possession, and proposed measures; (iii) status of negotiations with creditors; (iv) precautionary measures to safeguard the debtor's ability to meet the obligations; (v) anticipated cost changes; (vi) statements on with which creditors the debtor is in contact as regards the performance of statutory obligations, past enforcement or realisation bans, and compliance with disclosure requirements for the last three business years.<sup>17</sup>

The court-approved debtor-in-possession based on the proof-of-potential in the derailed management plan strikes a balance against potential misuse of the debtor-in-possession model. It allays fears of bias against creditors and offers a nuanced approach for startups genuinely offering value protection on the table.

## 3. South Korea

Korean model showcases support beyond classic legal structuring through procedural facilitation and economic incentives. The above multi-tiered solutions offer a commendable and fresh perspective to deal with insolvencies.

### a. Corporate Restructuring Promotion Act (CRPA) – Early Warning System

Albeit the *Corporate Restructuring Promotion Act ("CRPA")* was enacted as a domestic response to cater to its own needs while dealing with the financial crisis of the country and was not drafted under the influence of the EU Directive, its overall framework nevertheless remains consistent with the core intent and essence of the EU Directive. CRPA functions as a preventive restructuring tool that operates as a voluntary but creditor-led out-of-court process. Where, on the basis of its evaluation of the credit risk of a customer enterprise, a principal creditor bank identifies that its customer enterprise is exhibiting an indication of financial distress or insolvency, the principal bank shall provide a notice of this fact, along with the underlying reasons, to the relevant enterprise. On such an early warning signal or notification received

<sup>17</sup> *Insolvency Code (Insolvenzordnung – InsO) Section 270 et seq. (5 October 1994) Federal Law Gazette I 2866* <[www.gesetze-im-internet.de/englisch\\_inso/englisch\\_inso.html](http://www.gesetze-im-internet.de/englisch_inso/englisch_inso.html)> accessed 28 December 2025.

from the principal creditor, such an enterprise with the risk of insolvency has an option to file an application to commence either a joint administrative proceeding with the council of financial creditors or, alternatively, an administrative proceeding with the principal creditor bank. In either case, it must be accompanied by a self-rehabilitation plan for corporate improvements and restructuring.<sup>18</sup> The principal creditor shall operate and represent the council of financial creditors, and the latter shall deliberate to decide on key matters such as joint administrative proceedings, grace period for exercising claims, corporate improvement plan, claim adjustments, new credit provisioning, possibility of business normalisation, etc.<sup>19</sup> Dissenting creditors may file a claim against the principal creditor bank for the purchase of their dissenting financial claims, and consenting creditors are required to jointly purchase relevant claims. However, the deadline for automatic purchase of dissenting claims gets suspended if either of the parties files a petition with the mediation centre or a complaint with the court, as it requires a formal resolution instead beyond a cooperative workout. Such a purchase of dissenting financial claims, subject to procedural safeguards, enables decisions to proceed with effective majority support, while ensuring a fair cram-down mechanism for dissenting creditors. In essence, CRPA enables distressed companies to negotiate restructurings before and outside the formal insolvency process, thereby avoiding the need for the latter.

CRPA has been available to all distressed entities, irrespective of size and sectors, and hence, startups or small enterprises have used this mechanism alike.

Where Germany offers support in cases of imminent illiquidity by management itself, Korea offers support if the risk of insolvency is highlighted by creditors and accepted by the debtor. Both countries offer insights to evolve a pre-insolvency mechanism for startups, where either party recognises risk and the other confirms it, the system supports the entity to rescue it from being pushed into insolvency.

#### b. Simplified Rehabilitation Proceedings (Summary & Individual Rehabilitation Proceedings)

Korea introduced summary rehabilitation proceedings (“SRP”) for small and medium enterprises (whose debts do not exceed KRW 5 billion and having no record of having obtained discharge within the past 5 years) in 2015 within the Chapter IX (Simplified Rehabilitation Proceedings) of the *Debtor Rehabilitation and Bankruptcy Act* (“DRBA”)<sup>20</sup>, as a means to reduce costs, increase efficiency, and boost the chances of successful plan adoption. It modifies the corporate rehabilitation procedure described above by eliminating the need for a custodian and an inspector in most cases. An inspection commissioner who is an accountant or a court official may be appointed, with simplified duties under the Supreme Court Regulations.

Furthermore, not all cases warrant the constitution of the creditors’ council, and the voting thresholds for adoption of a plan are also relaxed.<sup>21</sup> SRP can be filed by the debtor only. In most of the cases, the court appoints the debtor as a receiver, which is functionally equivalent to the debtor-in-possession mechanism; however, if there are concerns of fraud or mismanagement, the court retains discretion to appoint an independent receiver.<sup>22</sup>

Understanding that in the distressed circumstances, not only small and medium enterprises but also their owners suffer insolvency, the Chapter IX also provides for the individual rehabilitation proceedings (“IRP”) to enable such individuals (with secured debts not more than KRW 1 billion and unsecured debts not more than KRW 500 million) to restructure all the debts (business and personal), excluding secured debts, in a single proceeding. Individual rehabilitation proceedings for owners of such an enterprise are assigned to the responsible judge of the panel in charge of the summary rehabilitation proceeding for such enterprise. The debtor prepares a plan (with maximum payment period as 3 years) which is subject to a vote, and the court may approve the rehabilitation plan despite the objection of creditors, provided certain conditions are met (i.e., that creditors receive no less than they would in liquidation, the total payments under the plan meet a minimum threshold, and the debtor’s disposable income is applied towards the satisfaction of the payments under the plan).<sup>23</sup>

Korean SRP is a classic case of relaxations available to small enterprises; such incentives in the form of simplified and reduced procedures can bring a ray of hope for distressed startups.

#### c. Multi-Tiered Support Framework – CCRS, Government Schemes, and S-Track

In addition to the formal process under DRBA, individuals may also benefit from the Credit Counselling and Recovery Service (“CCRS”) for their business debts, to reach out-of-court debt restructuring arrangements with creditors. In this scheme, the council develops a repayment plan for discussion with creditors, based on the information provided by the debtor and confirmed by creditors. The repayment plan may be approved with the consent of a simple majority of creditors; any dissenting creditors are obligated under the terms of a contractual inter-creditor agreement. Over 100,000 applications are received annually, and in over eighty per cent of the cases where a plan is proposed by the council, it has been accepted by the creditors. To further ensure rehabilitation of small and medium enterprises, several government programs offer support in the form of expert advice; help defray the cost of the procedure as well as the cost of restructuring, and provide enhanced access to fresh financing on which a restructuring

<sup>18</sup>. *Corporate Restructuring Promotion Act art 5 (18 March 2016)* <<https://law.go.kr/LSW/lsInfoP.do?lsiSeq=181896&viewCls=engLsInfoR&urlMode=engLsInfoR#0000>> accessed 28 December 2025.

<sup>19</sup>. *Corporate Restructuring Promotion Act art 22 and 23 (18 March 2016)* <<https://law.go.kr/LSW/lsInfoP.do?lsiSeq=181896&viewCls=engLsInfoR&urlMode=engLsInfoR#0000>> accessed 28 December 2025.

<sup>20</sup>. *Debtor Rehabilitation and Bankruptcy Act art 293* <[www.law.go.kr/LSW/lsInfoP.do?lsiSeq=224905&viewCls=engLsInfoR&urlMode=engLsInfoR#EJ37:0](http://www.law.go.kr/LSW/lsInfoP.do?lsiSeq=224905&viewCls=engLsInfoR&urlMode=engLsInfoR#EJ37:0)> accessed 28 December 2025.

<sup>21</sup>. *International Monetary Fund, Republic of Korea: Financial Sector Assessment Program-Technical Note-Insolvency and Creditor Rights (IMF Staff Country Reports 2020/276, 18 September 2020)*, 10, 11, 20, 21 <<https://doi.org/10.5089/9781513556987.002>> accessed 28 December 2025.

<sup>22</sup>. *Min Han, ‘Simplified Rehabilitation Proceedings for MSEs in the Republic of Korea’ (Navigating the Storm: Helping MSMEs Set Sail with Legal Harmonization, UNCITRAL RCAP Incheon Law & Business Forum, 7 September 2021)* <[https://uncitral.un.org/sites/uncitral.un.org/files/pages/RCAP/panel\\_4\\_simplified\\_rehabilitation\\_proceedings\\_for\\_mses\\_in\\_korea\\_min\\_han.pdf](https://uncitral.un.org/sites/uncitral.un.org/files/pages/RCAP/panel_4_simplified_rehabilitation_proceedings_for_mses_in_korea_min_han.pdf)> accessed on 28 December 2025.

<sup>23</sup>. 21 (above).

generally depends,<sup>24</sup> and establishing an Equity Retention plan carrying a debt-to-equity swap, enabling the entrepreneur to earn back equity in the business.<sup>25</sup> In 2017-2018, the Seoul Bankruptcy Court introduced the ‘S-Track’ program to enhance accessibility to numerous schemes for businesses with debts of less than KRW 15 billion. The S-Track is a program that integrates various support programs offered by different agencies.<sup>26</sup>

Often, startups resort to not-so-specialised professionals instead of the specialised ones to save costs. If a CCRS-like structure is built at the government level, with empanelled experts (post-assessment of their relevant experience), offering support at subsidised fees, it can go a long way to assist startups in their distress journey.

#### d. Proposed Debt Restructuring Centres & Fast-Track System

To further assist microenterprises, the Ministry of SMEs and Startups of Korea has announced a work plan for the year 2025 to help them deal with the impact of rising prices and financing costs/ expenses, coupled with a sluggish recovery in domestic consumption and the transition into a super-aged society. One of the notable proposed actions of this work plan is the establishment of 30 microenterprise debt restructuring centres, which will work in collaboration with bankruptcy courts to streamline debt restructuring processes. Likely, such centres will offer practical assistance, counselling, and process coordination for debt restructuring among vulnerable micro and small businesses, thereby reducing administrative burden and enhancing access to insolvency mechanisms. Additionally, a dedicated fast-track system is being planned and introduced to reduce the duration of bankruptcy and rehabilitation procedures (currently taking about 12 months), ensuring expedited recovery support for businesses in crisis;<sup>27</sup> however, if such a reduction in duration is not supported with innovative solutions, it may not achieve the intended results.

### 4. Japan

#### a. Civil Rehabilitation Proceedings

While Japanese Civil Rehabilitation Proceedings can be initiated under the *Civil Rehabilitation Act* by either a debtor or a creditor, the debtor-in-possession model is generally available to all debtors (whether individuals or legal entities). Unless the rehabilitation debtor administers and disposes of its property in an inappropriate manner or the court otherwise finds it particularly necessary for the rehabilitation of the rehabilitation debtor’s business, a trustee is not appointed.<sup>28</sup> Rather, the court appoints a supervisor only to oversee and monitor the debtor’s activities, and in the supervision order, it designates acts that the rehabilitation debtor may not conduct without

obtaining the consent of the supervisor.<sup>29</sup> Unless a specific injunction is granted, the rights of secured creditors are not subject to the stay order and continue to remain enforceable.

In practice, Japan is witnessing an increasing number of mixed regimes, i.e., trustee-type civil rehabilitations (instead of supervisor-based civil rehabilitations), as well as quasi-debtor-in-possession-type corporate reorganisations (instead of trustee-based corporate reorganisations), making the differences between civil rehabilitation and corporate reorganisation proceedings, whether debtor-in-possession-type or trustee-type, blurred and less pronounced over recent years.<sup>30</sup>

#### b. Simplified Rehabilitation and Consensual Rehabilitation

Further, the Civil Rehabilitation Act allows for ‘Simplified Rehabilitation’ in case creditors (holders of filed rehabilitation claim who hold said claim) that account for three-fifths or more of the value, and ‘Consensual Rehabilitation’ where all the holders of filed rehabilitation claims have consented to the proposed rehabilitation plan submitted by the rehabilitation debtor. Such applications can be made by the rehabilitation debtor post expiry of the period for filing proofs of claims and before the beginning of the ordinary period for investigation. Such rehabilitations skip the usual lengthy procedures, including investigation and determination of rehabilitation claims (simply put, verification of claims). Procedure for adopting a resolution on a proposed rehabilitation plan submitted by the rehabilitation debtor, etc., is not required to be performed, i.e., formal creditor meetings are skipped.<sup>31</sup>

Like Korean SRP, Japanese Simplified and Consensual Rehabilitation offer much needed relaxations in lengthy procedures, offering insights where the startup insolvency regime can skip procedures with a safeguard for prior consents and supervision of insolvency professionals.

### 5. Singapore – Simplified Insolvency Programme

Insolvency, Restructuring and Dissolution Act, 2018 (“IRDA”) introduced the simplified restructuring provisions for small businesses, namely, the Simplified Insolvency Programme (“SIP”), which is bifurcated into: (a) the Simplified Debt Restructuring Programme in Part 5A (“SDRP”); and (b) the Simplified Winding Up Programme in Part 10A (“SWUP”).<sup>32</sup> SIP was introduced in 2018 as a pilot project to be run till 2026. Before the expiry of this sunset clause, the Ministry of Law of Singapore passed the Insolvency, Restructuring and Dissolution (Amendment) Bill in January 2025 to

<sup>24</sup> Financial Services Commission, ‘Government Prepares KRW80 Trillion Financial Support Programs to Help SMEs Overcome Crisis’ (Press Release, 11 January 2023) <<https://fsc.go.kr/eng/pr010101/79293>> accessed 28 December 2025.

<sup>25</sup> 20 (above).

<sup>26</sup> 21 (above).

<sup>27</sup> Ministry of SME & Startups, ‘Plan for 2025’ (Press Release, 10 January 2025), <<https://www.mss.go.kr/site/eng/ex/bbs/View.do?cbIdx=244&bcIdx=1055757>> accessed 28 December 2025.

<sup>28</sup> Civil Rehabilitation Act, art 64 (Administration Order) <[www.japaneselawtranslation.go.jp/en/laws/view/3095](http://www.japaneselawtranslation.go.jp/en/laws/view/3095)> accessed 28 December 2025.

<sup>29</sup> Civil Rehabilitation Act, art 54 (Supervision Order), <https://www.japaneselawtranslation.go.jp/en/laws/view/3095> accessed 28 December 2025.

<sup>30</sup> Masaki Fujita & Sayuri Tago, ‘General overview of and recent developments in Japanese rescue-type insolvency proceedings’, *Insolvency and Restructuring International* (2021) 15(2), 42, 43 <[www.amt-law.com/asset/res/news\\_2021\\_pdf/publication\\_0023989\\_ja\\_001.pdf](http://www.amt-law.com/asset/res/news_2021_pdf/publication_0023989_ja_001.pdf)> accessed 28 December 2025.

<sup>31</sup> Civil Rehabilitation Act, ch XII <[www.japaneselawtranslation.go.jp/en/laws/view/3095](http://www.japaneselawtranslation.go.jp/en/laws/view/3095)> accessed 28 December 2025.

<sup>32</sup> Insolvency, Restructuring and Dissolution Act 2018 <<https://sso.agc.gov.sg/Act/IRDA2018?WholeDoc=1#P15A->>> accessed 28 December 2025.

make the SIP a permanent feature of IRDA,<sup>33</sup> whereby: (i) the eligibility criteria to apply for above programmes is that the applicant's total liabilities must not exceed \$2 million; (ii) out-of-court process is encouraged, i.e., the court involvement will also be limited to situations where approval of a debt repayment plan is disputed and only on specified grounds, and if the debt repayment plan is backed by the majority of creditors, present and voting, comprising of at least two-thirds of creditors in value, the debt repayment plan is considered to be approved and becomes binding and enforceable against all the creditors (including the creditors dissenting to the debt repayment plan); (iii) the initial moratorium period during which creditors are unable to enforce their rights is shortened from 90 to 30 days, with limit of one extension; (iv) a five-year black-out period is introduced, meaning that a company which is unable to successfully complete the SDRP is barred from re-applying the SDRP until the expiry of at least 5 years); and (v) SDRP may convert into other liquidation processes, ensuring the unviable companies are liquidated and dissolved efficiently.<sup>34</sup>

To mention its success, as on 31 December 2024, a total of 116 applications for the existing SIP had been submitted, and 77 of them were accepted. Of these, 61 micro and small companies in severe financial distress were successfully assisted.<sup>35</sup> These numbers demonstrate that approximately eighty per cent of accepted applicants/micro and small companies achieved a workable resolution rather than liquidation.

India has recently recognised a similar measure in the IBC Amendment Bill 2025 for entities meeting thresholds to be notified by the Ministry of Corporate Affairs, as the creditor-led out-of-court insolvency with blended form debtor-in-possession, to be added as Chapter IV-A of the Code 2016.

## 6. United States – Small Business Debtor Reorganisation

The United States' insolvency resolution system<sup>36</sup> operates primarily on a debtor-in-possession model and allows an automatic stay<sup>37</sup> (akin to a moratorium) on the filing of the bankruptcy petition itself. Subchapter V (Small Business Debtor Reorganisation) of Chapter 11 (Reorganisation) allows the debtor to have all the rights and powers, and the obligation to perform all the functions and duties, of a trustee.<sup>38</sup> Further, the debtor is required to file a plan not later than 90 days after the order for relief under this chapter, except that the court may extend the period if the need for the extension is attributable to circumstances for which the debtor should not justly be held accountable.

The benefit of this provision is limited through strict conditions: (a) threshold of \$2 million aggregate debts, (b) requirement that at least fifty per cent of debts arise from business activities of the debtor, and (c) exclusion of entities such as publicly listed companies (including affiliates) and single asset real estate debtors. Such restrictions ensure that the expedited bankruptcy relief is available only to the target segment of genuine small business debtors, and not large corporations or conglomerates.<sup>39</sup> While a formal committee of creditors is not mandated for Subchapter V, a trustee is appointed to supervise and support the process, by performing specific duties, including facilitating consensual plan development, appearing at hearings involving plan confirmation, ensuring the debtor makes timely payments under a confirmed plan, and if the debtor ceases to be a debtor-in-possession, operating the business and managing estate assets.<sup>40</sup> In effect, no automatic committee of creditors and a narrower scope of trustee translates into lower fees and administrative expenses, yet the supervisory role of the trustee helps prevent fraud or mismanagement risks. In case of failure to file or confirm a plan within the time, the court shall either convert it into a case under Chapter 7 (Liquidation) or dismiss the case under this chapter. The time bound nature ensures creditors are not left in limbo for eternity.

Measuring the success of this regime, approximately fifty per cent of plans submitted under Subchapter V were confirmed, and on average, such plans were confirmed within almost six months. Roughly, eighty six per cent of companies that confirmed plans were still operating as of December 2023, compared to approximately ten months in non-Subchapter V cases.<sup>41</sup> Compared to small businesses' rehabilitation cases filed outside the Subchapter V under Chapter 11, those under Subchapter V have shown nearly twice the rate of the confirmed plans, a dismissal rate lower by twenty per cent, as well as a shorter time to confirmation. Moreover, the number of small businesses opting for the provisions of Subchapter V under Chapter 11 has witnessed a rise from 159 cases in the previous years to 206 cases in July 2025, representing a 30 per cent growth in one year.<sup>42</sup> Up to the present, a total of 10,50,000 cases have been filed under the Subchapter V.<sup>43</sup>

Allowing the debtor-in-possession with no committee of creditors has remained the most liberal yet an effective resolution mechanism for small businesses in the United States.

<sup>33.</sup> *Insolvency, Restructuring and Dissolution (Amendment) Act 2025* (Singapore, 14 February 2025) <<https://sso.agc.gov.sg/Acts-Supp/3-2025/Published/20250211?DocDate=20250211#pr12>> accessed 28 December 2025.

<sup>34.</sup> *Ministry of Law, Simplified Insolvency Programme to be Revamped and Made Permanent to Support Financially Distressed Companies*, (Press Release, 11 November 2024), <https://www.mlaw.gov.sg/simplified-insolvency-programme-revamped-and-made-permanent-to-support-financially-distressed-companies/>.

<sup>35.</sup> *Edwin Tong SC, 'Speech by Minister for Culture, Community and Youth & Second Minister for Law, on the Second Reading of the Insolvency, Restructuring and Dissolution (Amendment) Bill' (7 January 2025)* <[www.mlaw.gov.sg/second-reading-speech-for-the-insolvency-restructuring-and-dissolution-amendment-bill/](http://www.mlaw.gov.sg/second-reading-speech-for-the-insolvency-restructuring-and-dissolution-amendment-bill/)> accessed 28 December 2025.

<sup>36.</sup> *Bankruptcy Code (US) ss 11*

<sup>37.</sup> *Bankruptcy Code (US) ss 362*

<sup>38.</sup> *Bankruptcy Code (US) ss 1184*

<sup>39.</sup> *Bankruptcy Code (US) ss 101(51D)*

<sup>40.</sup> *Bankruptcy Code (US) ss 1183*

<sup>41.</sup> *United States Trustee Program, 'Chapter 11 Subchapter V Statistical Summary Through December 31, 2024'* <[www.justice.gov/ust/page/file/1499276/dl?inline](http://www.justice.gov/ust/page/file/1499276/dl?inline)>, <https://www.justice.gov/ust/subchapter-v> accessed 28 December 2025.

*United States Trustee Program, 'Small Business Reorganization Act Implementation and Trends' (Blog, 2021)* <https://www.justice.gov/archives/ust/blog/small-business-reorganization-act-implementation-and-trends> accessed 28 December 2025.

<sup>42.</sup> *American Bankruptcy Institute, 'July Commercial Chapter 11 Filings Increase 78 Percent over Last Year; Total Commercial Bankruptcy Filings Up 26 Percent' (Press Release, 05 August 2025)* <[www.abi.org/node/1000566](http://www.abi.org/node/1000566)> accessed 28 December 2025.

<sup>43.</sup> *American Bankruptcy Institute (4 August 2025)*, <<https://app.powerbi.com/view?r=eyJrIjoiNzJmYWJlNDQzMGNlMy00MDA5LTlmZWYtODU5YTQyMDRjYWVjIiwidCI6ImI0NDh0WmYyLThjNmYtNGNlYS1YzI1LWYzZTI0MGJjNGI1ZCIsImMiOiJF9>> accessed 28 December 2025.

**Table 1: Summary of major features in jurisdictions covered in this study**

Category	Jurisdiction/ Authoritative Document	Mechanism / Tool	Key Features
Small businesses	<b>Singapore</b> (IRDA 2018)	Simplified Insolvency Programme (SIP)	Debtor-in-possession (“DIP”); Out-of-court negotiations on debt repayment plan, subject to approval of 2/3 of creditors by value; Cross-class cramdown; Shortened moratorium of 30 days; Conversion into other liquidation processes, ensuring efficient liquidation and dissolution of the unviable companies.
	<b>United States</b> (U.S. Code)	Small Business Debtor Reorganisation	DIP with Trustee for supervision; Automatic Stay; Limited time of 3 months to file a plan; No formal Committee of Creditors.
	<b>South Korea</b> (DRBA)	a. Summary rehabilitation proceedings (SRP)	Eliminates the need for a custodian and inspector; the Inspection commissioner (accountant/ court official) is appointed for simplified duties; Creditors’ council is not mandatory; Relaxed voting thresholds for plan approval; Functionally, DIP (as the debtor is appointed as receiver in most cases).
		b. Individual rehabilitation proceedings	Run parallel to SRP before the same judge and court may approve the plan even if creditors don’t, provided they receive not less than what they would have in liquidation; Govt schemes; CCRS (where plans are developed by Council); Equity Retention Scheme; S-Track Program (to integrate various support programs).
Startups	<b>South Korea</b> (Proposed Measures as per Work Plan 2025; not yet codified)	a. Microenterprise debt restructuring centres	Microenterprise debt restructuring centres to collaborate with bankruptcy courts to coordinate and streamline debt restructuring processes, improve access to insolvency mechanisms, offer practical assistance, reduce administrative burden, and provide counselling.
		b. Fast-track system	Intended to reduce the duration of bankruptcy and rehabilitation procedures.
General application (i.e., not restricted basis the size and the scale of the company)	<b>European Union Directive</b>	Preventive debt restructuring mechanisms and early warning tools	Early intervention tools to prevent insolvency; focus on restructuring before formal proceedings; requires member states to transpose into national law.
	<b>Germany</b> (Act on Stabilisation & Restructuring Framework for Companies)	a. StaRUG – The Preventive Restructuring Procedure	Debtor-led pre-insolvency process, out-of-court restructuring with limited court intervention, upon imminent illiquidity (its expected inability to meet existing debt obligations on their maturity date in the forecasting period of the next 24 months).
		b. DIP model – Formal insolvency proceedings with self-administration	DIP is subject to proof of ability to utilise it efficiently (via submission of a plan covering revival strategy along with supporting sources of finance, precautionary measures, and adequate disclosures).
	<b>Japan</b> (Civil Rehabilitation Act)	a. Civil Rehabilitation Proceedings	DIP with supervisor; no moratorium for secured creditors, unless specifically granted. Mixed regimes (developed by practice), i.e., trustee-type civil rehabilitations and quasi-DIP type corporate reorganisations, show flexibility in the system.
		b. Simplified and consensual rehabilitation	Skip the usual lengthy procedures, including investigation and determination of rehabilitation, and formal creditor meetings.
	<b>South Korea</b> (CRPA)	CRPA – Voluntary but creditor-led out-of-court process	Principal creditor bank highlights a sign of insolvency, basis which such an enterprise can file for administrative or joint administrative proceedings along with a self-rehabilitation plan; Balanced cram-down feature with requirement of buyout of claims of dissenting creditors by principal creditor bank, if requested by the former.

## THE WAY FORWARD AND CONCLUDING REMARKS

Startups and MSMEs overlap in certain characteristics such as size, scale, resource constraints, capital challenges and motivation, and also remain distinct in terms of their age categorisation, innovation factor, business objectives, funding patterns, asset structures, risk profiles, and growth trajectories. While MSMEs are focussed on stable cash flows and steady businesses, startups usually pursue high-risk, high-reward growth models. Yet, some startups may initially qualify as MSMEs based on investment and turnover thresholds, especially early-stage ventures. While distinctions should guide design, such distinctions may become blurred when such entities are facing financial turmoil, leading to insolvency. Practical differences that once mattered in the growth phase matter less than the need for a nimble rescue in the insolvency phase. Procedural complexity due to duplication or fragmented solutions or the need to fit into different buckets adds to the layers of cost, time, and effort, and hence, when devising solutions to resolve their insolvency, practical simplicity should guide execution at insolvency. Accordingly, the rescue process for both structures can be blended to reach a tailor-made, simplified and streamlined process.

Irrespective of it being clubbed or kept separate, principally, startups also deserve a debtor-in-possession mechanism, as available for MSMEs under PPIRP. For both MSMEs and startups, promoters are often the key asset and their relationships, supplier networks, and customer trust hold the business together. Removing them, as that happens in CIRP's creditor-in-control mechanism, can destroy the going-concern value instantly. Debtor-in-possession mechanism can allow the business to run without operational disruption during the FIRP. Further, full CIRP requires huge costs, rather debtor-in-possession with limited oversight of a resolution professional is not only cost effective but also helps founders salvage business know-how, technology and intellectual property, and offers them a second chance in their entrepreneurial journey. Further, as the debtor-in-possession model has the potential to be abused for adopting delay tactics, the US-like debtor-in-possession model may be too liberal to be initiated within the current Indian regime; henceforth, a Germany-like court-approved debtor-in-possession based on proof-of-potential, i.e., where the existing management has demonstrated a credible rehabilitation plan, can be a midway solution for startups' insolvency resolution. This will ensure that the interests of creditors are equally protected while allowing management to stay motivated to minimise disruptions.

The creditors driving the formal FIRP or the informal out-of-court procedures go against the globally recognised need for debtor-in-possession and debtor-led processes in special cases. The proposed creditor-led out-of-court CIIRP procedure in the Amendment Bill 2025 sets the tone, as an informal out-of-court process



can surely alleviate the plight of failing startups to an extent. However, their sanctity would largely depend on the adherence to timelines in the quasi-judicial bodies, as well as stricter provisions against post-CIIRP disputes in the courts of law. Accordingly, Singapore's SIP-like debtor-led out-of-court procedures can be structured in the Indian insolvency regime for startups. Excluding approval of related parties and affiliates, and limiting consent requirements to independent creditors, can function as a guardrail in such workout arrangements.

Not only startups find no beneficial outcome in proceeding with the extant FIRP regime, but venture capital and private equity investors also often hesitate to let startups pursue modes under the Code 2016 due to contractual restrictions in shareholders' agreements, as it would mean recognising losses and relinquishing control. Noticeably, there are no major cases where a venture-backed startup has successfully used Code 2016 for resolution.<sup>44</sup> Interestingly, in 2022, the *Framework for Protection of Interest of Public Equity Shareholders in Case of Listed Companies Undergoing CIRP under the IBC*<sup>45</sup>, the Securities and Exchange Board of India noted that the rights available to creditors are undeniably distinguished and superior when compared to an equity shareholder; equity is also a risk capital. The existing public equity shareholders (i.e. non-promoter public shareholders) of the corporate debtor shall be provided an opportunity to acquire equity of the fully diluted capital structure of the new entity to the extent of up to the minimum public shareholding percentage (currently twenty five per cent), on the same pricing terms as agreed upon by the resolution applicant. While this proposal has not seen the light of day, a similar structure shall be adopted for startups, leaving some room for revival for venture capitalists to promote startups to adopt the route under the Code 2016.

<sup>44</sup>. Pramod Sihari, *Exit route for start-ups - The Hindu BusinessLine* (31 March 2025) <[www.thehindubusinessline.com/opinion/exit-route-for-start-ups/article69397507.ece](http://www.thehindubusinessline.com/opinion/exit-route-for-start-ups/article69397507.ece)> accessed 28 December 2025.

<sup>45</sup>. Securities & Exchange Board of India, *Framework for protection of interest of public equity shareholders in case of listed companies undergoing CIRP under the Insolvency and Bankruptcy Code* (10 November 2022) <[www.sebi.gov.in/reports-and-statistics/reports/nov-2022/framework-for-protection-of-interest-of-public-equity-shareholders-in-case-of-listed-companies-undergoing-corporate-insolvency-resolution-process-cirp-under-the-insolvency-and-bankruptcy-code-ibc-\\_64850.html](http://www.sebi.gov.in/reports-and-statistics/reports/nov-2022/framework-for-protection-of-interest-of-public-equity-shareholders-in-case-of-listed-companies-undergoing-corporate-insolvency-resolution-process-cirp-under-the-insolvency-and-bankruptcy-code-ibc-_64850.html)> accessed 28 December 2025.



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# Call For ARTICLES

## Call For Articles in CS Journal – March 2026 Issue



### Structuring and Restructuring of Businesses: The Commencement of a New Financial Year

The ending of one financial year and the commencement of a new one, serves as a moment for business enterprises to ponder, think and rethink, their business style, form and structure. It is at this moment that the role of a Company Secretary comes in.

Also, March being the month espousing the International Women's Day, a dialogue on Gender diversity finds its inevitability.

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

Structuring and Restructuring of Businesses	Gender Diversity in Corporates : An ESG matter
❖ Beginning the new Financial Year with Restructured Businesses – A compliance perspective	❖ Gender DiverSity: <b>The "S" in ESG</b>
❖ Business Restructuring - A Global perspective	❖ Gender Equality, Representation, and Inclusion: Core elements of a Sustainable Future
❖ Finding the right fit – The synergistic side of Corporate Structuring	❖ Gender Diversity: A Global perspective
❖ Funding the Restructuring decision – How money matters	❖ Gender Diversity: Finding Equality at Grassroots
❖ Business Restructuring : Finding the right Valuation	❖ Adding Diversity Element : A powerful tool for Risk Mitigation

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

**Members and other readers desirous of contributing articles may send the same latest by Friday, February 20, 2026 at [cs.journal@icsi.edu](mailto:cs.journal@icsi.edu) for March 2026 issue of Chartered Secretary Journal.**

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

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1. Articles on subjects of interest to the profession of Company Secretaries are published in the Journal.
2. Each author should submit only one article for respective issue.
3. The article must be original contribution of the author with minimum 85% original content written by the author/s.
4. The article must be an exclusive contribution for the Journal.
5. The article must not have been published elsewhere, and must not have been or must not be sent elsewhere for publication, in the same or substantially the same form.
6. The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants.
7. The article must carry the name(s) of the author (s), designation, professional affiliation, location, e-mail id & PP size photograph on the title page only and nowhere else.
8. The articles go through blind review and are assessed on the parameters such as (a) relevance and usefulness of the article (from the point of view of Company Secretaries), (b) organization of the article (structuring, sequencing, construction, flow, etc.), (c) depth of the discussion, (d) persuasive strength of the article (idea/ argument/articulation), (e) does the article say something new and is it thought provoking, and (f) adequacy of reference, source acknowledgement and bibliography, etc.
9. The copyright of the articles, if published in the Journal, shall vest with the Institute.
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1. I, Shri/Ms./Dr./Professor..... declare that I have read and understood the Guidelines for Authors.
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60

## Budget 2026-27: Forging Viksit Bharat's Path through Global Headwinds

CS Asish Mohan

The Union Budget 2026-27 embodies a mature, confidence-driven strategy for *Viksit Bharat*, prioritizing long-term competitiveness over short-term populism while steering through global headwinds. Its overarching objective is to forge resilience and inclusive progress by bolstering industrial muscle, innovation, and infrastructure, alongside empowering the underprivileged through targeted education, healthcare, and skill initiatives. Aligned with *Sabka Saath, Sabka Vikas*, it seeks to unlock human potential, nurture grassroots entrepreneurship, and build a transparent, equitable ecosystem that sustains growth for every citizen.

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## Corporate Governance Standards For Municipal Corporations: A Compliance Framework

CS (Dr.) Kunal Mandwale

Drawing from best practices of governance from corporates, this article emphasizes on the need and importance of building a robust compliance framework for Municipal Corporations. While respecting the unique characteristics of municipal operations, the article reflects on specific roles for Company Secretaries in implementing and maintaining these governance standards, thereby creating new professional opportunities in the public sector. Credit rating agencies now explicitly consider governance frameworks while rating municipal bonds, and institutional investors demand corporate-level transparency before investing in municipal securities.

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## Dividend Governance in India

CS Mayur Mazumdar

Dividends serve as a method for companies to reward their shareholders when they generate profits. They indicate financial robustness, consistency, and the management's confidence regarding future earnings. For investors, dividends offer not only a reliable source of income but also reflect the company's fiscal health and serve as a tool for assessing its long-term value and dependability. This article explains the various factors that influence companies' decisions regarding dividends and the statutory provisions outlined in the Companies Act, 2013.

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## The Earnings Call: Beyond the Balance Sheets

CS Neeraj Vasudevan

The quarterly earnings call illustrates the strategic vision of company leadership and outlines their future growth objectives. For investors and other interested parties, these calls serve as indicators that enhance the company's image and reputation. The confident delivery of the CEO, combined with the careful wording of the CFO, can subtly influence market valuations. In addition to providing essential information, earnings calls significantly impact short-term market reactions and the long-term perception held by investors.

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## Loans, Guarantees, and Investments: A Comprehensive Review of Sections 185 and 186

CS Nitika Harish

The article examines Section 185 of the Companies Act, 2013, which imposes limitations on the provision of loans, guarantees, or security related to loans for directors or any individual or entity with/ in whom the director of the company is related/ interested subject to certain exceptions listed in the section. Further, the article elaborates on Section 186 of the Companies Act, 2013, which regulates how companies may offer loans, guarantees, or security, as well as make investments. This section applies to both intercorporate dealings and loans, guarantees, or security made to any individual. The examples provided facilitate practical understanding.

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## Listing Status of Demerged Entities under Indian Corporate and Securities Law: Statutory Interpretation, Regulatory Practice, and Judicial Guidance

CS Supriya Srivastava

Demerger particularly in a listed company is a widely adopted restructuring mechanism in India. The purpose of Demerger is to enhance shareholder value, separate different business segments, or realign capital structures. By examining various cases, this article makes a clear distinction between a business undertaking and listed securities through an analysis of Section 232 of the Companies Act, 2013, SEBI's Scheme of Arrangement framework, Stock Exchange procedures, and relevant judicial and regulatory precedents.

## 90 From Boardroom to System Architecture: The Company Secretary's Techno-Legal Role under the DPDP Act, 2023 and DPDP Rules, 2025

CS Raju S. Surapuraju

This article interprets the Digital Personal Data Protection (DPDP) Rules, 2025, through the lens of “Techno-Legal Compliance” within Indian corporations. In this new age, where the emphasis is on digital governance, the most sought-after Company Secretary will be the one able to sit in a boardroom and articulate the legal implications of a “privacy policy,” while also being capable of entering the server room to discuss the essential role of “immutable audit logs.” It is time for Company Secretaries to transition from merely drafting resolutions to creating techno-legal frameworks.

### Research Corner P-97

## 98 Distribution of Sale Proceeds between First and Second Charge Holders under Liquidation: An Unsettled but Evolving Legal Position

CS Shipra Rawal

The Insolvency and Bankruptcy Code, 2016 introduced a model where creditors take control, implemented time-bound insolvency procedures, and created a structured legal hierarchy for allocating proceeds during liquidation in accordance with the provisions of Section 53 of the Code. This article explores manner of sharing sale proceeds between secured creditors who have first and second charges on the same asset. The Code introduced a legal option under Section 52 and a class-based distribution framework under Section 53. The concern whether traditional inter se priorities in these provisions will be replaced with pari passu treatment upon relinquishment of security has emerged as a critical question in liquidation jurisprudence.

### Legal World P-107

- **LMJ 02:02:2026** In the present case Dadoba had power under the articles to appoint a person to be the managing director in succession to him, and in exercise of that power he had appointed the appellant Govind as the managing director to hold the office after his death. [SC]
- **LW 09:02:2026** An assessment was made later on by the EPFO basis which a demand has been made and such an assessment is not allowed under the moratorium existing. [NCLAT]
- **LW 10:02:2026** Respondent No. 2 is directed to change its name to any other name, which is not identical to or resembles the name of the Petitioner or any other existing company within four (4) weeks from today. [Del]
- **LW 11:02:2026** In view of the Information provided and analysis carried out in preceding paragraphs, the Commission is of the opinion that no prima facie case of contravention of Sections 3 and 4 of the Act is made out against the OP. [CCI]
- **LW 12:02:2026** Even otherwise, the Informant fails to specify the manner in which provisions of the Act are allegedly violated. Therefore, in these circumstances, the allegations remain indeterminate and legally unsustainable. [CCI]
- **LW 13:02:2026** Where the shares of an amalgamating company, held as stock-in-trade, are substituted by shares of the amalgamated company pursuant to a scheme of amalgamation, and such shares are realisable in money and capable of definite valuation, the substitution gives rise to taxable business income within the meaning of Section 28 of the I.T. Act. [SC]
- **LW 14:02:2026** The impugned departmental proceedings against the appellant are also hereby quashed, and the Corporation is directed to release all the retiral benefits to the appellant within a period of eight weeks. [SC]
- **LW 15:02:2026** We hold that it is not and that an examination under Section 11(6-A) indicates that there exists an arbitration agreement between the parties. [SC]
- **LW 16:02:2026** The determination of the amount of reasonable compensation by the learned Single Judge having been undertaken in terms of Clause 4.6 of the PPA and further discretion having been exercised by awarding 50% of such amount as liquidated damages, the Division Bench was not justified in modifying the said decision. [SC]

- Notice inviting comments from various stakeholders on draft rules for refund process from IEPF Authority
- Notification of Amendment
- The Companies (Appointment and Qualification of Directors) Amendment Rules, 2025
- The Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2025
- Introduction of Closing Auction Session (CAS) in the Equity Cash Segment and certain modifications in the Pre-Open Auction Session
- Single Window Automatic and Generalised Access for Trusted Foreign Investors (SWAGAT-FI) framework for FPIs and FVCIs
- Single Window Automatic and Generalised Access for Trusted Foreign Investors (SWAGAT-FI) framework for FPIs and FVCIs
- Review of Framework to address the 'technical glitches' in Stock Brokers' Electronic Trading Systems
- Simplification of requirements for grant of accreditation to investors
- Compliance reporting formats for Specialized Investment Funds (SIF)
- Extension of timeline for implementation of additional incentives structure for distributors for onboarding new individual investors from B-30 cities and women investors
- Specification of the consequential requirements with respect to Amendment of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
- Reserve Bank of India (Rural Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026
- Reserve Bank of India (Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026
- Reserve Bank of India (Local Area Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026
- Reserve Bank of India (Small Finance Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026
- Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026
- Interest Subvention for Pre - and Post - Shipment Export Credit under Export Promotion Mission (EPM) – Niryat Prothsahan
- Export and Import of Goods and Services
- Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026
- Reserve Bank of India (Credit Information Companies - Internal Ombudsman) Directions, 2026
- Reserve Bank of India (Non-Bank Prepaid Payment Instruments Issuers - Internal Ombudsman) Directions, 2026
- Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026
- Reserve Bank of India (Commercial Banks - Internal Ombudsman) Directions, 2026
- Modified Interest Subvention Scheme for Short-Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial year 2025-26
- Foreign Exchange Management (Guarantees) Regulations, 2026
- Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Amendment Directions, 2026
- Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, Amendment Directions, 2026
- Reserve Bank of India (All India Financial Institutions – Credit Risk Management) – Amendment Directions, 2026
- Reserve Bank of India (Urban Co-operative Banks – Credit Risk Management) – Amendment Directions, 2026



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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:

- (i) buying and selling of any immovable property
- (ii) managing of client money, securities or other assets
- (iii) management of bank, savings or securities accounts
- (iv) organisation of contributions for the creation, operation or management of companies
- (v) creation, operation or management of companies, limited liability partnerships or trusts, and buying and selling of business entities



### Applicable Laws/Rules/Regulations

- i. Prevention of Money-Laundering Act, 2002 (PMLA, 2002)
- ii. Recommendations 24 to 26 & 28 of Financial Action Task Force
- iii. PML (Maintenance of Records) Rules, 2005
- iv. AML & CFT Guidelines For Professionals with Certificates of Practice from ICAI, ICSI and ICMAI
- v. Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 [applicable to all Company Secretaries]

### Registration of Reporting Entities

Company Secretaries in Practice falling under the definition of Reporting Entity as per AML/CFT Guidelines need to register as "Reporting Entity".

### Do's for Reporting Entities

- Appointment of Designated Director and Principal Officer
- Reporting of Suspicious Transaction Reports to Financial Intelligence Unit- INDIA
- Maintenance of Records
- Adoption of appropriate policies and procedures to prevent money laundering, terrorist financing and proliferation financing
- Performing Client Due Diligence (CDD) / Enhanced Due diligence (EDD)
- Appropriate training to its employees on the procedures for KYC, CDD, sanction screening and record keeping

### ICSI PMLA Portal

ICSI PMLA Portal accessible at <https://www.icsi.edu/home/money-laundering-prevention/> and consists of following: -

- i. FAQs on AML & CFT Guidelines for Professionals
- ii. Designated List (Amendments): Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005:
- iii. List of individuals, designated as terrorist, under UAPA, 1967
- iv. Notifications of Ministry of Finance
- v. Weblinks of Documents related to Targeted Financial Sanctions Related to Terror Financing and Proliferation Financing

### Steps to Register

- (i) Click on the URL: <https://stimulate.icsi.edu/>
- (ii) Click on the tab "Reporting Entity"
- (iii) Click on the option "Register as a Reporting Entity"

For queries e-mail at: [pmla@icsi.edu](mailto:pmla@icsi.edu)

**CS Pawan G. Chandak**  
President, The ICSI

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# 2

## ARTICLES



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- Corporate Governance Standards For Municipal Corporations: A Compliance Framework
- Dividend Governance in India
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- Loans, Guarantees, and Investments: A Comprehensive Review of Sections 185 and 186
- Listing Status of Demerged Entities under Indian Corporate and Securities Law: Statutory Interpretation, Regulatory Practice, and Judicial Guidance
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# Budget 2026-27: Forging Viksit Bharat's Path through Global Headwinds

India's Union Budget 2026-27, presented by Finance Minister Smt. Nirmala Sitharaman, charts a strategic course for Viksit Bharat amid global challenges, favoring fiscal discipline, high-tech manufacturing, and infrastructure over populist measures. It revolves around three *Kartavyas*: accelerating growth in strategic sectors like semiconductors and biopharma; empowering youth via skilling, education, and healthcare; and fostering inclusion through agriculture enhancements like AI tools and MSME support via Corporate Mitras through Professional Institutes. Reforms span high-speed rails, financial incentives, tax simplifications, and trade streamlining, promoting resilience, self-reliance, and broad-based prosperity.



**CS Asish Mohan**

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## INTRODUCTION

The Union Budget 2026, presented by Honourable Finance Minister Smt. Nirmala Sitharaman, her ninth consecutive budget, represents a significant milestone in India's fiscal trajectory. Instead of providing populist relief, the government has chosen a path of industrial muscle by focusing on high-tech manufacturing and infrastructure while maintaining a steady hand on fiscal discipline. With its emphasis on infrastructure, innovation, and investment, it lays a strong foundation for sustained progress while empowering youth through education, healthcare, and skill development.

The Budget 2026 embodies a mature, confidence-driven policy stance that prioritises certainty, structural reform and long-term competitiveness. As India navigates an increasingly complex global environment, the Budget reaffirms the nation's robust growth trajectory, advances the inclusive and aspirational vision of Viksit Bharat and strengthens the foundations for a more transparent, predictable and globally aligned regulatory and tax ecosystem. By focusing on the poor, underprivileged, and disadvantaged, the Budget balances ambition with inclusion and sets the stage for people-centric development that is both sustainable and equitable.

From a sectoral perspective, the Budget is expected to generate varied yet broadly favorable outcomes across the economy. Manufacturing and labor-intensive industries appear well-positioned to benefit from the

ongoing implementation of labour reforms, sustained public investment and expanded market access through recently concluded free trade agreements. The financial services sector, particularly institutions operating within International Financial Services Centres such as GIFT City, stand to gain from extended tax incentives, enhanced regulatory certainty and deeper integration with global financial markets.

The Government's recognition to the **Institute of Company Secretaries of India (ICSI)** as a partner in developing a cadre of "**Corporate Mitras**" stands out as a forward-looking and inclusive initiative. Through short-term, modular courses designed by professional bodies, these Corporate Mitras will support MSMEs in meeting compliance requirements at affordable cost. This initiative not only strengthens the compliance ecosystem but also promotes entrepreneurship at the grassroot level, thereby ensuring employment generation and innovation.

## Three Kartavyas: Budget's Call to Action

The Budget outlines threefold *kartavyas* for India's future: first, to accelerate and sustain economic growth by enhancing productivity, competitiveness, and resilience against global volatility; second, to fulfil the aspirations of our people by building their capacity and making them strong partners in the nation's prosperity; and third, aligned with the vision of *Sabka Saath, Sabka Vikas*, to ensure that every family, community, region, and sector has access to resources, amenities, and opportunities for meaningful participation.



Under the first *Kartavya*, interventions have been proposed in the following six areas to accelerate and sustain economic growth, *viz.*, (i) scaling up of manufacturing in seven strategic and frontier sectors, (ii) rejuvenating legacy industries, (iii) creating "Champion MSMEs" to drive competitiveness and innovation, (iv) Developing a powerful push to infrastructure, (v) ensuring long-term energy security and stability, and (vi) development of City Economic Regions. These initiatives aim to strengthen resilience, foster inclusivity, and ensure sustainable progress in reaffirming India's confidence in its growth trajectory.

The second Kartavya focuses on fulfilling people's aspirations by enhancing their capabilities and enabling them to become active contributors to India's prosperity. It advances human capital development through strengthened initiatives in education, healthcare, skill enhancement, and livelihood creation, placing people firmly at the centre of India's growth and development journey. The third Kartavya focuses on inclusive development aligned with *Sabka Saath, Sabka Vikas*. It requires targeted efforts to raise farmer incomes by improving productivity and promoting entrepreneurship, especially among small and marginal farmers. It also prioritises the empowerment of Divyangjan through better access to livelihoods, training, and high-quality assistive devices. Strengthening support for vulnerable groups by expanding access to mental health and trauma care forms another key element. In addition, the Government aims to accelerate development and employment generation in the Purvodaya States and the North-East Region to ensure balanced and equitable growth across the country.

#### Macro-Economic Framework: Prudence Meets Ambition

Through this budget India is looking up to a GDP growth outlook of 10%, reflecting a resilient economy that is transitioning from "scale to efficiency." A massive infusion of **₹12.2 lakh crore** in the capital expenditure will act as a catalyst for private investment, particularly in the manufacturing sector. With a 7.7% increase over the revised estimates of the previous year, the total expenditure for FY 2026-27 stands projected at **₹53.5 lakh crores**. This budget is targeting a fiscal deficit of **4.3% of GDP**, down from 4.4% in the previous fiscal signaling a strong commitment to fiscal consolidation.

A brief analysis of sector specific proposals as introduced in the Union Budget 2026-27 to promote the growth in vital sectors of the economy is as under:

### MANUFACTURING SECTOR

As part of the first *kartavya* to accelerate and sustain economic growth, the Union Budget 2026 outlines six major intervention areas, the most prominent being the expansion of manufacturing across seven strategic and frontier sectors. To provide stimulus, the following announcements have been made:

#### a) Upgrading India's Semiconductor Ecosystem

The budget announced India Semiconductor Mission (ISM) 2.0, building on the foundation of ISM 1.0, which helped establish India's semiconductor industry. ISM 2.0 will focus on designing and manufacturing semiconductor equipment, producing essential materials, expanding the design ecosystem, and strengthening talent development. A provision of ₹1,000 crore has been allocated for FY 2026-27 to support these initiatives.

#### b) Transforming India into a Global Biopharma Hub

The Union Budget 2026-27 has proposed Biopharma SHAKTI, a major initiative with an outlay of ₹10,000 crore over five years to strengthen India's ecosystem for the production of biologics and biosimilars. The programme supports India's broader ambition of becoming a leading global biopharma hub and achieving 5% of the global biopharmaceutical market share.

#### c) Rare Earth Corridors

The Budget emphasizes strengthening India's self-reliance in critical materials by complementing the recently approved Rare Earth Permanent Magnet (REPM) Manufacturing Scheme with new corridor-based initiatives. As part of this strategy, Dedicated Rare Earth Corridors have been announced in Odisha, Kerala, Andhra Pradesh, and Tamil Nadu, focusing on mining, processing, research, and manufacturing by leveraging the mineral-rich strengths of these states.

#### d) Cluster-based Chemical Parks

The establishment of three cluster-based chemical parks under a plug-and-play model is another key measure intended to reduce the nation's import dependence on essential chemicals.

Beyond these core sectors, the government has also announced a dedicated initiative for sports goods manufacturing, promoting innovation in equipment design and material science to position India as a competitive global supplier. Additionally, a scheme for the rejuvenation of 200 legacy industrial clusters aims to upgrade infrastructure and technology across traditional industrial hubs, thereby improving productivity, efficiency and cost competitiveness.

### FINANCIAL SECTOR

The Budget 2026 positions the financial services sector as a key driver of a service-led economy and aims to make it future ready by simplifying regulations, strengthening governance, and easing business. The Budget introduces several measures aimed at deepening India's capital markets, enhancing efficiency within public financial institutions and creating a more enabling environment for foreign investment.

#### a) Measures related to Bond Market

- i. To encourage larger **municipal bond** issuances, the government has proposed an incentive of ₹100 crore for any single bond issuance exceeding ₹1,000 crore, while also continuing the existing AMRUT-linked support mechanism for smaller and medium towns that issue bonds up to ₹200 crore.
- ii. To further deepen market liquidity and improve price discovery in the **corporate bond market**, a new market-making framework will be introduced, supported by access to funding and the availability of derivatives on corporate bond indices. Complementing this, the Budget also proposes the introduction of total return swaps on corporate bonds, marking another step towards expanding the breadth and sophistication of India's financial markets.

#### b) Restructuring of Public Sector NBFCs

The Power Finance Corporation and the Rural Electrification Corporation will undergo restructuring to help them achieve scale, improve operational efficiency and better support the country's long-term infrastructure financing needs.

### c) Review of the Foreign Exchange Management (Non-debt Instruments) Rules

The government has announced a comprehensive review of the Foreign Exchange Management (Non-Debt Instruments) Rules to create a more contemporary, user-friendly framework for foreign investments consistent with India's evolving economic priorities.

## SERVICES SECTOR

In the services sector, the Budget places strong emphasis on strengthening the link between education, employability and enterprise creation. The Budget also sets out a comprehensive vision for strengthening India's healthcare, tourism and cultural heritage sectors through a series of forward-looking initiatives. The following measures are announced in the union budget:

- A major announcement is the launch of a scheme to support States in establishing **five Regional Medical Hubs**, in partnership with the private sector, to position India as a global hub for medical tourism services.
- In parallel, traditional medicine and AYUSH capacity will be significantly expanded through the **establishment of three new All India Institutes of Ayurveda**, the upgradation of AYUSH pharmacies and drug-testing laboratories, and the enhancement of the WHO Global Traditional Medicine Centre in Jamnagar.
- To further promote India's tourism and hospitality potential, the government will set up a **National Institute of Hospitality** by upgrading the existing National Council for Hotel Management and Catering Technology.

The Government's recognition to the Institute of Company Secretaries of India (ICSI) as a partner in developing a cadre of "Corporate Mitras" stands out as a forward-looking and inclusive initiative. Through short-term, modular courses designed by professional bodies, these Corporate Mitras will support MSMEs in meeting compliance requirements at affordable cost. This initiative not only strengthens the compliance ecosystem but also promotes entrepreneurship at the grassroot level, thereby ensuring employment generation and innovation.

In addition, the Budget emphasized on the ecologically sustainable tourism by developing curated mountain trails, turtle trails along coastal belts and bird-watching routes in biodiversity-rich regions. A significant environmental initiative which is announced in the Budget is that India will host the first-ever Global Big Cat Summit this year, bringing together leaders, environment ministers and experts from 95 big cat range countries to discuss collective conservation strategies. This move underscores India's expanding role as a global leader in wildlife protection and reinforces the nation's commitment to shaping international dialogue on biodiversity and conservation.

Heritage tourism will be boosted through the development of fifteen archaeological sites into vibrant, experiential cultural destinations. Complementing this effort, a dedicated scheme will be launched for the development of Buddhist Circuits across Arunachal Pradesh, Sikkim, Assam, Manipur, Mizoram and Tripura, aimed at preserving cultural heritage while expanding spiritual and regional tourism.

## AGRICULTURE SECTOR

Agriculture has long been the backbone of India's economy, sustaining millions of livelihoods, particularly in rural regions. Recognizing its vast potential, the Government has positioned the sector as a pivotal engine of national growth. Reflecting this commitment, the Budget proposes a comprehensive set of initiatives aimed at boosting productivity, diversifying farm incomes and strengthening rural livelihoods.

### a) 'Bharat-VISTAAR' - A multilingual AI tool

'Bharat-VISTAAR' (Virtually Integrated System to Access Agricultural Resources)—a multilingual AI tool that shall integrate the AgriStack portals and the ICAR package on agricultural practices with AI systems providing farmers with customised advisory services, real-time information and improved decision-making support.

### b) 'SHE-Mart': A major step towards making rural women entrepreneurs

Under this initiative, community-owned retail outlets will be established in every district as a platform to sell products made by women, where items produced by Self-Help Groups and rural women will get access to new markets.

### c) Strong focus on Agriculture Research and affordable fertilisers

The budget to Agriculture sector has been increased to ₹1,32,561 crore this year. A provision of ₹9,967 crore has been made for agricultural education and research, particularly for the Indian Council of Agricultural Research (ICAR), which will strengthen research and innovation. Further, to ensure the availability of affordable fertilisers, a subsidy of ₹1,70,944 crore has been provided so that production costs are reduced and farmers get relief.

In addition, a dedicated Coconut Promotion Scheme will be launched to increase output and improve productivity through targeted interventions. Further, Animal husbandry and veterinary capacity will be significantly enhanced through a loan-linked capital subsidy scheme for establishing veterinary and paravet colleges, hospitals, diagnostic laboratories and breeding facilities in the private sector. Water resource development remains a priority, with plans for the integrated development of 500 reservoirs and Amrit Sarovars aimed at improving irrigation, conservation and local water security.

## EDUCATION AND YOUTH DEVELOPMENT – YUVA SHAKTI DRIVEN BUDGET

This budget focuses on augmenting skills for Yuva Shakti via multiple announcements highlighting on education, skilling and providing livelihood opportunities for the youth. In

the sphere of education and youth development, the Budget introduces following forward-looking initiatives:

- **Five University Townships will be established** which will host multiple Universities, colleges, research institutions, skill centres and residential complexes in the vicinity of industrial and logistics corridors having backward linkages of setting up of composite schools from pre-primary up to secondary.
- To support **greater participation of women in STEM**, particularly in fields requiring extended laboratory hours, the government will set up a girls' hostel in every district and for promoting high-end experiential scientific learning, 4 Telescope infrastructure facilities to be set up/ upgraded to promote Astrophysics and Astronomy.
- Design education in the eastern region will receive a major boost with the **establishment of a new National Institute of Design**, aimed at nurturing creative talent and strengthening India's design capabilities.
- **Setting up of Animation, Visual Effects, Gaming and Comics (AVGC) Content creator labs** in 15000 secondary schools and 500 colleges will create opportunities for skilled personnel in the area of animation, visual effects, gaming and comics to operate these labs.

In addition, Youth engagement in sports is also set to receive a significant push with the launch of the Khelo India Mission, envisioned to transform the sports sector over the next decade by building talent pathways, integrating sports science and expanding infrastructure. Parallely, the Samarth 2.0 initiative will modernise and upgrade the textile skilling ecosystem in partnership with industry and academia, equipping young people with advanced competencies in textile technologies and helping them access emerging employment opportunities in the sector.

## INFRASTRUCTURE AND URBANISATION

In the sphere of infrastructure and urban development, the Budget outlines a robust and forward-looking strategy designed to accelerate national connectivity, modernize logistics and strengthen India's long-term economic foundations. The transformative infrastructure initiatives, including the development of three high-speed rail corridors linking Bengaluru, Chennai, and Hyderabad is a significant step to enhance regional connectivity and drive deeper economic integration across South India.

The monetization of CPSE real estate assets, together with the establishment of an Infrastructure Risk Guarantee Fund that provides carefully structured partial credit guarantees to lenders, will strengthen institutional backing and ensure sustained progress in India's infrastructure growth trajectory.

This budget provides urban development a sustained boost with an allocation of ₹5,000 crore per year for five years for City Economic Regions (CERs), alongside a continued focus on Tier-2 and Tier-3 cities as emerging growth centres. These measures will enable planned urbanisation, support civic infrastructure, and unlock housing demand across new geographies. Further, accelerated recycling of CPSE real estate assets through dedicated REITs and continued emphasis on InvITs will deepen capital markets, improve liquidity, and strengthen investor confidence across the sector.

In support of greener logistics, a Coastal Cargo Promotion Scheme will be launched to incentivize a modal shift from rail and road to coastal and inland waterways, while a Seaplane VGF Scheme will be introduced to facilitate regional connectivity and promote tourism by supporting the viability of seaplane operations. The Budget also underscores India's commitment to long-term energy security and climate resilience by announcing an outlay of ₹20,000 crore over the next five years for the advancement of Carbon Capture, Utilization and Storage (CCUS) technologies.

## EASE OF DOING BUSINESS

The Budget introduces a series of reforms to enhance ease of doing business, streamline regulatory processes and improve trade facilitation. Individual Persons Resident Outside India (PROI) will now be permitted to invest in equity instruments of listed Indian companies through the Portfolio Investment Scheme, with the individual investment limit doubled from 5% to 10% and the aggregate limit for all PROIs increased to 24%.

In trade and logistics, a single, interconnected digital window will be introduced to consolidate cargo clearance approvals across government agencies, while a comprehensive Customs Integrated System (CIS) will be rolled out within two years to provide a unified and scalable platform for all customs processes. To strengthen risk assessment and expedite cargo movement, non-intrusive scanning using advanced imaging and AI technology will be deployed with the objective of scanning every container at major ports.

Additionally, to facilitate dispute resolution, honest taxpayers willing to settle outstanding matters will be allowed to close cases by paying an additional amount in lieu of penalty, thereby reducing litigation and fostering a more trust-based compliance environment.

## MSMEs

The Union Budget 2026 positions MSMEs as pivotal growth engines in India's economy by introducing measures for liquidity support, compliance assistance, and a dedicated growth fund. The Budget introduces a comprehensive set of measures to strengthen the MSME ecosystem, with a strong focus on easing compliance, improving liquidity, and expanding access to growth capital.

### a) 'Corporate Mitras' Initiative

Recognizing the ICSI as a partner in developing a cadre of "Corporate Mitras" stands out as a forward looking and inclusive initiative. Through short term, modular courses designed by professional bodies, these Corporate Mitras will support MSMEs in meeting compliance requirements at affordable cost. This initiative not only strengthens the compliance ecosystem but also promotes grassroots entrepreneurship, employment generation and innovation.

### b) Creation of MSME Growth Fund and top up to Self-Reliant India Fund

One of the most significant announcements is the creation of a ₹10,000 crore MSME Growth Fund, aimed at building future "Champion MSMEs." This will help promising enterprises scale up, invest in technology,

expand capacity, and compete more effectively. Further, a top up of ₹2,000 crore to the Self-Reliant India Fund, will continue to support micro enterprises with access to risk capital.

### c) Introduction of Credit Guarantee Support Mechanism

To further strengthen cash flow and trade finance, the Budget mandates the use of the Trade Receivables Discounting System (TReDS) as the settlement platform for all purchases from MSME by Central Public Sector Enterprises. Complementing this, a credit guarantee support mechanism through the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) will be introduced for invoice discounting on the TReDS platform.

## TAXATION REFORMS

The Budget 2026 reflects a pragmatic and forward-looking approach to taxation. It introduces the Income Tax Act, 2025, which will come into effect from April 2026, accompanied by simplified rules and redesigned forms intended to reduce compliance complexity and improve ease of filing.

To ease compliance, the time limit for revising income tax returns has been extended from December 31 to March 31, and the filing timeline has been staggered across taxpayer categories. To attract global business, the Budget introduced safe harbour provisions, extended tax holiday for GIFT units, and statutory clarity on legal issues which is intended to create a stable, predictable and investment-friendly environment for India's services-led growth. The Budget also rationalises the definition of "accountant" for safe harbour rules and proposes taxing buyback proceeds as capital gains for all shareholders, with promoters required to pay an additional levy that results in an effective tax rate of 22% for corporate promoters and 30% for non-corporate promoters.

In recognition of India's growing strength in technology services, multiple measures have been introduced to support the IT sector, including consolidation of all major IT-related services such as software development, ITES, KPO and contract R&D under a single category with a unified safe harbour margin of 15.5 percent, alongside a substantial increase in the safe harbour threshold from ₹300 crore to ₹2,000 crore. The liberalization of the safe harbour range for arms length margin for IT enabled services would bring relief to many multinationals. The Budget also grants dutyfree status to fish caught by Indian fishing vessels in the Exclusive Economic Zone or on the high seas, supporting the fisheries sector.

In the front of Indirect Taxes, the budget has taken customs measures by including tariff simplification across sectors such as marine products, leather, textiles, renewable energy, nuclear power, critical minerals, aviation, and electronics. Customs processes will be redesigned to minimize physical intervention and expedite cargo movement, including automated clearances and modernized warehousing norms. Additionally, the Budget removes the existing ₹10 lakh per consignment value cap on courier exports, a move that will greatly support small businesses, artisans and startups accessing global markets through ecommerce channels.

## REGULATORY REFORMS

A series of regulatory reforms have been proposed to strengthen governance and to enhance policy coherence

across sectors. Key initiatives under regulatory reforms are as under:

- Setting up a **"High Level Committee on Banking for Viksit Bharat"**, to undertake a comprehensive review of the banking sector and align it with India's next phase of growth, while ensuring financial stability, inclusion and consumer protection.
- Setting up a **High-Powered 'Education to Employment and Enterprise' Standing Committee** to recommend measures that focus on the Services Sector as a core driver of Viksit Bharat.
- Constitute a **Joint Committee of Ministry of Corporate Affairs and Central Board of Direct Taxes** to integrate Income Computation and Disclosure Standards (ICDS) into Indian Accounting Standards (IndAS), eliminating the need for separate ICDSbased reporting from the tax year 2027-28.

## CONCLUSION

Overall, the Union Budget 2026 stands out as a structurally forward-looking and strategically grounded financial blueprint that reinforces India's manufacturing ecosystem and responds to industry demands for higher competitiveness and sustainability. With its strong emphasis on capital expenditure, infrastructure expansion, innovation, and support for key sectors, the Budget articulates a clear vision for growth while maintaining fiscal responsibility and longterm economic stability. It reflects the Government's confidence in India's growth trajectory and its commitment to building an inclusive, resilient and future-ready economy.

By prioritizing reforms that enhance productivity, strengthen domestic capabilities, and encourage investment, the Budget not only accelerates India's journey toward selfreliance but also lays the foundation for sustained prosperity. In essence, this Budget strengthens the pillars of growth, resilience and innovation — charting a path toward a stronger, more selfreliant and prosperous India.

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# Corporate Governance Standards For Municipal Corporations: A Compliance Framework

Municipal Corporations in India, managing budgets exceeding lakhs and crores and serving millions of citizens, operate in a governance vacuum when compared to their corporate counterparts. While corporate India has embraced stringent governance standards under the Companies Act, 2013, and SEBI regulations, Urban Local Bodies (ULBs) continue to function with limited accountability frameworks. This article proposes a comprehensive compliance framework that adapts Corporate Governance principles to Municipal Corporations, creating a robust system of checks and balances. The framework addresses Board composition, financial reporting, disclosure norms, stakeholder engagement, and ethical standards tailored for public sector entities. Furthermore, this paper explores the emerging role of Company Secretaries as compliance officers, governance advisors, and transparency champions in Municipal Corporations, opening new avenues for CS professionals in both practice and employment. Through case studies and comparative analysis, the article demonstrates how corporate governance standards can transform municipal administration, enhance public trust, and improve service delivery.



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## INTRODUCTION

Indian Municipal Corporations are witnessing unprecedented transformation. Cities like Mumbai, Delhi, Pune, and Bengaluru manage annual budgets exceeding ₹30,000 crores, operate complex financial instruments including municipal bonds, and maintain balance sheets rivaling mid-sized corporations.

Despite their size and complexity, Municipal Corporations operate without the governance rigor mandated for listed companies of similar scale. A listed company with a turnover of ₹1,000 crores must comply with stringent corporate governance norms under the Companies Act, 2013, SEBI LODR Regulations, and various other statutes. In contrast, a Municipal Corporation with ten times that budget operates with minimal governance oversight, limited disclosure requirements, and virtually no independent accountability mechanisms.

The gap between corporate governance standards and municipal governance practices creates several challenges: lack of transparency, inefficient resource allocation,

delayed project execution, weak internal controls, limited stakeholder engagement, and increased risk of fraud and misappropriation. The recent push toward municipal bonds, credit ratings, and institutional financing has brought these governance deficits into sharp focus. Credit rating agencies now explicitly consider governance frameworks while rating municipal bonds, and institutional investors demand corporate-level transparency before investing in municipal securities.

This article proposes a comprehensive compliance framework that bridges this governance gap, drawing from corporate best practices while respecting the unique characteristics of municipal operations. Furthermore, it identifies specific roles for Company Secretaries in implementing and maintaining these standards, creating new professional opportunities in the public sector.

## CORPORATE GOVERNANCE: PRINCIPLES AND APPLICABILITY TO ULBs

Corporate governance, as defined by the Cadbury Committee, represents “the system by which organizations are directed and controlled.” The OECD Principles of Corporate Governance identify six pillars: ensuring the basis for an effective governance framework, rights and equitable treatment of shareholders, institutional investors and stakeholders, role of stakeholders, disclosure and transparency, and responsibilities of the board.

For Municipal Corporations, these principles translate into:

### 1. Effective Governance Framework

Municipal Corporations require clear organizational structures, defined roles and responsibilities, effective internal controls, and compliance mechanisms. The framework must balance democratic accountability (through elected representatives) with professional management (through permanent bureaucracy).

## 2. Stakeholder Rights and Equitable Treatment

Citizens are the ultimate stakeholders in municipal operations. Like shareholders have voting rights, information rights, and grievance mechanisms, citizens must have structured channels for participation, access to information, and redressal of complaints. The Right to Information Act, 2005, provides a foundation, but comprehensive stakeholder engagement requires more proactive disclosure.

## 3. Role of Institutional Stakeholders

State Governments, Finance Commissions, regulatory bodies (SEBI for bond issuances), credit rating agencies, and institutional lenders play oversight roles analogous to institutional investors and regulators in corporate governance.

## 4. Disclosure and Transparency

Timely, accurate, and comprehensive disclosure of financial information, performance metrics, project status, and governance practices builds public trust and enables informed citizen participation. Municipal Corporations must adopt disclosure standards comparable to listed companies.

## 5. Board Responsibilities

The Standing Committee and General Body of Municipal Corporations function as the board of directors. These bodies must exercise fiduciary responsibility, strategic oversight, and accountability for organizational performance.

## 6. Ethical Standards

Municipal operations must adhere to the highest ethical standards, maintaining integrity, avoiding conflicts of interest, and preventing corruption. A formal code of conduct, whistle-blower mechanisms, and ethics training programs are essential.

## CURRENT GOVERNANCE LANDSCAPE IN MUNICIPAL CORPORATIONS

### 1. Legislative Framework

Municipal Corporations operate under respective State Municipal Corporation Acts, the 74<sup>th</sup> Constitutional Amendment Act, and various rules framed thereunder. While these provide basic governance structures, they lack the detailed compliance requirements found in corporate legislation.

### 2. Financial Reporting

Most Municipal Corporations follow cash-based accounting systems, though some progressive corporations have adopted accrual-based systems. Financial statements are often not audited by independent external auditors, and disclosure practices vary widely. Annual reports, when published, lack the detail and standardization found in corporate annual reports.

### 3. Internal Controls

Internal audit functions exist but often lack independence, resources, and professional expertise. There are no

equivalents to audit committees with independent members. Risk management frameworks are largely absent.

## 4. Disclosure Practices

Beyond mandatory RTI compliance, proactive disclosure is limited. Budget documents are published, but detailed financial information, performance metrics, and governance practices are not systematically disclosed. Citizens lack access to information comparable to what shareholders receive.

## 5. Stakeholder Engagement

Ward committee meetings and public hearings provide some citizen participation, but these mechanisms are often ineffective. There are no structured channels for citizen feedback on service delivery or governance practices.

## 6. Compliance Function

Unlike corporations that maintain dedicated compliance departments headed by qualified Company Secretaries, Municipal Corporations lack formal compliance functions. Compliance monitoring is fragmented across multiple departments without centralized oversight.

## PROPOSED COMPLIANCE FRAMEWORK FOR MUNICIPAL CORPORATIONS

### 1. Governance Structure

#### a. Reconceptualizing the General Body and Standing Committee

The General Body (all elected corporators) functions as shareholders' meeting, while the Standing Committee functions as the board of directors. This structure should incorporate:

- Independent members with expertise in finance, law, urban planning, and public administration (analogous to independent directors).
- Minimum qualification criteria for Standing Committee members.
- Formal board evaluation mechanisms.
- Structured committee system (Audit Committee, Finance Committee, Service Delivery Committee, Ethics Committee).

#### b. Professional Management Board

Create a Professional Management Board comprising the Municipal Commissioner and heads of key departments, functioning as executive management. This board should have clearly defined roles, performance metrics, and accountability mechanisms.

### 2. Audit and Compliance Framework

#### a. Audit Committee

Establish an Audit Committee comprising:

- Minimum three members from Standing Committee.

- At least one independent member with financial expertise.
- Ex-officio participation by Municipal Commissioner and Chief Accounts Officer.
- Company Secretary as Member Secretary.

The Audit Committee should oversee financial reporting, internal controls, internal audit function, external audit coordination, risk management, and compliance monitoring.

### 3. Internal Audit

Strengthen internal audit through:

- Reporting to Audit Committee rather than executive management.
- Adequate budget and staffing.
- Risk-based audit planning.
- Use of technology for continuous auditing.
- Professional certification requirements.

### 4. External Audit

Mandate external audit by qualified firms:

- Annual financial statements audited by independent CA firms.
- Rotation of audit firms every five years.
- Audit reports presented to Audit Committee and General Body.
- Public disclosure of audit reports.

### 5. Compliance Function

Establish a dedicated Compliance Department headed by a qualified Company Secretary with responsibilities including:

- Monitoring compliance with all applicable laws and regulations.
- Developing and maintaining compliance calendar.
- Conducting compliance audits.
- Training staff on compliance requirements.
- Maintaining statutory registers and records.
- Liaison with regulatory authorities.
- Secretarial services to Standing Committee and various committees.
- Corporate governance reporting.
- Stakeholder communication and disclosure management.

## ROLE OF COMPANY SECRETARIES IN MUNICIPAL GOVERNANCE

The proposed compliance framework creates significant opportunities for Company Secretaries in both employment and practice:

### 1. In Employment

#### a. Chief Compliance Officer

Municipal corporations can designate qualified Company Secretaries as Chief Compliance Officers with responsibilities of:

- Overall compliance monitoring and reporting.
- Coordination with all departments for compliance adherence.
- Interface with regulatory authorities.
- Compliance risk assessment.
- Training and capacity building.

#### b. Corporate Governance Officer

Dedicated role for implementing and maintaining corporate governance standards:

- Preparing corporate governance reports.
- Coordinating board and committee meetings.
- Maintaining statutory registers.
- Disclosure management.

- Stakeholder communication.

### 2. In Practice

#### a. Compliance Audits

CS firms can conduct:

- Secretarial audits (analogous to CARO for companies).
- Corporate governance audits.
- Specific compliance audits (procurement, HR, legal).
- ESG compliance audits.

#### b. Governance Advisory

Consulting services for:

- Designing governance frameworks.
- Developing policies and procedures.
- Board evaluation.
- Training programs for corporators and officials.
- Benchmarking with best practices.

As Governance Champions, Company Secretaries can drive transformation in urban Governance, while simultaneously building rewarding careers in the public sector.

c. **Bond Issuance Support**

CS firms can provide:

- Due diligence for bond issuances.
- Disclosure document preparation.
- SEBI compliance support.
- Rating agency coordination.
- Trustee services.

3. **Municipal Credit Rating Advisory Services**

Credit ratings have emerged as critical enablers for Municipal Corporations seeking to access capital markets through bond issuances. Company Secretaries, with their expertise in financial disclosure, corporate governance, and regulatory compliance, are ideally positioned to provide comprehensive credit rating advisory services to ULBs. This represents a significant growth area for Company Secretary professionals in practice.

a. **Pre-Rating Preparation Support:**

- Financial data compilation and standardization for rating agency requirements.
- Preparation of comprehensive information memorandum covering financial performance, governance structure, and operational metrics.
- Gap analysis against rating methodology parameters including financial strength, governance quality, and institutional framework.
- Documentation of revenue enhancement measures, expenditure rationalization strategies, and fiscal discipline initiatives.
- Development of governance disclosure frameworks demonstrating transparency and accountability.

b. **Rating Process Facilitation:**

- Coordination with credit rating agencies.
- Management presentation preparation highlighting financial strength, governance initiatives, and strategic vision.
- Facilitation of rating committee interactions and site visits.
- Response to rating agency queries and clarification requests.
- Review and representation on draft rating rationale.

c. **Post-Rating Compliance:**

- Monitoring compliance with rating agency requirements for surveillance reviews.
- Preparation of annual update information for rating reaffirmation.
- Material event disclosure as per rating watch protocols.
- Quarterly/half-yearly performance reporting to rating agencies.

- Implementation of rating improvement roadmap.

d. **Strategic Rating Enhancement:**

- Developing action plans for rating upgrades based on rating sensitivity analysis.
- Strengthening financial management systems to improve key rating parameters.
- Implementing governance reforms that positively impact institutional quality assessment.
- Revenue mobilization strategies to enhance self-sufficiency ratios.
- Debt management policies to optimize debt service coverage ratios.

e. **Specialized Advisory Services:**

- Comparative rating analysis vis-à-vis peer municipal corporations.
- Impact assessment of policy decisions on credit ratings.
- Training programs for municipal officials on credit rating methodologies.
- Credit rating report interpretation and communication to stakeholders.
- Assistance in responding to rating downgrades or negative outlooks.

The importance of credit ratings for Municipal Corporations cannot be overstated. Credit ratings determine borrowing costs, access to institutional investors, compliance with RBI guidelines for municipal bond issuances, and overall market credibility. Company Secretaries can bridge the gap between municipal financial management practices and rating agency expectations, thereby facilitating better access to capital markets. With major municipal corporations like Pune, Indore, Bhopal, Surat, and Vadodara having obtained credit ratings ranging from AA to A+, there is substantial scope for Company Secretaries to support other ULBs in this journey.

Furthermore, as municipal bond markets mature and more ULBs seek to tap capital markets, the demand for professional credit rating advisory services will increase exponentially. Company Secretaries with expertise in municipal finance, governance frameworks, and capital markets can establish specialized practices focused exclusively on supporting ULBs in their credit rating journey, creating a win-win situation for both the profession and urban local governance.

## IMPLEMENTATION ROADMAP

### 1. Phase 1: Foundation (Year 1)

- Conducting governance gap analysis.
- Designing compliance framework customized to Municipal Corporation size and context.
- Appointing Chief Compliance Officer.
- Establishing Audit Committee.
- Implementing basic disclosure requirements.
- Developing code of conduct.

2. **Phase 2: Institutionalization (Year 2-3)**
  - Strengthening internal audit function.
  - Implementing risk management framework.
  - Enhancing financial reporting standards.
  - Establishing whistleblower mechanisms.
  - Publishing comprehensive annual reports.
  - Training programs for corporators and officials.
3. **Phase 3: Maturity (Year 4-5)**
  - External audit by independent firms.
  - Real-time disclosure platforms.
  - Benchmarking and continuous improvement.
  - Integration with smart city initiatives.
  - Performance-linked compensation for officials.
  - Citizen satisfaction surveys and feedback loops.

## CHALLENGES AND MITIGATION STRATEGIES

### 1. Political Economy Challenges

**Challenge:** Elected representatives may resist governance reforms perceived as limiting their discretion or increasing accountability.

**Mitigation:**

- Frame governance as enabler of effective service delivery.
- Demonstrate how better governance attracts investments and resources.
- Build political consensus through consultative processes.
- Create peer pressure through rankings and awards.

### 2. Capacity Constraints

**Challenge:** Municipal corporations may lack trained personnel to implement complex governance frameworks.

**Mitigation:**

- Phased implementation starting with basic requirements.
- Outsourcing specialized functions to consultants.
- Training programs in collaboration with professional institutes.
- Technology solutions to reduce manual effort.

## CONCLUSION

Municipal Corporations stand at the intersection of democracy and development. As engines of urban growth managing massive resources and serving crores of citizens, they must embrace governance standards commensurate with their responsibilities. The proposed compliance framework adapts proven corporate governance principles to the municipal context, creating robust accountability mechanisms while preserving democratic character.

Implementation of this framework offers multiple benefits: enhanced transparency and accountability, improved resource management and service delivery, better access to capital markets, increased citizen trust and participation, reduced

corruption and fraud, and professional management culture. These improvements translate to better quality of life for citizens and more sustainable urban development.

For Company Secretaries, municipal governance represents a frontier area of professional practice. The specialized knowledge, compliance expertise, and governance skills of Company Secretaries are ideally suited to leadership roles in Municipal Corporations. As governance champions, Company Secretaries can drive transformation in urban governance, while simultaneously building rewarding careers in the public sector. The emerging opportunity in municipal credit rating advisory services further expands the professional horizon for CS practitioners.

The journey from current practices to world-class municipal governance is challenging but achievable. It requires legislative support, political will, administrative commitment, professional expertise, technological enablement, and citizen engagement. Early adopters will gain competitive advantages in attracting investments, delivering services, and earning citizen trust.

The time for action is now. As Indian cities compete globally and attract unprecedented investments, governance excellence is not optional — it is imperative. Company Secretaries, with their core expertise in compliance and governance, have both opportunity and responsibility to lead this transformation. Through employment in Municipal Corporations and consulting practice supporting them, Company Secretary professionals can write a new chapter in India's urban governance story.

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# Dividend Governance in India

The decision to pay dividend and the amount of dividend is determined by the profits earned by the company, the decision to reinvest for future growth, current market conditions, and expectations of shareholders. Hence, dividend policies become a key factor that investors consider when evaluating a firm's long-term stability and investment appeal.



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## INTRODUCTION

**A** dividend is one of the simplest ways a company rewards the people who invest in it. When a business earns profits, it may choose to share a portion of those earnings with its shareholders in the form of a dividend. These payments can come as cash, additional shares, or occasionally other benefits. Dividends play a central role in the world of corporate finance, acting as a signal of financial strength, stability, and management's confidence in future earnings. For investors, dividends offer not only a steady income stream but also reflect the financial health and a means of evaluating the long-term value and reliability of a company.

In the broader world of finance, dividend decisions are an important part of how a company shapes its long-term strategy. Factors such as how much profit the company makes, how much it needs to reinvest for future growth, current market conditions, and what shareholders expect all influence whether dividends are paid and in what amount. Because of this, understanding how dividends work helps both investors looking to grow their wealth and companies aiming to maintain trust with their stakeholders.

As a result, dividend policies become a key factor that investors consider when evaluating a firm's long-term stability and investment appeal. Understanding how dividends work — and why companies choose to distribute them — is essential for anyone looking to navigate the world of financial markets more effectively.

## STATUTORY PROVISIONS

Under **Section 2(35) of the Companies Act, 2013**, “dividend” includes any interim dividend. Legally, it is not just a payout; it is a “debt” once declared by the shareholders.

### 1. Sources of Dividend

As per **Section 123(1) of the Companies Act, 2013**, a company can only declare dividends from:

- Current Year Profits: After providing for depreciation.
- Accumulated Profits: From previous financial years, transferred to the free reserves.
- Government Money: Provided by the Central/ State Government for dividend payment in pursuance of a guarantee.

Crucial Knowledge Point: You must exclude unrealized gains, notional gains, or revaluation of assets when calculating “profits.”

## THE “INADEQUACY OF PROFITS” RULE

If a company has no profits but still wants to pay a dividend from reserves, it must meet four strict conditions {**Rule 3 of Companies (Declaration and Payment of Dividend) Rules, 2014**}:

- Rate Cap:** The rate cannot exceed the average of the last 3 years' rates.
- Withdrawal Cap:** Total withdrawal cannot exceed 1/10<sup>th</sup> of (Paid-up Capital + Free Reserves).
- Loss Offset:** The withdrawn amount must first set off the current year's losses.
- Residual Balance:** The balance in reserves after withdrawal must not fall below 15% of the paid-up share capital as appearing in the latest audited financial statement.

## INTERIM VS. FINAL DIVIDEND: THE PROCEDURAL DIVIDE

Particulars	Interim Dividend*	Final Dividend
Authority	Board of Directors	Shareholders (on Board's recommendation)
Timing	During the year or before AGM	At the Annual General Meeting (AGM)
Revocability	Can be revoked with Board consent	Once declared, it is a debt
Source	P&L Surplus / Current Year Profits	Audited Financial Statements

*\*if in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during immediately preceding three financial years.*

## THE “GOLDEN RULES” OF PAYMENT

1. **The 5-Day Rule:** The dividend amount including interim dividend must be deposited in a scheduled bank in a separate bank account within 5 days of declaration. *{Section 123(4) of the Companies Act, 2013}*
2. **The 30-Day Rule:** Dividend once declared, must be paid or warrants posted within 30 days from the date of the declaration to any shareholder entitled to the payment of the dividend. *{Section 124(1) of the Companies Act, 2013}*
3. **Unpaid Dividend Account (UDA):** If not claimed within 30 days, transfer the money within 7 days to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account. *{Section 124(1) of the Companies Act, 2013}*
4. **IEPF Transfer:** Any money remaining in the UDA for 7 years must be transferred to the Investor Education and Protection Fund (IEPF), along with the underlying shares. *{Section 124(5) of the Companies Act, 2013}*

## PROHIBITIONS WHEN A COMPANY “CANNOT PAY”: THE “DEFAULT” BAR (STRICT GOVERNANCE)

A company that fails to comply with Section 73 (Prohibition of acceptance of deposits) or Section 74 (Repayment of existing deposits) cannot declare equity dividends. *{Section 123(6) of the Companies Act, 2013}*

1. **Redemption of Debentures/Preference Shares:** If a company has not cleared its debt obligations to creditors or preference holders, it cannot reward equity shareholders.
2. **Term Loans:** Any default in repayment to a Bank or Financial Institution acts as a temporary “freeze” on dividend payouts.

## BOARD VS. SHAREHOLDERS: THE POWER STRUGGLE

A common misconception is that shareholders can decide how much dividend they want.

1. **The Recommendation Cap:** Shareholders in a General Meeting can reduce the rate of dividend recommended by the Board, but they have no power to increase it.

2. **Right to Revoke:** Once a Final Dividend is declared at an AGM, it becomes a debt and cannot be revoked. However, an Interim Dividend can be revoked by the Board before it is paid if the financial position of the Company suddenly deteriorates.

## DIVIDEND ON PARTLY PAID-UP SHARES (SECTION 51)

Dividends are not always “per share.”

A company is allowed to distribute dividends based not on the face value of shares, but based on how much money has actually been paid by shareholders on those shares — but only if the of the Company Articles of Association of the Company allow this.

Example: - If Share A is ₹10 fully paid and Share B is ₹10 (but only ₹5 paid), Share A gets double the dividend of Share B.

If the articles permit this rule, dividend will be paid **proportionately:**

- A gets dividend on ₹10 per share.
- B gets dividend on ₹5 per share.

## COMPLIANCES RELATED TO UNPAID DIVIDEND

If a shareholder has not claimed dividends for seven consecutive years, not only are the dividend amounts transferred to IEPF, but the underlying shares related to such dividends must also be transferred to the IEPF Authority.

**1. Statement of Unpaid Dividend:** Companies must prepare a detailed statement of shareholders whose dividends remain unpaid after the transfer to the Unpaid Dividend Account. This information must be uploaded on the website of the Company and on any other platform prescribed by the government. The purpose is to ensure accessibility and

allow shareholders to easily identify unpaid dividends due to them. *{Section 124(2) of the Companies Act, 2013}*

2. **Interest for Delay in Transfer:** If a company fails to transfer the unpaid dividend to the designated account within the prescribed time, it must pay interest at 12% per annum on the delayed amount. This interest is credited to the shareholders, ensuring they are compensated for the failure of the Company to comply with statutory timelines. *{Section 124(3) of the Companies Act, 2013}*
3. **Claiming Unpaid Dividend:** Shareholders have right to claim unpaid dividends from the Unpaid Dividend Account. They can apply to the company with necessary documents, and after verification, the company must release the unpaid dividend. *{Section 124(4) of the Companies Act, 2013}*
4. **Transfer of Shares Associated with Unpaid Dividend:** If a shareholder has not claimed dividends for seven consecutive years, not only are the dividend

amounts transferred to IEPF, but the underlying shares related to such dividends must also be transferred to the IEPF Authority. The shareholder, however, is not deprived of ownership permanently; they can reclaim their shares by following the prescribed IEPF claim process. *{Section 124(6) of the Companies Act, 2013}*

- Penalty:** If a company fails to comply with any of the requirements of this section 124 (related to unpaid dividend), such company shall be liable to a penalty of Rs. 1 Lakh and in case of continuing failure, with a further penalty of Rs.500/- for each day after the first during which such failure continues, subject to a maximum of Rs.10,00,000 and every officer of the company who is in default shall be liable to a penalty of Rs.25,000 and in case of continuing failure, with a further penalty of Rs.100/- day after the first during which such failure continues, subject to a maximum of Rs.2 Lakh. *{Section 124(7) of the Companies Act, 2013}*

### CLAIMING AMOUNT OR SHARES FROM THE IEPF

Shareholders (or their legal heirs) can claim money or shares that have been transferred to Investor Education and Protection Fund (IEPF). They must apply to the IEPF Authority in the prescribed form and manner (requiring an e-Form IEPF-5). After due verification, the authority refunds the amount or restores the shares to the claimant. This ensures that even after transfer to IEPF, investor rights are preserved. *{Section 124(6) of the Companies Act, 2013}*

### THE SEBI (LODR) LAYER: FOR LISTED ENTITIES

Dividend distribution by listed companies in India is governed not only by the Companies Act, 2013 but also by the regulatory framework established by the Securities and Exchange Board of India (SEBI). SEBI's Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 — along with periodic amendments — ensure transparency, accountability, and fair treatment of shareholders in matters related to dividends. These regulations prescribe standards on timing, mode of payment, disclosures, policy formulation, and corporate governance around dividend declarations.

- Dividend Distribution Policy:** The top 1000 listed companies (by market cap) must have a Dividend Distribution Policy (i.e. "DDP"). It should cover internal/external factors and circumstances where shareholders may/may not expect a dividend. *{Regulation 43A of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015}*

SEBI also mandates that these listed companies to disclose their DDP on their websites and in their annual reports. This policy outlines:

- Internal & external financial parameters
- Circumstances where dividends may not be declared
- Retention vs. distribution considerations
- Usage of retained earnings

This requirement ensures transparency in dividend decisionmaking. Examples of such policies lay out factors like cash flows, capex needs, debt levels, and future growth plans.

### TIMELY DISCLOSURE OF DIVIDEND AND CORPORATE ACTIONS

- Prior Intimation:** The Stock Exchange must be notified at least 2 working days before the Board meeting where dividend is considered. For the purposes of calculating 2 working days, date to sending intimation and date of meeting to be excluded. *{Regulation 29 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015}*

For example: Board Meeting to be held on 5<sup>th</sup> February 2026, so the intimation need be sent to stock exchange by 2<sup>nd</sup> February 2026.

- Outcome of Board Meeting:** Board meeting outcomes related to dividend decisions/disclosures (including interim dividend or any change in DDP) must also be published within **30 minutes of board meeting conclusion** when dividends are approved to Stock Exchange where the shares of the company are listed. *{Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015}*
- Record Date:** Intimate the exchange at least 7 working days in advance about the record date. *{Regulation 42 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015}*
- Payment Timeline:** SEBI requires payment within 30 days, but practically, the electronic transfer (NECS/ NEFT) should be the primary mode.
- Mandatory Use of Electronic Mode for Dividend Payments:** Regulation 12 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, requires listed entities to use **electronic payment modes approved by RBI** for paying dividends, interest, redemption or repayment amounts. Physical instruments like cheques or warrants may be issued only when electronic payment is not feasible. This ensures faster, safer, and more traceable payments to shareholders.

### TREATMENT OF DIVIDENDS IN RELATED PARTY TRANSACTIONS (RPT) PROVISIONS

SEBI has clarified that **corporate actions such as dividends are excluded from the scope of Related Party Transactions**, preventing unnecessary compliances when dividends are paid to related parties. This was discussed in the FAQs on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024.

This exclusion ensures dividend payments remain purely shareholder-oriented actions, not considered transactions benefiting related parties

## ANNUAL REPORT DISCLOSURES UNDER REGULATION 53

Dividend-related disclosures form part of governance and financial transparency requirements under Regulation 53 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. Amendments in 2025 updated timelines and clarity for submission of annual reports to exchanges.

These compliance obligations ensure investors receive detailed information regarding:

- Dividend history
- Dividend policy
- Proposed dividend recommendations
- Distribution trends impacting shareholder value

## CORPORATE GOVERNANCE NORMS SUPPORTING DIVIDEND DECISIONS

### 1. Independent Directors' Oversight

Independent directors must ensure dividend recommendations are fair and aligned with long-term company interest. Amendments in 2025 further strengthened governance norms for directors.

### 2. Audit Committee Responsibilities

Audit Committees review:

- Financial statements forming the basis for dividend declaration;
- Adequacy of profits; and
- Compliance with laws.

This ensures dividends are declared only when financially prudent.

## OPERATIONAL BEST PRACTICES AS PER SECRETARIAL STANDARD-3 (SS-3)

The Institute of Company Secretaries of India (ICSI) has issued Secretarial Standard – 3 which is about the dividend, the adherence of which is recommendatory.

1. Agenda notes should capture profit position, cash flows, accumulated reserves, past trends, and compliance checks before recommending/declaring dividend. Maintain clear **Board minutes** referencing.
2. Maintain a proper **Dividend Register** (amounts, list of eligible members, payment date/mode, returned payments, etc.) to evidence compliance and for later reconciliation.
3. SS-3 urges pre-payment tax readiness (TDS/TCS where applicable), capturing declarations and PAN details to reduce rejections and reconciliation lapses post-payment. Also document communications sent to shareholders for missing KYC/mandates.
4. Audit readiness: Preserve vouchers, bank confirmations, NEFT/RTGS proof, RTA confirmations, returned payment logs, and IEPF filings for audit and regulatory inspection.

5. SS-3 also highlight the nuances of “Record Date” vs. “Book Closure” and the per-share dividend amount in all communications; ensure alignment with LODR disclosure norms and the requirement of the Board to satisfy itself regarding the “Solvency” of the company before recommending a dividend.

## THE TAXATION PARADIGM: FROM DDT TO THE CLASSICAL SYSTEM

Historically, companies paid a Dividend Distribution Tax (DDT), and dividends were tax-free for most shareholders. Since April 1, 2020, India has reverted to the “Classical System.” (*Taxation Shift*) where dividends are taxed in the hands of shareholders (TDS implications).

### 1. Taxability in the Hands of the Shareholder

Dividends are now treated as “Income from Other Sources” and are taxed at the applicable slab rates of the shareholder. This means a high-net-worth individual (HNI) in the 30% bracket pays significantly more tax on the same dividend than a small investor.

### 2. TDS Compliance (Section 194 & 194K)

The company (deductor) must deduct tax at source before paying the shareholder (deductee):

For Resident Individuals: TDS is deducted at 10% if the total dividend paid by the company to the individual exceeds ₹10,000 in a financial year (Note: This threshold was increased from ₹5,000 in recent budget updates).

No PAN: If the shareholder fails to provide a PAN, the TDS rate jumps to 20%.

Exemption via Forms: Small investors whose total income is below the taxable limit can submit Form 15G or Form 15H to receive the dividend without TDS.

### 3. Deductions Allowed (Section 57)

This is a technical nuance often missed. A shareholder cannot claim any expense (like commission or salary to a portfolio manager) against dividend income, EXCEPT:

Interest Expense: If the shareholder borrowed money to invest in the shares, the interest paid on that loan is deductible.

The 20% Cap: The deduction for interest is strictly capped at 20% of the gross dividend income.

### 4. For Non-Resident Shareholders (NRIs & Foreign Cos.)

Base Rate: Taxed at 20% (plus applicable surcharge and cess) under Section 115A.

DTAA Benefit: Non-residents can opt to be taxed as per the Double Taxation Avoidance Agreement (DTAA) between India and their home country if the treaty rate is lower (often 5%, 10%, or 15%).

Required Documents: To claim treaty benefits, the non-resident must provide:

- Tax Residency Certificate (TRC).
- Form 10F.
- Self-declaration of Beneficial Ownership.

### 5. Inter-Corporate Dividends (Section 80M)

To prevent “cascading taxation” (taxing the same profit multiple times as it moves through a chain of companies), Section 80M allows a domestic company to claim a deduction for dividends received from another company, provided it distributes that dividend to its own shareholders within a specified timeframe.

#### Summary Table

Category	Tax Rate	TDS Rate	Key Condition
Resident Individual	Slab Rate (up to 30%+)	10%	Threshold: ₹10,000
Domestic Company	Corporate Tax Rate	10%	Section 80M relief available
Non-Resident (NRI)	20% or DTAA Rate	20% + Surcharge/Cess	TRC and Form 10F required

### PUNISHMENT FOR FAILURE TO DISTRIBUTE DIVIDENDS

Section 127 of the Companies Act, 2013 penalizes a company and its directors when a **declared dividend is not paid within 30 days** from the date of declaration.

#### Key Points

- Mandatory 30-day payment rule:** Once a dividend is declared, it **must be paid within 30 days**.
- Penalties on directors:** Any director who knowingly defaults may face:
  - **Imprisonment up to 2 years**, and
  - **Fine of at least ₹1,000 per day** until the default continues.
- Penalty on company:** The company must pay **18% simple interest** per annum on the unpaid dividend.
- Exceptions: no offence if:**
  - Payment is prevented due to **operation of law**,
  - Shareholder’s instructions cannot be complied with,
  - There is a **dispute** on entitlement,
  - Dividend is **lawfully adjusted** against dues, and
  - Delay was not due to default of the Company.

### ROC ADJUDICATION ORDERS

- ROC Bangalore in its adjudication order dated 15<sup>th</sup> December, 2025, penalized SYRATRON TECHNOLOGIES PRIVATE LIMITED, and its director for not depositing declared interim dividend in a separate account, violating the provisions of Section 123(4) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹10,000 each on the company and on one of the director for default. *{Order ID: PO/ADJ/12-2025/BL/01182 dated 15<sup>th</sup> December, 2025}*
- ROC Mumbai issued an adjudication order dated 05<sup>th</sup> December 2025 in the matter of EAST BRIDGE ADVISORS PRIVATE LIMITED for violation of Section 123(3) of the Companies Act, 2013 the company

declared an interim dividend of ₹23,20,00,763 based on profits estimated prior to the auditors’ adjustment of tax provisions for the financial year 2023-24, post audit it resulted in over distribution of ₹17,85,147. The Adjudicating Authority imposed a penalty of ₹10,000 each on the company and on three of the directors for default. *{Order ID: PO/ADJ/12-2025/MB/01029 Dated: 5<sup>th</sup> December, 2025}*

### COURT PRECEDENTS

**Commissioner Of Income Tax v. Girdhardas & Company Private Ltd. (1966)** is a landmark Supreme Court of India case establishing that distributions by a liquidator from “accumulated profits” are taxable as dividends, but only if they represent profits from the six years prior to liquidation under Section 2(6-A)(c) of the Income Tax Act, 1922. The Court clarified that “current profits” (profits of the year of liquidation) distributed by a liquidator do not fall within this definition. *{read from here - case commentary summarized}*

### CONCLUSION

Dividend declaration is a balance between “rewarding shareholders” and “capital conservation.” In the modern ESG (Environmental, Social, and Governance) era, a transparent Dividend Distribution Policy is a hallmark of a well-governed company.

Dividend provisions under the Companies Act, 2013, SEBI LODR and related SEBI regulations collectively aim to protect shareholder interests by ensuring transparency, timely disclosures, and robust governance around dividend declaration and payment. The regulatory framework mandates electronic payments, comprehensive disclosures, policy transparency, and governance checks so that dividends reflect genuine financial health rather than cosmetic financial engineering. These provisions also guard against financial imprudence by restricting dividend payouts in situations of default or inadequate reserves, reinforcing the principle that shareholders can be rewarded only after ensuring the company remains solvent and compliant.

At the same time, the shift to the classical taxation regime has placed renewed importance on understanding dividend taxability, TDS obligations, and relief mechanisms like Section 80M. Together, these layers of law, compliance, governance, and taxation create a comprehensive framework that balances corporate flexibility with investor protection.

By integrating these rigorous standards, Regulatory Authorities ensures that dividend decisions are fair, responsible, and aligned with investor expectations — strengthening confidence in India’s capital markets.

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# The Earnings Call: Beyond the Balance Sheets

This article discusses the quarterly earnings call, which reveals management's perspective on future strategies beyond just revenue and profit margins. It reveals a narrative of determination, aspirations, and a mix of verbal and non-verbal cues. This information aids investors, analysts, and market observers in grasping the company's current dynamics. The author characterizes each earnings call as a pivotal moment where actual performance aligns with public perception, and figures intertwine with narratives.



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## INTRODUCTION

**T**he **quarterly earnings call** is not just a ritual of reporting numbers; it is a window into how corporate leadership thinks, reacts, and plans for what is next. Beneath the revenue figures and margin percentages lies a story of resilience, ambition, and tone, sometimes revealing more through what is left unsaid than what is spoken. For investors, analysts, and market watchers, these calls are the closest thing to reading a company's heartbeat in real time. A confident CEO's language can ignite rallies, while a cautious CFO's phrasing can quietly shake valuations. In essence, every earnings call is a moment of truth where performance meets perception, and numbers meet narrative.

## THE PURPOSE OF AN EARNINGS CALL

1. Announce and discuss financial results.
2. Share management's strategic outlook.
3. Address investor questions and clarify forward guidance.
4. Provide clues about demand, margins, or new business initiatives.
5. Act as a communication bridge between management and markets.

## STRUCTURE OF AN EARNINGS CALL

Normally, an Earnings Call is found to have the following 4 parts:

1. Introduction and Welcome.
2. Safe Harbour Statement.
3. Presentation and Discussion of Financial Statements.
4. Question and Answer Session.

## INTRODUCTION AND WELCOME

The call typically opens with a host or moderator (usually from the Investor Relations team or a brokerage firm) welcoming participants. The host introduces the C-level executives present — typically the CEO, CFO, COO, and sometimes heads of business divisions.

The objective is to set context: which quarter's results are being discussed, and what materials (press release, presentation) have already been shared publicly.

Example:

*"Good evening everyone, and welcome to the Q2 FY2025 earnings conference call of XYZ Limited. Joining us today are Mr. A.B., our Managing Director, and Mr. C.D., our Chief Financial Officer."*

## SAFE HARBOUR STATEMENT – THE LEGAL SHIELD

The Safe Harbour Statement is a legal disclaimer read at the beginning of every earnings call or presentation. It protects the company from liability for forward looking statements, i.e., any projections, targets, or future plans discussed that may differ from actual results.

Why It Matters?

- It signals that part of what follows is based on management's expectations, not guarantees.
- It is a compliance requirement under SEBI (Listing Obligations and Disclosure Requirements), mirroring the US SEC's Regulation FD norms.
- Analysts note whether the company's language is standard or unusually defensive but an overly cautious Safe Harbour tone may hint that management expects volatility ahead.

Example: *"Certain statements made during this call concerning our future growth prospects, financial performance, and plans are forward-looking statements*

and are subject to known and unknown risks and uncertainties. Actual results may differ materially from such expectations.”

The Safe Harbour statement sets the tone of caution. If the company adds extra lines about “geopolitical risk,” “currency volatility,” or “input cost pressures,” analysts infer that management is pro-actively managing expectations.

## PRESENTATION AND DISCUSSION OF FINANCIAL STATEMENTS

The presentation and discussion of financial statements form the central part of any quarterly earnings concall. It is the moment when the company’s leadership, typically the CEO, CFO, and COO walk investors through the key highlights of the quarter. This segment translates the financial numbers from the results release into a strategic narrative, connecting performance with market realities.

The CEO usually opens by giving a macro and business overview, outlining revenue growth drivers, demand trends, operational progress, and industry environment. This is followed by the CFO’s detailed financial analysis, where he explains the movement in revenue, EBITDA, margins, and net profit. Special emphasis is placed on cost behaviour, input price impact and working capital changes, as these directly influence profitability.

During this part, management also provides segment-wise performance details such as domestic vs export revenue, product category growth, and contribution from new business lines. Many companies now include YoY and QoQ comparisons, explaining not just what changed, but why it changed. Analysts closely watch the language used: phrases like “margin normalization,” “demand recovery,” or “pricing discipline” often serve as early indicators of trend reversals.

The discussion also covers cash flow position, debt levels, and capital expenditure (capex) plans. Companies with strong balance sheets typically highlight cash generation and leverage ratios, while those facing challenges may stress cost optimization and efficiency measures. The CFO’s tone during this section is critical: a confident delivery signals stability, while overemphasis on “headwinds” can hint at short-term strain.

In recent years, companies have also begun using this segment to discuss sustainability initiatives, digital transformation, and ESG integration, demonstrating long-term resilience beyond quarterly performance. The presentation concludes with the strategic outlook, linking financial execution to the company’s vision for upcoming quarters.

After the financial review, management typically discusses the strategic roadmap plans for product launches, capex, market expansion, or debt reduction. This is where forward guidance (expected growth, margin trends, demand outlook) is provided. Example: “We expect the second half of the year to benefit from festive demand and easing input costs.”

## QUESTION AND ANSWER SESSION

This is the most dynamic and revealing part of the concall. Institutional analysts, fund managers, and sometimes journalists ask questions about specific areas, guidance, competition, pricing, risks, and capex. Responses here are unscripted, making this section a goldmine for sentiment analysis. It is where management’s real mindset surfaces beyond the scripted tone of the presentation.

Typically moderated by the Investor Relations team, the Q&A follows a structured queue where participants ask about operational metrics, forward guidance, competition, cost pressures, and market trends. The responses given by the CEO and CFO are rarely pre-scripted, making this portion the most authentic indicator of management confidence and command over the business. An articulate, data-backed answer reinforces credibility, while hesitation, deflection, or vague wording can signal internal uncertainty.

Behind every well conducted earnings call lies a framework of regulatory compliance, disclosure discipline, and governance oversight areas where the Company Secretary plays a central role.

Analysts often interpret the tone, pace, and language used in responses as much as the content itself. For example, repeated use of words like “volatility,” “headwinds,” or “monitoring closely” often points to short-term caution, while phrases such as “scaling up,” “robust demand,” or “margin expansion” reflect strong conviction in growth. Experienced investors also compare Q&A transcripts across quarters to identify shifts in tone, a subtle

change in confidence can foreshadow a change in financial trajectory.

Another hallmark of this section is its sectoral insight. When several companies within the same industry start responding to similar analyst concerns — say, rural demand, export markets, or input costs — it often signals a broader macro pattern. This makes the Q&A not just a company-level exercise but a valuable source of industry-level intelligence.

In certain calls, probing questions from analysts also reveal hidden operational risks or management blind spots. The way leadership handles uncomfortable queries — either with data-driven composure or defensive generalities — strongly influences how the market perceives transparency.

The CEO or CFO summarizes key takeaways and reiterates confidence in the company’s long-term vision. They thank participants and sometimes announce the date of the next call or AGM.

Analyst Observations During Q&A - Model		
Questions posted to the Management	Management's Response	Interpretation
"Can you maintain 20% margin next quarter?"	"We remain cautiously optimistic."	Defensive, uncertain outlook.
"What's the status of the new plant?"	"Work is on schedule; commissioning in Q4."	Confident execution.
"Have you passed input cost increases to customers?"	"Partially, and we continue to monitor."	Margin pressure likely remains.

Institutional analysts may even use voice tone analysis and keyword frequency tracking (AI-based sentiment scoring) to measure management optimism across quarters.

## ELEMENTS TO TRACK ACROSS QUARTERS

- Revenue Growth Trend (YoY and QoQ):** Observe whether revenue acceleration is sustained or tapering. Sharp swings often indicate demand volatility.
- EBITDA Margin Movement:** Margins reflect cost efficiency and pricing power. Rising margins amid inflation show strong business fundamentals.
- Net Profit Growth:** A consistent rise indicates scalability; declining profits despite revenue growth may signal rising costs or poor mix.
- Volume vs. Price Growth:** Determine whether growth is demand-driven (volume) or inflation-led (pricing). Real growth comes from volume.
- Cost of Raw Materials:** Track input cost impact, especially commodities, energy, or logistics expenses affecting margin stability.
- Employee Cost and Headcount Changes:** Rising staff costs often precede expansion; hiring freezes or cuts may hint at slowing demand.
- Capex Announcements and Utilization:** Planned capital expenditure signals growth confidence. Stalled or reduced capex points to caution.
- Working Capital Cycle:** Monitor inventory, receivables, and payables. A lengthening cycle suggests demand mismatch or cash strain.
- Cash Flow from Operations:** Strong operational cash flow confirms profit quality; weak cash flow amid profit growth is a red flag.
- Debt-Equity Ratio:** Rising leverage may fund expansion, but persistent high debt affects financial resilience and market valuation.
- Interest Coverage Ratio:** Indicates ability to service debt. Falling coverage warns of potential liquidity pressure.
- Order Book Position (for infra, auto, manufacturing):** A growing order backlog confirms future revenue visibility; declining backlog shows softening demand.
- Guidance Revisions (Upward or Downward):** Consistent upgrades enhance credibility; frequent downgrades erode investor confidence.
- Customer and Market Mix:** Shifts toward export, premium, or institutional clients alter risk profile and margin potential.
- Segment-Wise Performance:** Identify which business verticals are driving or dragging performance — key for diversified firms.
- Management Tone and Language Pattern:** Track frequency of optimistic vs cautious terms across calls. Tone consistency often predicts results direction.
- Competitive Positioning Comments:** Mentions of "market share gain" or "price competition" reveal how the company is performing within its sector.
- Innovation and Product Pipeline Updates:** Regular reference to R&D or new launches signals forward momentum; silence indicates stagnation.
- Regulatory or Policy Impacts:** Note any recurring mention of GST, RBI, or government incentives — these shape margins and volumes sectorally.
- Management Consistency (Promises vs. Delivery):** Compare prior commitments with actual performance. Credibility improves when management "does what it said."

## RED FLAGS TO WATCH

- Evasive or Vague Responses in the Q&A:**  
When management avoids direct answers or overuses generic phrases like "we will review internally" or "it is too early to comment."
- Frequent Change in Narrative:**  
If each quarter brings a new "strategic direction," it shows lack of execution consistency and shifting priorities.
- Overemphasis on External Factors:**  
Continuous blaming of "macroeconomic headwinds," "seasonality," or "global challenges" may mask internal inefficiencies.
- Downward Revision of Guidance Without Context:**  
Sudden cuts in revenue or margin outlook suggest internal stress or visibility issues.



5. **Sharp Increase in Other Expenses:**  
A catch-all accounting line. When this grows faster than revenue, it may hide cost overruns or inefficiencies.
6. **Decline in Cash Flow Despite Profit Growth:**  
Profits without matching operational cash flow indicate poor receivable recovery or inventory build-up.
7. **Unexplained Jump in Inventories:**  
Rising stock levels with flat sales usually point to demand slowdown or overproduction.
8. **Frequent CFO changes:**  
The CFO manages financial integrity. Repeated exits often precede financial restructuring or compliance issues.
9. **Rising Short-Term Debt or Working Capital Borrowings:**  
Signals liquidity stress or higher dependence on credit to maintain operations.
10. **Avoidance of Segment-Level Disclosure:**  
When management generalizes performance instead of sharing segmental clarity, transparency is likely declining.
11. **Lack of Capex Clarity:**  
Announcing capex without specifying purpose, timeline, or funding source indicates planning weakness.
12. **Excessive Optimism Amid Weak Numbers:**  
When the tone of management is upbeat but financials do not support it, it is a classic mismatch between rhetoric and reality.
13. **Defensiveness in Tone:**  
Abrupt, short responses or irritation during analyst questioning reflect pressure or lack of preparedness.
14. **High Promoter Pledge or Share Sale:**  
Management offloading shares or increasing pledges despite strong claims of growth is a confidence disconnect.
15. **Unusual Jump in Related Party Transactions:**  
Indicates possible fund diversion or governance lapse, especially if not explained during calls.
16. **Frequent Accounting Policy Changes:**  
Shifting depreciation methods or revenue recognition norms without clear reason may inflate short-term earnings.
17. **Lack of Forward Guidance Altogether:**  
Refusing to give any outlook (“We do not comment on future quarters”) often signals poor visibility or uncertainty.
18. **Sudden Reduction in Investor Interaction:**  
When management shortens Q&A duration or restricts participation, transparency is being curtailed.
19. **Inconsistency Between Press Release and Verbal Commentary:**  
If the tone of the concall does not match the written financial note, it suggests narrative management.
20. **Repetitive Use of Defensive Phrases:**  
Frequent mentions of “cautiously optimistic,” “temporary headwinds,” or “transition phase” over multiple quarters usually indicate persistent issues being downplayed.

## HOW EARNINGS CALLS INFLUENCE MARKET BEHAVIOUR AND STOCK PRICES?

Beyond information disclosure, earnings calls play a powerful role in shaping short-term market reactions and long-term investor perception. While financial statements present historical facts, the earnings call contextualizes those numbers and frames expectations. Markets are inherently forward looking, and it is during earnings calls that management attempts to influence how the future should be interpreted. A company that marginally misses earnings but confidently articulates a clear path to recovery often sees muted downside, while another that reports strong numbers yet communicates uncertainty may still face selling pressure.

In the immediate aftermath of an earnings call, stock price movements are often driven less by the headline results and more by tone, guidance, and consistency. Phrases such as “demand visibility has improved,” “order inflows are robust,” or “margin pressures are easing” can trigger positive sentiment, even if current quarter numbers remain modest. Conversely, cautious wording, repeated references to “monitoring the situation,” or reluctance to provide guidance can amplify volatility. This explains why stocks sometimes move sharply during or immediately after the concall, even though the results were already public.

Over the longer term, earnings calls shape credibility. Investors track whether management’s past statements align with actual performance. Repeatedly missing guidance, revising narratives, or overpromising erodes trust, leading to valuation compression. On the other hand, conservative guidance followed by consistent delivery enhances management credibility and often results in premium valuation multiples. In this sense, earnings calls are cumulative in impact; each quarter adds or subtracts from a reservoir of trust.

Institutional investors, in particular, use earnings calls to assess management quality. They listen for clarity of thought, ownership of mistakes, and strategic coherence. A management team that acknowledges challenges openly and outlines corrective measures tends to command greater respect than one that deflects blame or relies excessively on external factors. This qualitative assessment influences long-term portfolio allocation decisions, often more than a single quarter’s earnings beat or miss.

Retail investors increasingly access concalls through transcripts and recordings, narrowing the information gap. However, without experience, they may focus excessively on headline statements while missing subtleties in tone or emphasis. This is where seasoned analysts gain an edge by interpreting not just what is said, but how it is said, and what is avoided altogether.

Ultimately, earnings calls act as a bridge between numbers and narrative, facts and expectations. They influence not

just price discovery, but perception formation. In a market where information is abundant, interpretation becomes the differentiator. The companies that master earnings call communication do not merely report performance; they shape how performance is remembered, evaluated, and valued.

## EARNINGS CALL AND THE ROLE OF A COMPANY SECRETARY

While earnings calls are often perceived as management led discussions dominated by the CEO and CFO, the role of the Company Secretary (CS) in shaping and safeguarding the process is both critical and understated. Behind every well-conducted earnings call lies a framework of regulatory compliance, disclosure discipline, and governance oversight areas where the Company Secretary plays a central role.

From a compliance and governance perspective, the Company Secretary ensures adherence to SEBI (Listing Obligations and Disclosure Requirements) Regulations by confirming that financial results are duly approved and disclosed prior to the call, overseeing the Safe Harbour Statement, and ensuring consistency across public disclosures to prevent selective disclosure. During the call, the CS acts as a gatekeeper by guiding management on disclosure boundaries, particularly in relation to unpublished price sensitive information, litigation, and regulatory matters, thereby maintaining insider trading compliance. Post-call, the CS ensures proper documentation, archival of transcripts and recordings, and alignment of commitments with future disclosures, reinforcing transparency, credibility, and investor confidence.

## CONCLUSION: ‘THE TRUTH BETWEEN THE LINES’

Every earnings call is more than a presentation. It is a performance. The slides may change, the numbers may rise or fall, but the truth often hides in tone, timing, and tension.

For an active listener, each quarter’s concall becomes a chapter in a longer story, one of execution, ego, and endurance. The best investors do not just listen for growth; they listen for consistency. Because in the noise of numbers and narratives, it is not the loudest company that builds wealth, but the most honest one.

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# Loans, Guarantees, and Investments: A Comprehensive Review of Sections 185 and 186

This article explains the key provisions of Sections 185 and 186 of the Companies Act, 2013, which regulate how companies use their financial resources when giving loans, providing guarantees or security, and making investments. Section 185 protects against conflicts of interest by restricting transactions involving directors and their connected entities, allowing only limited exceptions under strict conditions. Section 186 applies broadly to all financial exposures of a company, setting monetary limits, requiring unanimous Board approval, mandating disclosures, and restricting multi-layered investment structures. Together, they ensure responsible financial practices, enhance transparency, and safeguard corporate funds from misuse. The article aims to highlight the practical implications of these sections, clarify their differences, explain the compliance requirements, and help readers understand how these provisions strengthen corporate governance and prevent misuse of company funds.



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## INTRODUCTION

Section 185 of the Companies Act, 2013, (herein after referred as the Act) restricts companies from giving loans to their directors or to individuals and related parties, essentially to prevent conflict of interest, ensure that the management acts in the interest of the company and its shareholders and it aims to promote good corporate governance and transparency. At the same time, intercorporate loans, guarantees, and investments are essential for business operations, especially within corporate groups. These financial arrangements enable smoother fund movement, support growth, and aid long-term planning. While the Board of Directors holds the authority to make such decisions, Section 179, of the Act imposes specific conditions and limits to ensure responsible use of corporate funds.

Section 186 sets out quantitative limits and compliance conditions for loans, guarantees, securities, and investments. Companies can provide loans, guarantees, security, or make investments up to **60% of their paid-up share capital, free reserves, and securities premium, or 100% of their free reserves and securities premium** — whichever is higher. If they exceed these limits, shareholder approval through a special resolution is required.

The law also restricts companies from routing investments through more than **two layers of investment companies**, subject to certain exemptions. Additionally, the Companies (Restriction on Number of Layers) Rules, 2017 limit companies to **two layers of subsidiaries**, also with exceptions.

Taken together, Sections 185 and 186 aim to balance **corporate flexibility** with **shareholder protection**. They ensure that loans, investments, guarantees, and securities are handled responsibly, without misuse of company funds, and in full compliance with the Act.

## SECTION 185: LOANS TO DIRECTORS OR PERSONS IN WHICH DIRECTORS ARE INTERESTED

Section 185 of the Act imposes restrictions on advancing loans, providing guarantees, or offering security in connection with loans to directors or any entity or person with/ in whom the director of the company is related/ interested subject to certain exceptions listed in the section.

### 1. Prohibitions under Section 185(1)

A company is prohibited from, directly or indirectly, advancing loans, giving guarantees, or providing security in connection with loans to:

- any director of the lending company;
- any director of the holding company of the lending company;
- any partner of any director of the lending company;
- any partner of the director of the holding company;
- any relative of any director of the lending company;
- any relative of the director of the holding company;
- any firm in which any director of the lending company is a partner;
- any firm in which any director of the holding company is a partner;
- any firm in which relative of any director of the lending company is a partner; and
- any firm in which any relative of any director of the holding company is a partner.

## 2. Exceptions under Section 185(2)

A company may extend a loan, guarantee, or security to **any person in whom a director is interested**, subject to the following conditions:

- (a) A special resolution must be passed at a general meeting. The explanatory statement must disclose:
  - Full particulars of the proposed loan/guarantee/security;
  - The purpose for which loan will be utilized; or
  - Any other relevant information.
- (b) The borrowing entity must use the funds for its principal business activities.

## 3. Persons in whom a director is interested include:

- A private company where the director is a director or member;
- A body corporate where 25% or more voting power is controlled by such director (alone or together with other directors); and
- A body corporate whose Board acts on directions of the lending company's Board or its directors.

## 4. Example for calculation of Voting Power

- Mr. W holds 50% in X Ltd.
- X Ltd. holds 60% in Y Ltd.
- Y Ltd. holds 20% in Z Ltd.

### Mr. W's indirect voting rights:

- X Ltd.: 50%
- Y Ltd.:  $50\% \times 60\% = 30\%$
- Z Ltd.:  $50\% \times (60\% \times 20\%) = 6\%$

### Accordingly:

- X Ltd. and Y Ltd. qualify as persons in whom the director is interested.
- Z Ltd. does not qualify.

## 5. Exemptions under Section 185(3): The provisions of this Section do not apply to:

- Loans to managing/whole-time directors under employment conditions or approved schemes;
- A company which in the ordinary course of its business provides loans or gives guarantees or securities and is charging interest not lower than government security yields;

- Loans by a holding company to its wholly-owned subsidiary used for principal business activities;
- Any guarantee given or security provided by a holding company in respect of loan made by any bank or financial institution to its subsidiary company, provided loan is used for principal business activities.

## 6. Penalties for violations under Section 185(4): If any loan is advanced or a guarantee or security is given or provided or utilised in contravention of the aforesaid provisions

- Company: Fine between ₹5,00,000 and ₹25,00,000;
- Officers in default: Imprisonment up to 6 months or fine between ₹5,00,000 and ₹25,00,000 or both;
- Director or the other person to whom any loan is advanced or guarantee or security is given or provided: Imprisonment up to 6 months or fine between ₹5,00,000 and ₹25,00,000 or both.

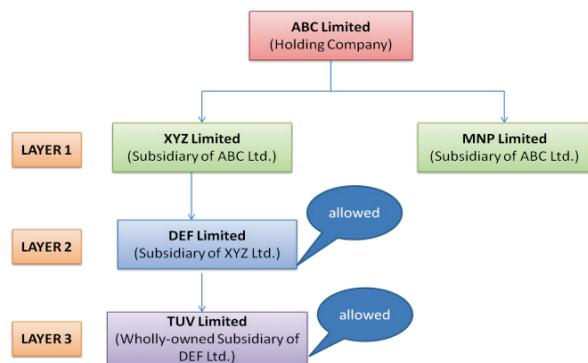
## SECTION 186: LOANS TO ANY OTHER PERSON

Section 186 of the Companies Act, 2013 governs how companies can give loans, provide guarantees or security, and make investments. It applies not only to intercorporate transactions but also to loans, guarantees, or security given to **any person**. A company cannot give loans, guarantees, security, or make investments unless it follows the limits and conditions laid down under Section 186.

### 1. Layering restriction — Section 186(1)

A company cannot make investments through more than **two layers of investment companies**, except where:

- It acquires a foreign company that already has more layers as per its local laws; or
- A subsidiary needs an investment subsidiary to comply with legal requirements.



Under Rule 2(1) of The Companies (Restriction on Number of Layers) Rules, 2017, any layer which consists of one or more wholly-owned subsidiary shall not be taken into account

2. **Limits under Section 186(2):** A company can give loans, guarantees, security, or make investments only up to a certain limit to any other person (the term “person” does not include company employees). It cannot exceed the higher of the following:

- 60% of its paid-up share capital + free reserves + securities premium, or
- 100% of its free reserves + securities premium.

3. **Special resolution requirement under Section 186(3)**

If the total of all existing and proposed loans, investments, guarantees, or security **crosses the above limits**, the company must obtain prior approval of shareholders through a **special resolution**.

*Exemptions to Section 186(3): Loans/guarantees/security to a wholly-owned subsidiary or investment by a holding company in its wholly-owned subsidiary do not require a special resolution, but must still be disclosed in financial statements.*

4. **Disclosure under Section 186(4)**

The company must disclose full details of all such loans, investments, guarantees, or security in its financial statements, including the purpose for which the recipient will use the funds.

5. **Boards’ approval under Section 186(5)**

No loan, investment, guarantee, or security can be made unless a **unanimous Board resolution** is passed at a Board meeting. This resolution **cannot** be passed by circulation. Prior approval of a Public Financial Institution (PFI) is also required if any term loan is outstanding.

Provided that prior approval of a public financial institution shall not be required where the aggregate of the loans and investments so far made, the amount for which guarantee or security so far provided to or in all other bodies corporate, along with the investments, loans, guarantee or security proposed to be made or given does not exceed the limit as specified in subsection (2), and there is no default in repayment of loan instalments or payment of interest thereon as per the terms and conditions of such loan to the public financial institution.

*The Board may set an overall limit and delegate execution but cannot delegate the approval power itself.*

6. **SEBI-registered companies — Section 186(6)**

Companies registered under SEBI Act, 1992 and falling under prescribed classes cannot take

intercorporate loans or deposits beyond prescribed limits and must disclose these in their financial statements.

7. **Interest rate under Section 186(7)**

No company can give a loan at an interest rate lower than the prevailing yield of 1 year, 3 year, 5 year, or 10 year Government Securities closest to the loan’s tenure. An exception exists for government-owned companies (26% or more government shareholding) giving loans for approved Research & Development projects.

8. **Restriction under Section 186(8):** A company that has defaulted on the repayment of any deposits or the interest due on them cannot give any loan, guarantee, security, or make any acquisition until the default is fully resolved.

9. **Registers under Section 186(9) and Section 186 (10)**

A company that gives any loan, guarantee, security, or makes an acquisition under this section must maintain a register with the required details. This register must be kept at the company’s registered office, where members can inspect it. Members may also obtain extracts or copies from the register on payment of the prescribed fees.

A performance guarantee does not fall within the scope of Section 186 of the Companies Act, 2013, because Section 186 specifically regulates financial guarantees - that is, guarantees issued in connection with a loan, debt, or financial obligation.

### ILLUSTRATIVE EXAMPLES

• A Limited has paid-up share capital of Rs. 100 crores and free reserves of Rs. 150 crores. A Limited has invested in shares of Rs. 100 crores in B Limited. A Limited has also given a guarantee for securing a term loan of Rs. 20 crores and a letter of credit facility of Rs. 30 crores to B Limited by a Bank. A Limited has also given a guarantee for the supply of goods by B Limited to a Buyer. Whether the provisions of Section 186 of the Act is complied or not?

Yes, as the guarantee given for supply of goods is not covered under Section 186 of the Act (only guarantees given or securities provided in connection with a loan are covered under Section 186).

• A Limited has a subsidiary B Limited. Further, B Limited has C Limited as its wholly-owned subsidiary. C Limited is planning to form a subsidiary, namely, D Limited.

a. Whether the formation of D Limited as a subsidiary of C Limited will be violation of the provisions of the Act.

b. If C Limited makes D Limited as an associate company instead of subsidiary.

c. **If D is a subsidiary of F Limited, incorporated in USA and C Limited acquire F Limited, whether the same will be in compliance of law?**

If C Limited forms D limited as its subsidiary, it will be a violation of Section 186 of the Act for A Limited.

If C Limited makes D Limited as an Associate Company, then there is no violation of Section 186 of the Act for A Limited.

If Company C limited acquires USA based F Limited (which has D Limited as its subsidiary) then there is no violation of Section 186 of the Act for A Limited.

- **Are performance guarantees treated as “guarantees in connection with a loan” under Section 186, or are they excluded from its compliance requirements?**

A *performance guarantee* does not fall within the scope of Section 186 of the Companies Act, 2013, because Section 186 specifically regulates financial guarantees - that is, guarantees issued in connection with a loan, debt, or financial obligation. A performance guarantee, on the other hand, is a non-financial undertaking given by a company to assure the performance of a contract or the fulfilment of certain obligations, such as timely completion of work, quality assurance, or delivery commitments. Its purpose is to secure *contractual performance* rather than a loan or financial facility. Since Section 186 deals only with situations where a guarantee is linked to a loan or financial liability, performance guarantees fall outside its purview. Therefore, while financial guarantees require compliance with the monetary limits, approvals, and disclosures mandated under Section 186, performance guarantees are considered operational in nature and are not restricted by this Section. However, companies must still ensure that such guarantees are authorised under their Articles of Association, approved by the Board, and aligned with prudent risk management practices.

- **How does Section 186 apply when a company has negative net worth or negative free reserves?**

Section 186 sets monetary limits based on a company's paid-up share capital, free reserves, and securities premium. When a company has negative free reserves or negative net worth, the Act does not expressly prescribe how the limits should be calculated. However, by applying the logic of the provision, the permissible limit under Section 186(2) effectively becomes zero, since the formula cannot yield a positive threshold when reserves are negative.

In such circumstances, any proposed loan, guarantee, security, or investment — regardless of the amount, would exceed the statutory limit, and therefore the company must obtain prior shareholder approval by special resolution under Section 186(3). This interpretation ensures prudential control over financial exposure when the company's financial position is weak.

Additionally, if the company is in default of repayment of deposits or interest, Section 186(8) prohibits it from entering into any such transactions until the default is fully rectified.

Thus, in the case of negative net worth, Section 186 operates in its strictest form, requiring enhanced shareholder oversight and preventing further financial strain on the company.

- **Can the Board delegate its powers relating to loans, investments, or guarantees under Section 186 of the Act?**

Although Section 179(3) of the Companies Act, 2013 permits the Board to delegate certain powers to a committee of directors, the managing director, the manager, or other key officers of the company, Section 186 imposes a stricter requirement on this. Any approval for loans, guarantees, security, or investments must be given with the unanimous consent of all directors present at a Board meeting.

By applying the principle of harmonious construction, it can be interpreted that while the decision itself must be approved by the full Board, the Board may delegate the execution or implementation of that already-approved decision to a committee or authorised officer. In other words, delegation is possible only after the Board has given unanimous approval for the transaction; the power to approve cannot be delegated, but the power to execute may be.

- **How are loans to LLPs treated under Sections 185 and 186 of the Companies Act, 2013? Are LLPs covered under these provisions?**

An LLP is treated as a body corporate, so loans, guarantees, or security provided to an LLP fall under Section 186, and the applicable limits, approvals, and disclosures must be followed. Under Section 185, such loans are allowed only if the LLP is not one in which a director or their relative is a partner; otherwise, the restrictions and conditions of Section 185 apply (such as requiring a special resolution and use for principal business activities). In summary, loans to LLPs are permissible but must comply with both Sections 185 and 186, depending on whether the LLP has any director-linked interest.

## CONCLUSION

Sections 185 and 186 together form an essential framework ensuring that companies handle their financial transactions with integrity, transparency, and

accountability. Section 185 acts as a safeguard against conflicts of interest by restricting loans, guarantees, and securities involving directors and their associated entities, ensuring that corporate powers are not misused for personal benefit. Section 186 complements this by setting clear monetary limits, approval requirements, disclosure standards, and procedural controls for all loans, guarantees, securities, and investments made by a company. These provisions promote responsible financial management, protect shareholders' interests, and strengthen corporate governance practices. When complied with diligently, Sections 185 and 186 help companies maintain financial discipline, reduce risks of misuse of funds, and build trust among regulators, investors, and other stakeholders. Together, they reinforce the principle that corporate resources must be deployed prudently, transparently, and strictly in the interest of the company.

Aspect	Section 185	Section 186
<b>Primary Purpose</b>	Prevent conflict of interest by restricting loans/guarantees/security to directors and connected persons.	Regulates all loans, guarantees, securities, and investments made by a company; ensures prudent financial exposure limits.
<b>Scope of Coverage</b>	Applies only to directors, their relatives, partners, and entities in which directors are interested (private companies, bodies corporate with 25% voting power, etc.).	Applies to <b>any person or body corporate</b> , not limited to directors or related parties.
<b>Nature of Restriction</b>	Primarily <b>prohibitive</b> —certain transactions are completely barred unless exceptions apply.	Primarily <b>regulative</b> —allows transactions but within monetary limits and subject to approvals.
<b>Monetary Limits</b>	No monetary limits; restrictions depend on relationship with director.	Higher of: <b>60%</b> of (paid-up capital + free reserves + securities premium) or <b>100%</b> of (free reserves + securities premium).
<b>Special Resolution Requirement</b>	Required only when giving loans/guarantees/security to persons in whom a director is interested (under exceptions).	Required when total loans/guarantees/security/investments exceed the Section 186 limits.
<b>Exemptions</b>	MD/WTD loans under employee schemes, lending companies in ordinary course, loans/guarantees to wholly-owned subsidiaries, etc.	Exemptions for WOS/JV transactions (no SR needed), foreign-layering exceptions, certain SEBI-regulated companies, etc.
<b>Layering Restriction</b>	No layering rules.	Limits investment through <b>more than two layers</b> of investment companies (with exceptions).
<b>Board Approval</b>	Applies only when allowed under exceptions.	Mandatory unanimous Board approval at a physical meeting; circular resolution not allowed.
<b>Interest Rate Requirement</b>	Not specifically prescribed.	Loan interest cannot be lower than the prevailing government security yield for corresponding tenure.
<b>Penalties</b>	High penalties including possible imprisonment for officers and directors involved.	Penalties apply for breaching monetary limits, layering restrictions, or procedural requirements.
<b>Overall Intent</b>	Prevent misuse of corporate funds for personal benefit of directors.	Ensure responsible, transparent, and controlled financial exposures by companies.

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- ii. *Professional body publications and guidance notes.*
- iii. *Taxguru (explanatory articles by CAs and CS professionals).*

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# Listing Status of Demerged Entities under Indian Corporate and Securities Law: Statutory Interpretation, Regulatory Practice, and Judicial Guidance

Corporate demergers involving listed companies frequently raise the question whether the resulting or transferee entity acquires listed status by operation of law. Despite recurring misconceptions, Indian corporate and securities jurisprudence has consistently maintained that listing is neither automatic nor inheritable. This article analyses the statutory framework under the Companies Act, 2013, the Securities and Exchange Board of India (SEBI) Scheme of Arrangement regulations, and judicial and regulatory precedents to establish that listing arises only upon fulfilment of specific legal and regulatory conditions. Through a structured examination of two practical scenarios — demerger from a listed company and merger of a demerged undertaking into an unlisted company — the article clarifies the settled legal position and provides guidance for structuring compliant schemes of arrangement.



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## INTRODUCTION

**D**emerger is a widely adopted restructuring mechanism in India, particularly among listed companies seeking to unlock shareholder value, segregate business verticals, or realign capital structures. However, while demergers are well-recognised under corporate law, their interaction with securities law — especially in relation to **listing status** — often gives rise to interpretational disputes.

A recurring assumption in corporate practice is that when a business is carved out of a listed company, the resulting entity must necessarily be listed. This assumption is legally flawed. Indian law draws a **clear and deliberate distinction between a business undertaking and listed securities**. Listing does not attach to an undertaking; it attaches only to equity shares admitted to trading on a recognised stock exchange.

This article critically examines this distinction by analyzing:

- Section 232 of the Companies Act, 2013;
- SEBI's Scheme of Arrangement framework;
- Stock Exchange practices; and
- Judicial and Regulatory precedents.

## STATUTORY FRAMEWORK GOVERNING DEMERGERS

### a. Sections 230-232 of the Companies Act, 2013

Schemes of arrangement, including mergers and demergers, are governed by Sections 230 to 232 of the Companies Act, 2013. These provisions replaced Sections 391-394 of the Companies Act, 1956, while substantially retaining their conceptual framework.

A demerger, though not expressly defined, is statutorily recognised under Section 232 through the mechanism of transfer of undertakings pursuant to a court-approved (now NCLT-approved) scheme.

### b. Section 232(3)(h): The Statutory Anchor

Section 232(3)(h) mandates that every scheme shall clearly state:

“the extent to which the share capital of the transferor company is proposed to be reduced or extinguished or modified and whether the transferee company is proposed to be listed or not.”

This provision is pivotal. It:

- Recognizes that a transferee or resulting company **may remain unlisted**, and
- Requires an **express declaration** regarding listing status.

The statutory language itself negates any presumption of automatic listing merely because the transferor company is listed.

## CONCEPTUAL DISTINCTION: BUSINESS VS. LISTING

Securities are listed under the SEBI Act, 1992 and the Securities Contracts (Regulation) Act, 1956 (SCRA), on the stock exchange and not businesses or undertakings.

Listing Status of Demerged Entities under Indian Corporate and Securities Law: Statutory Interpretation, Regulatory Practice, and Judicial Guidance

Section 2(h) of the SCRA defines “securities” to include shares, debentures, and other marketable instruments. An undertaking or business division does not fall within this definition.

### 1. Listing as a Regulatory Event

Listing is a regulatory event that occurs only when:

- Equity shares are issued,
- Admitted to trading, and
- Approved by a recognised stock exchange.

The Supreme Court has repeatedly emphasized that listing is a privilege regulated by statute, not a natural consequence of corporate restructuring.

## SCENARIO I: DEMERGER OF AN UNDERTAKING FROM A LISTED COMPANY

### 1. Default Legal Position

When an undertaking is demerged from a listed company, the **default rule** is that the resulting company remains **unlisted**, unless specific conditions are fulfilled.

There is **no automatic statutory listing** merely because the transferor company is listed.

This position flows directly from:

- Section 232(3)(h) of the Companies Act, 2013; and
- SEBI’s Scheme of Arrangement framework.

Listing is an independent legal event requiring express statutory and regulatory compliance. It does not follow the business, the group, or the origin of the undertaking.

While not a statutory requirement, promoter continuity has emerged as a settled regulatory expectation.

### 6. Stock Exchange In-Principle Approval

Final listing occurs only upon:

- In-principle approval from BSE and/or NSE, and
- Admission of equity shares to trading.

### 3. Issuance of Shares to Public Shareholders (Mirror Shareholding)

A crucial requirement is that Public shareholders of the listed transferor company receive shares in the resulting company.

This ensures continuity of public participation and prevents misuse of schemes for backdoor listings.

### 4. Minimum Public Shareholding (MPS)

The resulting company must meet the minimum public shareholding requirement of **25%**, as mandated under Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

Failure to meet MPS disqualifies the entity from listing.

### 5. Continuity of Promoter Control

SEBI scrutinizes whether:

- There is a change in promoter control, and
- The scheme is being used to circumvent IPO norms.

## CONDITIONS FOR LISTING OF THE RESULTING COMPANY WITHOUT AN IPO

A resulting company may be listed without an IPO only if **all** of the following conditions are cumulatively satisfied.

### 1. NCLT Approval of the Scheme

The scheme must be sanctioned by the NCLT under Sections 230-232. Listing consequences flow only upon the scheme becoming effective.

### 2. Compliance with SEBI Circulars on Schemes of Arrangement

SEBI regulates schemes involving listed entities through its circular dated 10 March 2017 (as amended and consolidated into the SEBI Master Circular).

These circulars require:

- Prior stock exchange approval,
- Independent valuation,
- Fairness opinions, and
- Detailed disclosures to shareholders.

## SITUATIONS WHERE THE DEMERGED ENTITY REMAINS UNLISTED

### 1. Demerger into a Wholly-Owned Subsidiary

Where the undertaking is transferred to a wholly-owned subsidiary and no shares are issued to public shareholders, the resulting entity remains unlisted.

This structure is commonly used for internal reorganizations.

### 2. Private Holding Structures

If promoters or a holding company retain complete ownership and no public float is created, listing does not arise.

### 3. Scheme Silent on Listing

If the scheme:

- Does not seek stock exchange approval, and
- Does not provide for public share issuance,

the resulting company remains unlisted, regardless of the listed status of the transferor.

## IMPACT ON THE ORIGINAL LISTED COMPANY

A demerger does not affect the listing status of the original company unless:

- It is merged into another entity, or
- It is dissolved without winding up.

This principle was affirmed under the Companies Act, 1956 and continues under the Companies Act, 2013.

## SCENARIO II: DEMERGED UNDERTAKING MERGED INTO AN UNLISTED COMPANY

### 1. Core Legal Position

Where a demerged undertaking of a listed company is merged into an unlisted company, the transferee company **remains unlisted**.

There is no automatic listing, even though the business originates from a listed entity.

### 2. Statutory Recognition under Section 232

Section 232(3)(h) expressly contemplates that transferee companies may remain unlisted. This statutory recognition is decisive.

### 3. SEBI's Settled Position

SEBI has consistently held that:

- Listing status is not transferable,
- Undertakings cannot be listed,
- Only equity shares admitted to trading acquire listed status.

### 4. Practical Structure

Typical structure:

- Company A (Listed).
- Company B (Unlisted).
- Business demerged from Company A and merged into Company B.

Even if Company B issues shares to shareholders of Company A, Company B remains unlisted unless a listing process is separately undertaken.

## SUBSEQUENT LISTING OF THE UNLISTED TRANSFEE COMPANY

### 1. Listing through IPO

The unlisted company may subsequently undertake an IPO under the SEBI ICDR Regulations, subject to eligibility and disclosure norms.

### 2. Listing through Scheme (Exceptional)

Listing through a scheme is possible only if:

- Public shareholders are allotted shares,

- MPS norms are satisfied, and
- Stock exchange approval is obtained.

This intention must be expressly stated in the scheme.

## JUDICIAL AND REGULATORY PRECEDENTS

### 1. Piramal Pharma Limited – SEBI Adjudication Order

SEBI held that:

- Listing obligations under SEBI LODR apply only upon actual listing,
- Origin of business from a listed company is irrelevant.

This decisively reinforces the principle that listing is an event, not an inheritance.

### 2. Case Law: Miheer H. Mafatlal vs. Mafatlal Industries Ltd.

The Supreme Court held that courts sanction schemes only if they comply with statutory requirements and public interest.

This principle underpins SEBI's insistence on regulatory compliance for listing.

### 3. SEBI vs. Sterlite Industries (India) Ltd.

The Court recognised SEBI's wide regulatory powers to protect market integrity and prevent circumvention of listing norms.

## SUMMARY TABLES

### Scenario I

Structure	Listing Status
Mirror shareholding to public	Listed
Wholly-owned subsidiary	Unlisted
Asset transfer only	Unlisted

### Scenario II

Situation	Listing Status
Demerged unit merged into unlisted company	Unlisted
Separate IPO	Listed

## ADDITIONAL AND COMPLEX SCENARIOS AFFECTING LISTING STATUS IN DEMERGERS

While the principal scenarios discussed above cover the most common restructuring structures, corporate practice has evolved several complex variants of demergers that raise nuanced questions on listing status. These scenarios further reinforce the settled principle that **listing is neither automatic nor transferable**, but arises only through express statutory and regulatory compliance.

**SCENARIO III: REVERSE DEMERGER / DEMERGER INTO AN UNLISTED HOLDING COMPANY****1. Structure**

- Company A – Listed subsidiary.
- Company B – Unlisted holding company.
- An undertaking is demerged from Company A and transferred to Company B.

**2. Legal Position**

The unlisted holding company **does not acquire listed status** merely because:

- The transferor subsidiary is listed, or
- The business originates from a listed entity.

Section 232(3)(h) of the Companies Act, 2013 applies equally, requiring an express declaration regarding listing status of the transferee company.

**3. Regulatory Practice**

SEBI and stock exchanges treat this structure as a **pure transfer of undertaking**, not a listing event. Stock exchange approvals for such schemes routinely include a clarification that the holding company shall continue to remain unlisted.

**4. Standard NCLT Clause**

“The Transferee Company being an unlisted company shall continue to remain unlisted upon the Scheme becoming effective.”

**5. Key Principle**

**Listing does not travel vertically within a corporate group, whether upward or downward.**

This position aligns with SEBI’s consistent stance that **listing is entity-specific and security-specific**, not group-based.

**SCENARIO IV: DEMERGER RESULTING IN CHANGE OF PROMOTER CONTROL****1. Structure**

- Demerger from a listed company.
- Promoter group or control of the resulting company changes post-scheme.

**2. Legal Position**

A resulting company **may still be listed**, provided all statutory conditions are met. However, SEBI applies **enhanced regulatory scrutiny** where:

- Promoter continuity is disrupted, or
- Control passes to a new promoter group.

**3. SEBI’s Regulatory Concern**

SEBI examines whether the scheme is being used as a:

- **Backdoor listing**, or
- Mechanism to introduce new promoters without IPO-level disclosures.

**4. Possible Regulatory Outcomes**

SEBI may:

- Require IPO-equivalent disclosures,
- Impose lock-in on promoters,
- Direct modifications to the scheme, or
- Withhold listing approval.

**5. Judicial Support**

The Supreme Court has upheld SEBI’s authority to prevent circumvention of securities regulations in restructuring exercises.

**6. Practical Insight**

While promoter continuity is not a statutory requirement, it has evolved into a **de facto regulatory benchmark** in scheme-based listings.

**SCENARIO V: CROSS-BORDER DEMERGER INVOLVING A LISTED INDIAN COMPANY****1. Structure**

- Indian listed company.
- Undertaking demerged into a foreign company (or vice versa).

**2. Legal Position**

The foreign resulting entity:

- **Cannot be listed on Indian stock exchanges** by operation of a demerger,
- Must comply independently with Indian securities law for any listing.

**3. Additional Laws Triggered**

- FEMA (Cross Border Merger) Regulations, 2018.
- RBI approvals (automatic or otherwise).

SEBI has **no jurisdiction to automatically list foreign equity securities** pursuant to a scheme.

**4. Outcome**

- Indian transferor company continues to remain listed, if applicable.
- Foreign transferee company remains unlisted in India.

**5. Key Principle**

**Listing jurisdiction is territorial; origin of business is irrelevant.**

**SCENARIO VI: DEMERGER OF AN UNDERTAKING INTO AN LLP****1. Structure**

- Listed company.
- Undertaking demerged into a Limited Liability Partnership (LLP).

**2. Legal Position**

An LLP:

- Has no share capital,
- Issues no “securities” within the meaning of the SCRA, 1956.

Accordingly, **listing is legally impossible**.

### 3. Statutory Basis

- LLP Act, 2008
- Section 2(h), Securities Contracts (Regulation) Act, 1956

### 4. NCLT Practice

NCLT routinely approves such schemes with an express clarification that no listing consequences arise.

### 5. Standard Clause

“The Transferee LLP shall not be listed, and no securities are proposed to be issued pursuant to this Scheme.”

### 6. Doctrinal Significance

This scenario underscores that **listing is inseparable from equity share capital**.

## SCENARIO VII: DEMERGER FOLLOWED BY ISSUE OF CONVERTIBLE INSTRUMENTS

### 1. Structure

- Resulting company issues CCDs / CCPS instead of equity.
- Equity conversion deferred to a later date.

### 2. Legal Position

Until conversion:

- The company remains **unlisted**,
- SEBI LODR Regulations do not apply.

Convertible instruments, though securities, are **not equity shares admitted to trading**.

### 3. SEBI Position

Listing can occur **only after actual conversion into equity shares** and compliance with MPS norms.

### 4. Regulatory Risk

Such structures are closely scrutinized where they appear to:

- Delay public float,
- Postpone listing obligations.

## SCENARIO VIII: DEMERGER WHERE MINIMUM PUBLIC SHAREHOLDING FALLS BELOW 25%

### 1. Structure

- Shares issued to public shareholders.
- Public shareholding falls below 25% post-scheme.

### 2. Legal Position

The resulting company:

- Cannot be listed immediately, or
- May receive conditional listing approval subject to time-bound compliance.

### 3. Stock Exchange Practice

Exchanges may require:

- Offer for Sale (OFS),
- Promoter dilution, or
- Other corrective measures.

### 4. Relevant Law

Rule 19A, Securities Contracts (Regulation) Rules, 1957.

### 5. Practical Importance

Many otherwise valid schemes face delays **solely due to MPS non-compliance**, making this a critical structuring consideration.

## CONSOLIDATED PRINCIPLE EMERGING FROM ADDITIONAL SCENARIOS

Across all structures — reverse demergers, cross-border transactions, LLP transfers, promoter changes, or hybrid instruments — the governing rule remains consistent:

**Listing is an independent legal event requiring express statutory and regulatory compliance. It does not follow the business, the group, or the origin of the undertaking.**

## CONCLUSION

Indian corporate and securities law adopts a clear, consistent, and purposive approach where listing is not inheritable through restructuring. Section 232(3)(h) of the Companies Act, 2013, coupled with SEBI's regulatory framework, ensures that listing occurs only through transparent, regulator-approved processes.

For practitioners, promoters, and regulators alike, the lesson is unequivocal — businesses may move through schemes, but listing follows the securities, not the undertaking.

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# From Boardroom to System Architecture: The Company Secretary's Techno-Legal Role under the DPDP Act, 2023 and DPDP Rules, 2025

With the notification of the Digital Personal Data Protection (DPDP) Rules, 2025, the Indian corporate landscape has shifted from "interpreting the law" to "Techno-Legal Compliance." For the Company Secretary (CS), this transition presents a unique challenge and opportunity: the mandates of the Act—consent, erasure, and grievance redressal—are legal in principle but entirely technical in execution. A Board Resolution to "Ensure DPDP Act and Rules Compliance" is merely the starting point; the finish line lies in database architecture, API integrations, and user interface (UI) workflows. This article provides a "Techno-Legal" framework for Company Secretaries to guide their organizations through the implementation phase, translating statutory obligations into system specifications that Chief Information Officers (CIOs) and IT teams can execute.



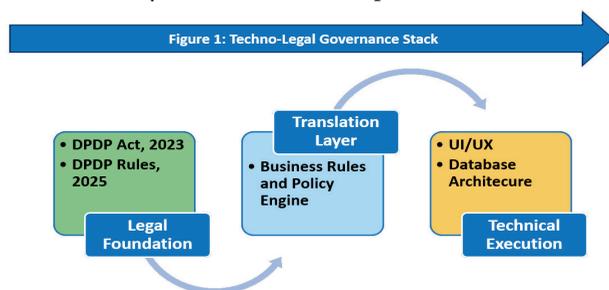
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## INTRODUCTION

A Board Resolution to "Ensure DPDP Act and Rules Compliance" is merely the starting point; the finish line lies in database architecture, API integrations, and user interface (UI) workflows. This article provides a "Techno-Legal framework" for Company Secretaries to guide their organizations through the implementation phase, translating statutory obligations into system specifications that Chief Information Officers (CIOs) and IT teams can execute.

The Company Secretary's expertise has long been rooted in: governance frameworks, board minutes, and statutory compliance. However, the **Digital Personal Data Protection Act, 2023 (DPDP Act)** and the notified **Digital Personal Data Protection Rules, 2025** have fundamentally altered this landscape.



As illustrated in **Figure 1**, effective governance is no longer just a legal mandate — it is a **Techno-Legal Governance Stack**.

While the Act and Rules (**the Legal Foundation**) provide the 'What' and the 'How'— specifically regarding **Data Erasure Timelines (Rule 8)**, **Breach Reporting Formats (Rule 7)**, and **Consent Manager Standards (Schedule I)** — these mandates must be translated into **Business Rules** and ultimately executed in **Database Architecture**.

As we stand in early 2026, the organizations are now in the critical implementation phase. A primary friction points often observed in organizations at the Translation Layer between the Legal function and the IT function:

- **The Legal Team says:** "We must obtain verifiable consent."
- **The IT Team asks:** "Is a simple Boolean flag (is\_consented = True) in the user table sufficient? Or is a separate Immutable Log Table required — complete with timestamps and SHA-256 Hash Values — to ensure the record is tamper-proof for legal audits?"

The ability to answer the above is critical for ensuring compliance. The gap between a legal requirement and a software feature is where non-compliance risks breed. This article aims to empower the CS to act as the 'Techno-Legal Governance Architect' for privacy, breaking down the DPDP Act and DPDP Rules into actionable steps.

## THE ARCHITECTURE OF "CONSENT" (SECTION 6 & RULE 3)

Under the DPDP Act, consent is the bedrock of processing personal data. The Act mandates that consent must be free, specific, informed, unconditional, and unambiguous. While these are familiar legal terms to comply, their implementation necessitates precise technical specifications.

### 1. The "Notice" (Section 5 & Rule 3): Multi-Lingual UI Architecture

While **Rule 3** mandates that the Notice must be "itemised" and "understandable independently" of other terms, **Section 5(3)** of the Act explicitly requires

that this option be available in English and all 22 languages specified in the Eighth Schedule of the Constitution.

- a. **The Techno-Legal Challenge:** It is no longer sufficient to have a static `privacy_policy.html` in English.
- b. **The System Solution:** The CS must verify that the Content Management System (CMS) has a **“Localization Engine.”** The system must detect the user's device language preference and dynamically render the Notice in English or other language specified in the Eighth Schedule of the Constitution before consent is sought.
- c. **Audit Requirement:** If a user selects “Hindi” as their interface language, does the **Audit Log (Consent Artifact)** record that they were shown `Notice_Version_2.1_Hindi`? If the log shows they agreed to the English version, we may be in violation of **Section 5(3)**.

## 2. The “Consent Artifact”: Moving Beyond the Checkbox

A simple “tick mark” in a database (e.g., `Consent = True`) is no longer sufficient. To meet the burden of proof required by the Act, we must treat consent as a transactional record, often called a **“Consent Artifact.”**

- a. **Data Structure Recommendation:** The CS should guide the IT team to store a **JSON (JavaScript Object Notation)** log for every consent provided, containing:

**Who:** User ID

**What:** Specific purpose ID (e.g., “Payroll”, “Marketing”, “Billing”, “Other Services”)

**When:** UTC Timestamp

**How:** Version ID of the Notice displayed at that time

**Validity:** Expiry date (if applicable)

The “Digital Evidence” Standard (JSON Schema)

This JSON structure represents the “Consent Artifact” that the IT system should generate every time a user interacts with a Privacy Notice. It is the ultimate piece of evidence for a Section 63 BSA certificate (The Bharatiya Sakshya Adhiniyam, 2023).

## ANATOMY OF A “CONSENT ARTIFACT” - AUDIT LOG RECORD

JSON

```
{
  "consent_artifact": {
    "artifact_id": "CONSENT-2026-X892",
    "timestamp": "2026-01-26T10:00:00Z",
```

```
    "techno_legal_metadata": {
      "statute": "DPDP Act, 2023",
      "relevant_sections": ["Sec 5(3)", "Sec 6"],
      "relevant_rules": ["Rule 3", "Rule 4"]
    },
    "provenance": {
      "data_principal_id": "user_7741",
      "notice_version": "v2.1_Hindi",
      "hash_of_notice_text": "sha256:e3b0c442..."
    },
    "user_action": {
      "status": "GRANTED",
      "timestamp_ms": 1739527200000
    },
    "evidence_integrity": {
      "hashing_algorithm": "SHA-256",
      "record_hash_value": "f123456789abcdef...",
      "bsa_compliance": "Section 63(4) Ready"
    }
  }
}
```

The inclusion of **Legal Metadata** (Sections and Rules) directly within the JSON record transforms a simple IT log into a “Compliance Artifact.” Furthermore, while many IT teams prefer hashing entire log files for efficiency, the Techno-Legal CS should insist on individual record hashing. This ensures that each consent event is a standalone **‘electronic record’** under the **Bharatiya Sakshya Adhiniyam (BSA), 2023**, making it significantly easier to produce a valid **Section 63 Certificate** for a single user's dispute without exposing the entire database log to the Data Protection Board.

1. **Techno-Legal Tip:** The “BSA” Standard Under the *Bharatiya Sakshya Adhiniyam (BSA), 2023*, electronic records are treated as primary evidence, provided their integrity is provable. The Company Secretary must ensure that “Consent Artifact” logs are secured using hashing algorithms (such as SHA-256).

In the event of a legal challenge regarding consent, the organization must produce a certificate under Section 63(4) of the BSA. This section mandates the identification of the electronic record and a certification of the proper operation of the computer system. In the digital domain, the Hash Value serves as the definitive technical fingerprint to satisfy this requirement, proving the record has not been tampered with since the timestamp of consent.

## THE RIGHT TO ERASURE: OPERATIONALIZING THE DATA PURGE PROTOCOL (SECTION 12 & RULE 8)

While Section 12(1) grants the right to correction, which is a standard database update operation, **Section 12(3): The Right to Erasure** presents a unique architectural challenge.

The Act stipulates that upon a Data Principal's request; the Data Fiduciary must erase personal data unless retention is necessary for a specified purpose or strictly for legal compliance.

For the Governance Professional, the objective is to define a "Clean Deletion" protocol that satisfies the statutory request of the Data Principal without compromising the organization's audit trail or compliance evidence.

### 1. The Use Case: Execution of a Termination Request

Consider a scenario where a Data Principal initiates a formal account closure and exercises the Right to Erasure pursuant to Section 12(3).

- The Legal Mandate:** The Data Fiduciary is statutorily obligated to remove the Data Principal's Personally Identifiable Information (PII) — such as Name, Email, Mobile, and Residential Address — from the active production environment.
- The Technical Risk:** Executing a standard SQL command (e.g., DELETE FROM Customer\_Master WHERE User\_ID = 'X') creates a critical compliance vulnerability. Such a "Hard Delete" operation inadvertently destroys the **Consent Artifacts** and historical logs required to prove that the prior processing was lawful, leaving the entity defenceless during a regulatory audit.

### 2. The Solution: "Soft Deletion" Architecture & Log Retention (Rule 8)

**Rule 8(3)** resolves this conflict by establishing a dual-state requirement: while the primary personal data must be erased, the "associated traffic data and other logs of the processing" must be retained for a minimum period of **one year**.

- The Instruction to IT:** The system architecture must reject immediate "Hard Deletion." Instead, it must trigger a "**Soft Delete**" workflow consisting of three stages:
  - Identity Masking:** Pursuant to **Rule 6**, the system must overwrite PII fields in the live database with irreversible, generic placeholders (e.g., converting "**User\_Name**" to Deleted\_User\_UUID\_8942) or NULL values, effectively severing the link between the data and the individual.
  - Log Preservation:** The system must strictly retain timestamped metadata (e.g., "User\_UUID logged in at [Timestamp]") and the original Consent Artifacts.
  - Archival Migration:** These anonymized logs should be automatically migrated to a "Secure Compliance Archive" — ideally configured as Write-Once-Read-Many (WORM) storage — physically separate from the active marketing database.

Under the DPDP Act, consent is the bedrock of processing personal data. The Act mandates that consent must be free, specific, informed, unconditional, and unambiguous. While these are familiar legal terms to comply, their implementation necessitates precise technical specifications.

This architectural segregation ensures that if the Data Protection Board inquires, "**Under what authority was this user's data processed prior to erasure?**", the Data Fiduciary can produce the original Consent Artifact (potentially dated years prior) as primary evidence under the *Bharatiya Sakshya Adhinyam*. This serves as the immutable proof of lawful processing, even though the Data Principal's active profile no longer exists.

### 3. The "48-Hour" Pre-Erasure Protocol (Rule 8(2))

For scenarios involving automated erasure (e.g., policy-driven deletion of inactive accounts), **Rule 8(2)** mandates a preventative notification mechanism.

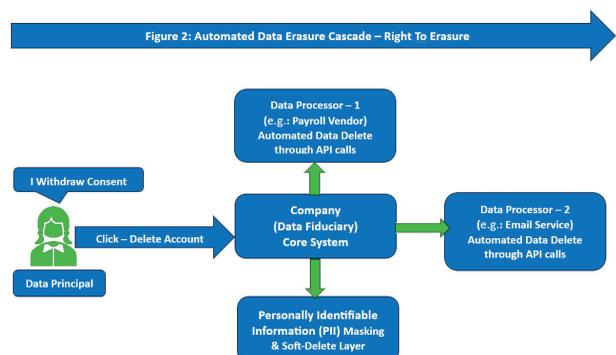
- The Requirement:** The system must trigger a notification to the Data Principal at least **48 hours prior** to the permanent erasure of data.
- The System Logic:** The automated scheduler (Cron Job) must execute a conditional check:

*Logic:* IF (Account\_Status == 'Marked\_For\_Erasure') AND (Time\_To\_Execute < 48 Hours) -> TRIGGER\_NOTIFICATION ("Urgent: Data scheduled for permanent erasure in 48 hours pursuant to Rule 8(2).")

### 4. The Deletion Cascade: Orchestrating Downstream Processor Compliance

Finally, Section 12(3) mandates that the obligation to erase extends beyond the Data Fiduciary to all downstream Data Processors.

- The Action:** Upon processing a valid erasure request, the primary system must initiate an API-driven cascade signal to all third-party vendors (e.g., Cloud Storage Providers, Email Marketing Agencies), instructing them to purge the specific PII from their sub-systems.
- The Compliance Check:** Governance Professionals must ensure that Data Processing Agreements (DPAs) with vendors include specific Service Level Agreements (SLAs) requiring the instantaneous execution of these automated deletion signals.



## SECURITY SAFEGUARDS & THE BREACH NOTIFICATION ENGINE (SECTION 8 & RULE 7)

The Act mandates a dual layer of protection: “**appropriate technical and organisational measures**” under **Section 8(4)** for general compliance, and specific “**reasonable security safeguards**” under **Section 8(5)** to prevent data breaches. As a Company Secretary, we must audit the **architecture of security**.

### 1. Access Control Lists (ACLs) and RBAC

“Need to know” is a legal concept; “**Role-Based Access Control**” (RBAC) is the technical implementation.

- a. **The Question for IT:** “Can a junior developer access the live production database containing real customer names?”
- b. **The Requirement:** Operational data should be **masked** for internal staff. Only the automated system should have clear-text access. The CS must inspect the “**Privileged Access Management**” (PAM) logs as part of the internal audit.

### 2. Encryption: At Rest and In Transit

- a. **In Transit:** Data moving from the User's access point — be it a mobile app, browser, or third-party portal — to the Organization's server must be encrypted (e.g., HTTPS/TLS 1.3).
- b. **At Rest:** Data sitting on the hard drive must be encrypted.
- c. **The Techno-Legal Prerequisite:** Encryption is rendered ineffective if the encryption keys are stored next to the data.

### 3. The Breach Notification Engine (Rule 7)

While **Section 8(6)** of the Act mandates the duty to report, **Rule 7** defines the “Techno-Legal” execution. It creates a dual-notification protocol that must be triggered the moment an organization becomes “aware” of a breach.

- a. **The Data Principal Intimation (Rule 7(1)):** The notice to users must be in “plain manner/language” and include specific safety measures the user can take. This requires the **Grievance Portal** to have pre-drafted, multi-lingual templates that can be dynamically populated with breach details.
- b. **The Data Protection Board (DPB) Staged Reporting (Rule 7(2)):**

**Stage 1: Immediate Alert [Rule 7(2)(a)]:** Requires “nature, extent, timing, and location of occurrence and the likely impact.”

**Stage 2: 72-Hour of becoming aware of the breach** (or within such longer period as the Data Protection Board of India (DPBI) may allow on a request made in writing in this behalf) **Comprehensive Report [Rule 7(2)(b)]:** This is where the technical burden peaks. The report must include the “root cause” (events and reasons), findings on the perpetrator, and remedial measures taken.

- c. **The CS Role:** We cannot manually gather this metadata during a crisis. The “**Incident Response Platform**” (IRP) must be pre-configured to auto-populate the specific fields required by Rule 7.
- d. **The Technical Hurdle:** If the IT dashboard merely shows “Database Unauthorized Access,” but Rule 7(2)(b) requires a “report regarding intimations given to affected Data Principals,” the system must be able to cross-reference the database logs with the communication logs (Email/SMS/App/Others) to prove that every affected user was notified “without delay.” Without this **automated cross-referencing**, the CS cannot sign off on a compliant 72-hour report.

## THE SIGNIFICANT DATA FIDUCIARY (SDF) & THE SYSTEM AUDIT

For organizations classified as **Significant Data Fiduciaries (SDF)**, the bar is higher. We are required to appoint an independent Data Auditor and conduct Data Protection Impact Assessments (DPIAs).

### 1. The DPIA as a “Product Spec”

A Data Protection Impact Assessment (DPIA) is not a generic risk document; it is a technical stress test of the product architecture.

- a. **The Scenario:** The Company wants to launch a new AI-driven recommendation engine personalized on user behaviour.
- b. **The DPIA Stress Test:** The assessment must analyse the “**Training Data Pipeline**”

**The Question:** “If a Data Principal withdraws consent under Section 6(4) or demands Erasure under Section 12, can we surgically remove their data from the AI model?”

**The Technical Reality:** Current AI architectures (specifically Neural Networks) store information in “weights,” not database rows. True “Machine Unlearning”— removing a specific user's **mathematical trace** without retraining the entire model — is currently a scientifically unsolved problem for most complex models.

### 2. CS Guidance (The “Privacy by Design” Fix)

- a. **The Risk:** If the AI model “memorizes” PII, and we cannot erase it upon request, the Company is in violation of Section 12.
- b. **The Solution:** The CS must advise the Board to enforce “**Anonymization at Source.**” The Engineering Team must scrub/mask all PII *before* it enters the training set. If the AI never learns “Who” the user is, only “What” they did, the need for unlearning is mitigated.

## THE AUTOMATED GRIEVANCE REDRESSAL (SECTION 13 & RULE 14)

While “Consent” and “Erasure” focus on the happy path of user interaction, **Section 13** addresses the friction: the Grievance Redressal Mechanism. Under the Act, a Data Principal has the right to approach the Data Protection Board (DPB) only *after* exhausting the internal grievance options.

**Rule 14** of the DPDP Rules, 2025, transforms this from a soft skill into a hard technical specification. It mandates that the Data Fiduciary must respond within a “reasonable period” (not exceeding 90 days, though industry best practice is **15 to 30 days**) and requires the issuance of a unique reference number.

### 1. The “Identifier” Validation Protocol (Rule 14(1), (Rule 14(3) & Rule 14(5))

**Rule 14(1)(b)** mandates that the Data Fiduciary must publish the specific “particulars” required to identify the user. **Rule 14(5)** defines these “Identifiers” as technical sequences — ranging from a **Customer Identification File (CIF) Number** to an **Application Reference Number** or **Enrolment ID**.

- The Compliance Gap:** A generic “Contact Us” form that only asks for “Name” and “Message” is technically non-compliant. It fails to capture the unique Identifier required by Rule 14(5) to map the user to their data accurately.
- The Techno-Legal Fix:** The CS must instruct the UI/UX team to update the Grievance Portal. The form must include a **validated field** for the specific Identifier (e.g., “Enter 12-digit Customer ID”).

**Backend Logic:** The system must instantly validate this ID against the Master Database before allowing the ticket to be created.

### 2. The “Unstructured Repository” Risk (Rule 14(3))

Rule 14(3) explicitly demands that the company - within a reasonable period not exceeding ninety days under its grievance redressal system for responding to the grievances of Data Principals and shall, for ensuring the effectiveness of the system in responding within such period, implement appropriate technical and organisational measures.

- The “Shared Inbox” Failure:** Utilizing a basic email alias (e.g., *privacy-grievance@company.com*) is a potential violation of Rule 14(3). An email inbox is an “unstructured repository” — it lacks the built-in technical measures required to automate aging alerts, enforce escalation workflows, or mandate identity verification.
- The Risk - The Communication Auditability Gap:** Relying on manual email creates a dual-layered compliance risk. First, an **Inbound Failure** occurs when a user's grievance is **obscured** by spam filters or lost within fragmented threads, leading to a statutory deadline breach. Second, an **Evidentiary Weakness** arises when the organization attempts to prove compliance; while a manual email screenshot is a **fragile** exhibit that can be challenged for

authenticity, a system-generated log provides immutable, timestamped proof of the entire communication lifecycle.

### 3. The “Ticketing System” Architecture

To satisfy Rule 14(3), the CS must mandate the implementation of a **Privacy CRM or Ticketing System** (similar to Customer Support, but protected for privacy).

- Step 1: Auto-Acknowledgement (The Statutory Receipt):** When a user submits a complaint, the system must instantly generate a unique “**Ticket ID**” (Reference Number) and email it to the user.

**Legal Value:** This serves as the definitive evidence that the organization acknowledged the complaint “without delay.”

- Step 2: The SLA Countdown Clock:** The system must have a hardcoded **Service Level Agreement (SLA)** timer.

**Techno-Legal Logic:** While Rule 14(3) allows up to 90 days, relying on the maximum limit is high-risk. The system timer should be configured to an internal target of 15 days (T-minus-15). This ensures that the grievance is resolved well before a Data Principal can escalate the matter to the Data Protection Board.

- Step 3: Escalation Matrix:** If the ticket is still “Open” as the deadline approaches, the system should automatically trigger an escalation alert to the Company Secretary's dashboard. This prevents “**human error**” from turning into a “**statutory violation**.”

### 4. The “Closure Report” Artifact

Finally, the resolution cannot be conveyed via informal channels. The system must automatically generate a PDF “**Closure Report**” summarizing the investigation findings and the final decision.

- The Strategic Importance:** In the event of an appeal to the Data Protection Board (DPB), this system-generated Closure Report serves as the **Data Fiduciary's primary defence exhibit**. It provides verifiable proof that the organization acted with due diligence, successfully authenticated the user's Identity (Rule 14(5)), and responded strictly within the statutory timeline.

## CONCLUSION: THE NEW GOVERNANCE ARCHITECT

The paradigm of managing privacy is **evolving beyond** static policy documents. As demonstrated by the “**Techno-Legal Governance Stack**” (Figure 1) and the “**Automated Data Erasure Cascade**” (Figure 2), true compliance with the DPDP Act, 2023 and Rules, 2025 lies not in the boardroom resolution, but in executing on the server.

For the modern Company Secretary, this represents a **significant strategic shift**. We must **expand** the traditional role of a Compliance Officer who **primarily** interprets the law, to become a ‘Techno-Legal Governance Architect’ who helps embed compliance into the system. This requires **extending**

our engagement beyond the boardroom to understand the operational realities of the technical infrastructure. By asking the right questions — about SHA-256 Hash Values, JSON logs, and Purge Cycles — the CS ensures that the organization's legal intent is faithfully translated into technical reality.

Ultimately, the gap between a legal mandate and a software feature is where liability lives. It is our new professional duty to bridge that gap, ensuring that the digital interactions are evidence-ready under the BSA, 2023 and aligned with engineering best practices like IS 17428 and ISO 27701. As we move into this new era of digital governance, the most valuable professional will be the one who can stand

in a boardroom and explain the legal risks of a “privacy policy,” and then walk into the server room and explain the architectural necessity of “immutable audit logs.” It is time for us to move from drafting resolutions to designing techno legal frameworks.

## ANNEXURE: TECHNO-LEGAL READINESS FOR THE COMPANY SECRETARY

To effectively bridge the gap between compliance mandates and technical execution, the following framework serves as a direct alignment for the CS to use during interface meetings with the CIO/CTO:

Legal Requirement	Legal Reference (Act & Rules)	Technical Question for the CIO/CTO	Desired Answer (The “Pass” Criteria)
Notice (Multilingual)	Section 5(3)	“Does our CMS support dynamic rendering of the privacy notice in 22 regional languages?”	“Yes. We use a headless CMS where we update the legal text centrally, and it reflects across all regional interfaces instantly.”
Notice (Itemized)	Section 5(1) & Rule 3	“Is our notice ‘independent’ of other terms and does it provide an itemized list of data collected?”	Yes. It is architected as a standalone module with specific data-point mapping (not embedded within general T&Cs).
Consent Logging	Section 6(1) & Rule 4	“Do we log the specific version of the terms the user agreed to?”	“Yes. The database stores the Notice_Version_ID, Language_Code, and a timestamped Hash Value of the consent artifact.”
Data Erasure	Section 12 & Rule 8	“Is our database ‘purge cycle’ set to run efficiently upon request?”	“Yes. We run daily ‘Soft Delete’ scripts. PII is masked immediately, but traffic logs are migrated to the ‘Immutable Audit Vault’ for the mandatory 1-year retention.”
Breach Reporting	Section 8(6) & Rule 7	“Can our dashboard auto-generate the fields required for the DPB notification?”	“Yes. The Incident Response Platform maps directly to Rule 7 fields and tracks user notifications for the compliance report.”
Grievance Redressal	Section 13 & Rule 14	“Do we have a ticketing system with a hardcoded SLA timer for privacy complaints?”	“Yes. The system requires a valid Identifier (Rule 14(5)) and triggers an escalation alert to Legal if a ticket remains open past Day 12 (internal warning).”

## REFERENCES:

### 1. Primary Legal Statutes

- i. *The Digital Personal Data Protection Act, 2023 (Act No. 22 of 2023).*
- ii. *The Digital Personal Data Protection Rules, 2025 (Ministry of Electronics and Information Technology).*
- iii. *The Bharatiya Sakshya Adhinyam, 2023 (Act No. 47 of 2023); specifically, Sections 57, 61, and 63 regarding electronic evidence.*

### 2. Technical Standards

- iv. *IS 17428 (Part 1): 2020 – Data Privacy Assurance: Engineering and Management Requirements (Bureau of Indian Standards).*
- v. *ISO/IEC 27701:2019 – Privacy Information Management System (PIMS) (International Organization for Standardization).*

### 3. Professional Standards

- vi. *ICSI Auditing Standards (CSAS-1 to CSAS-4) – The Institute of Company Secretaries of India.*

## Appendix: Glossary of Techno-Legal Terms

- vii. **API (Application Programming Interface)** A software connector that allows two different applications to communicate and exchange data automatically.
- viii. **Cron Job** An automated background task scheduler that executes specific software scripts at pre-set times (e.g., midnight data purges).
- ix. **Hash Value** A unique digital “fingerprint” of a file used to verify its integrity; any alteration to the file changes the hash, making it crucial for digital evidence (BSA Section 63).
- x. **Immutable Audit Vault (WORM)** “Write-Once-Read-Many” storage where data cannot be modified or deleted once written, ensuring tamper-proof compliance logs.
- xi. **JSON (JavaScript Object Notation)** A standard, lightweight text format used for storing and exchanging data in human-readable “key-value” pairs (e.g., {“Consent”: “True”}).

□

# Invitation For Research Papers in CS Journal – March 2026 Issue

## RESEARCH PAPER



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

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

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

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

Members and other readers desirous of contributing Research Paper may send the same latest by **Friday, February 20, 2026** for the **March 2026** issue of Chartered Secretary Journal at [cs.journal@icsi.edu](mailto:cs.journal@icsi.edu)

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

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

Regards,  
**Team ICSI**

# 3

## RESEARCH CORNER



- Distribution of Sale Proceeds between First and Second Charge Holders under Liquidation: An Unsettled but Evolving Legal Position
-

# Distribution of Sale Proceeds between First and Second Charge Holders under Liquidation: An Unsettled but Evolving Legal Position

The Insolvency and Bankruptcy Code, 2016 aims to create a coherent and predictable insolvency framework grounded in value maximization and equitable stakeholder treatment. This article analyses the statutory scheme under Sections 52 and 53 of the Code, its interaction with pre-IBC principles under the Transfer of Property Act, 1882, and the divergent approaches adopted by the NCLT and NCLAT. It critically examines key decisions, including '*Technology Development Board v. Anil Goel and IDBI Bank Ltd. v. Deepika Bhugra Prasad*', which reconceptualise secured creditors as a single class upon relinquishment of security. The article concludes by highlighting the unsettled nature of the issue pending adjudication before the Hon'ble Supreme Court and its implications for liquidation outcomes and creditor strategy.



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## INTRODUCTION

The Insolvency and Bankruptcy Code, 2016 represents a decisive departure from the fragmented enforcement regime that prevailed prior to its enactment. The Code introduced a creditor-in-control model, time-bound insolvency processes, and a comprehensive statutory waterfall for distribution of proceeds during liquidation in accordance with the provisions of Section 53 of the Code. Notwithstanding its detailed framework, the Code has left certain foundational questions unresolved, necessitating judicial interpretation.

One such contentious issue concerns the distribution of sale proceeds between secured creditors holding first and second charges over the same asset. Under pre-IBC jurisprudence, priority between such creditors was governed by settled principles of property law, most notably Section 48 of the Transfer of Property Act, 1882. The first charge holder enjoyed unquestioned precedence over subsequent charge holders.

The IBC alters this landscape by introducing a statutory election under Section 52 and a class-based distribution mechanism under Section 53. Whether these provisions preserve traditional inter se priorities or replace them with pari passu treatment upon relinquishment of security has emerged as a critical question in liquidation jurisprudence.

## THE CORE LEGAL ISSUE

The central question may be framed as:

In terms of Section 52 of the Code, read with Regulation 21A of the IBBI (Liquidation Process) Regulations, 2016 ("**Liquidation Regulations**"), where a Secured Creditor having a first charge over a particular asset opts to realize its security interest independently outside the liquidation estate, what shall be the treatment and entitlement of other Secured Creditors holding a second or subsequent charge over the same asset during the liquidation process?

Furthermore, the question arises whether in case where the Secured Creditor chose to relinquish the Security Interest and would not proceed for realization under Section 52 of the Code, in that case there remains no classification inter se, i.e. all the Secured Creditors rank equal (pari passu), irrespective of the fact that they have inter se priority in security charge.

## PRE-IBC JURISPRUDENCE AND ITS LIMITS

Before the enactment of the IBC, courts consistently upheld the priority of first-charge holders. In *ICICI Bank Ltd. v. Sidco Leathers Ltd.*, the Supreme Court affirmed that a first charge holder must be paid in priority to a second charge holder, drawing support from Section 48 of the Transfer of Property Act, 1882 and the scheme of the Companies Act, 1956.

However, these decisions were rendered in a fundamentally different statutory context. The IBC, with its overriding clause under Section 238 and its emphasis on collective insolvency resolution, raises the question whether such precedents can continue to govern liquidation distribution under the new regime.

## RELINQUISHMENT VS. REALISATION: A CRITICAL DISTINCTION

An important nuance emerges from the statutory framework and judicial reasoning:

- Where a secured creditor realises its security outside liquidation under Section 52, traditional charge



priority continues to operate. A first-charge holder is entitled to be paid in full before any residual value flows to a second-charge holder.

- Where a secured creditor relinquishes its security, it submits to the statutory waterfall under Section 53, where inter-se priority is not recognised.

This distinction preserves contractual rights at the enforcement stage while subordinating them to statutory distribution once security is surrendered to the liquidation estate.

### PARA 21 OF THE REPORT OF INSOLVENCY LAW COMMITTEE DATED 26<sup>TH</sup> MARCH, 2018

The relevant extract from Paragraph 21 of the said judgment, wherein the conclusion on the subject has been drawn, is reproduced hereunder for ready reference:

*“21.6 To conclude, the Committee was of the opinion that it is sufficiently clear from a plain reading of Section 53(1)(b) that it intended to rank workmen’s dues equally with debts owed to secured creditors who have relinquished their security. Section 53(1)(b) does not talk about priority inter se secured creditors. Thus, valid inter-creditor/subordination agreements would continue to govern their relationship. Further sub-section (2) of Section 53 must also be interpreted accordingly. For instance, applying Section 53(2) in the context of Section 53(1)(b), any agreements between workmen and secured creditors which disrupts their pari passu rights will be disregarded by the*

*liquidator. However, agreements inter-se secured creditors do not disturb the equal ranking sought to be provided by Section 53(1)(b) and therefore do not fall within the ambit of Section 53(2). The Committee felt that there was no requirement for an amendment to the Code required since a plain reading of Section 53 was sufficient to establish that valid inter-creditor and subordination provisions are required to be respected in the liquidation waterfall under Section 53 of the Code.”*

In view of the above, it can be concluded that the inter se priorities amongst the secured creditors will remain valid and prevail in distribution of assets in liquidation.

### TECHNOLOGY DEVELOPMENT BOARD VS. ANIL GOEL: REDEFINING SECURED CREDITORS AS A CLASS

The debate came to the fore in *Technology Development Board v. Anil Goel*, where the NCLAT was called upon to decide whether first-charge holders could appropriate the entire sale proceeds to the exclusion of a second-charge holder after relinquishment of security.

The NCLAT held that:

- Once secured creditors relinquish their security interest, they form a single class under Section 53(1)(b) (ii).
- Section 53 does not permit sub-classification among secured creditors based on charge ranking.

- Pre-IBC principles and Section 48 of the Transfer of Property Act cannot override the statutory waterfall due to Section 238 of the Code.

This ruling marked a significant doctrinal shift from asset-centric enforcement to class-centric distribution.

## ANALYSIS

### A. Priority to First Charge Holder under Inter Se Secured Creditors

The judgement passed by the Hon'ble NCLT, Kolkata Bench in the case of *Sree Metalika Limited vs. SREI Equipment Finance and Engineering Limited (Company Petition (IB) No.16/KB/2017)* and the judgement of Hon'ble Supreme Court in the case of *ICICI Bank Ltd vs. Sidco Leathers Ltd. & Ors in Appeal (civil) 2332 of 2006* provides for the distribution of Liquidation Sale Proceeds while considering the following aspects based on the interpretation of Section 53 and Para 21 of the Report of Insolvency Law Committee dated 26<sup>th</sup> March, 2018:

1. The CIRP Costs and Liquidation Costs shall be paid off in priority, thereafter;
2. The first charge holder of a particular asset will be entitled to receive sale proceeds in priority up to the payment of its debt in full, after which, the second charge holders would be paid from the balance sale proceeds, if any;
3. If a particular Secured Stakeholder has exclusive charge on any asset, it alone shall be entitled to receive the proceeds from sale of such asset;
4. Pari passu charge holders shall be paid in proportion of their debt;
5. In case, *SFC 1 and SFC 2 is having the First Charge and Second Charge respectively over the same Asset Block*, the SFC 1 will be entitled to receive sale proceeds in priority up to the payment of its debt in full, after which, the SFC 2 would be paid from the balance sale proceeds, if any.

In case, SFC 1 and SFC 2 having the *first charge – pari passu over same Asset Block*, the proceeds from the said asset shall be distributed between the secured creditors in proportion to their admitted claim amount.

Also, in case the Secured Creditor has *First Exclusive Charge* over Asset, the whole proceeds were required to be disbursed to such Secured Creditor only.

6. Upon allocation of the sale proceeds of the secured assets to the secured creditors holding security

interests therein, the residual outstanding debt shall be crystallized. Any further realizations from the sale or recovery of other assets shall thereafter be distributed *pro rata* among such creditors in proportion to their respective balance outstanding debts.

### B. Non-Recognition of Inter Se Priority amongst Secured Creditors

Once Secured Creditors relinquish their security interests to the liquidation estate, the distinction between first and second charge becomes irrelevant. The relinquished assets form part of the common liquidation pool and their proceeds must be distributed strictly in accordance with Section 53 of the Code, which does not recognize any sub-classification among Secured Creditors. Where the Secured Creditors relinquished their security interest to the liquidation estate, the right on the assets shall be forfeited. The only right available to them was to receive proceeds from the sale of assets in the manner provided in Section 53.

The question of distribution between first-charge and second-charge holders under liquidation lies at the intersection of property law, contract law, and insolvency policy.

Accordingly, the first charge holder will have priority in realizing its security interest if it elects to realize its security interest and does not relinquish the same. However, once a Secured Creditor opts to relinquish its security interest, the distribution of assets would be governed by the provision engrafted in Section 53(1)(b) (ii) whereunder all Secured Creditors having relinquished security interest rank equally and in the waterfall mechanism, are second only to the insolvency resolution process costs and the liquidation costs.

## DISTRIBUTION OF SALE PROCEEDS UPON SALE OF CORPORATE DEBTOR AS GOING CONCERN DURING LIQUIDATION

If the Corporate Debtor has been sold as Going Concern during the Liquidation, the Secured Creditors might have multiple charge (1<sup>st</sup> and 2<sup>nd</sup> Charge) over the particular block of assets, in that case how the distribution of asset will be made?

The judgment dated **20.12.2023** rendered by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, in *IDBI Bank vs. Mrs. Deepika Bhugra Prasad, Liquidator of ESS DEE Aluminium Limited under IA(IB) No. 1694/(KB)/2022 in CP(IB) No. 1284/(KB)/2019*. The crux for the analysis of the said judgement is as hereunder:

A judgment of Hon'ble NCLT in Comp App. (AT)(Ins.) No. 547 of 2022 in the matter of *Oriental Bank of Commerce vs. Anil Anchalia Liquidator of Bala Technologies & Ors*. In light of the above, it is expedient to examine the applicability of the above judgment in respect of M/s. Amit Metaliks referred to above on the facts of this case. Para 22 of the judgment is extracted below:

22. *It needs hardly any emphasis that if the propositions suggested on behalf of the appellant were to be accepted, the result would be that rather than insolvency resolution and maximisation of the value of assets of the corporate debtor, the processes would lead to more liquidations, with every secured financial creditor opting to stand on dissent. Such a result would be defeating the very purpose envisaged by the Code; and cannot be countenanced. We may profitably refer to the relevant observations in this regard by this Court in Essar Steel as follows:—*

*“85. Indeed, if an “equality for all” approach recognising the rights of different classes of creditors as part of an insolvency resolution process is adopted, secured financial creditors will, in many cases, be incentivised to vote for liquidation rather than resolution, as they would have better rights if the corporate debtor was to be liquidated rather than a resolution plan being approved. This would defeat the entire objective of the Code which is to first ensure that resolution of distressed assets takes place and only if the same is not possible should liquidation follow.”*

The ratio decendi of the above judgement is that all the similarly situated creditors shall be treated equally as a class and their treatment shall not be dependent on the value of securities held by the constituents of a class, which in this case are the Secured Creditors, who have relinquished their security interest. By this measure, all Secured Creditors who have relinquished their security interest shall be given an equitable treatment. The Section 53 of the Code, which deals with the distribution of assets and specifies the methodology of distribution of the proceeds of sale of liquidation of a Corporate Debtor and routinely referred to as the Waterfall mechanism.

From the emphasized text in 53(1)(b)(ii), we note that two words have been stressed-on in the statute are ‘between and among’. Thus, while the first word i.e. “between” is intended to integrate the two different classes i.e. the workmen and the Secured Creditor, which shall therefore rank equally, the other word i.e. “among” signifies the equality within a group which herein consists of all such secured creditors who have relinquished their security interest in line with Section 52.

Since there is no quarrel on the issue of relinquishment, therefore the significance of the word “among” relates to the inter se relationship between all such secured creditors and these have to be then given an equitable treatment which shall mean in proportion to their admitted claim.

Section 53 does not differentiate between the quantum or magnitude of the relinquishment, which is taken care while distributing the proceeds on a proportional basis.

## ILLUSTRATIVE ANALYSIS

Where a Secured Financial Creditor (SFC 1) having first charge over a particular block of asset and they opt for not to relinquish their right over the security interest while the other Secured Creditor (SFC 2) who is also having the first charge pari-passu over the same block of asset and they opted to relinquish their right over the asset.

In light of the foregoing analysis, it can be concluded that the SFC 1 might proceed for selling the asset in accordance with the Section 52 of the Code read with Liquidation Regulations, and the sale proceeds received from such sale of assets shall

be distributed between the SFC 1 and SFC 2 (SFC 1 and SFC 2 having first charge pari passu over the same block of assets) in proportionate to their admitted claim amount.

However, if SFC 2 is having the Second Charge over the said particular block of asset, instead of first charge pari passu, then the SFC 1 might proceed for selling the asset in accordance with the Section 52 of the Code read with Liquidation Regulations, and the sale proceeds received from such sale of assets shall be first appropriated towards the dues of the SFC 1, thereafter, residual amount shall belong to the SFC 2.

## SUPREME COURT INTERVENTION AND PENDING UNCERTAINTY

The judgments passed by the Hon'ble NCLAT in *Kotak Mahindra Bank Limited v. Technology Development Board (Civil Appeal No. 2359 of 2021)* and *IFCI Limited vs. (i) IDBI Bank Limited and (ii) Ms. Deepika Bhugra Prasad, Liquidator of Ess Dee Aluminium Limited (Civil Appeal No. 1424 of 2025)* have been assailed before the Hon'ble Supreme Court of India.

In *Kotak Mahindra Bank Limited vs. Technology Development Board, the Hon'ble Supreme Court*, vide its order dated 9<sup>th</sup> June 2021, granted a stay on the operation of the impugned judgment and order passed by the Hon'ble NCLAT on 5 April 2021. Subsequently, vide order dated 13<sup>th</sup> September 2024, the Insolvency and Bankruptcy Board of India (“IBBI”) was impleaded as a party-respondent at the instance of the Appellant.

Further, in *IFCI Limited vs. IDBI Bank Limited & Anr., the Hon'ble Supreme Court*, vide its order dated 14<sup>th</sup> February 2025, stayed the operation of the impugned judgment and order dated 28<sup>th</sup> January 2025 passed by the Hon'ble NCLAT in Company Appeal (AT) (Insolvency) No. 335 of 2024.

As on date, both matters remain pending for adjudication before the Hon'ble Supreme Court. The next date of hearing in these matters is presently not reflected on the Court's portal.

## CONCLUSION

The question of distribution between first-charge and second-charge holders under liquidation lies at the intersection of property law, contract law, and insolvency policy. The IBC appears to draw a clear conceptual line: **priority survives enforcement but dissolves upon relinquishment.**

A definitive ruling by the Hon'ble Supreme Court is awaited to settle this issue conclusively. Such clarity will be crucial not only for liquidation practice but also for shaping creditor behaviour, inter-creditor arrangements, and lending strategies under India's insolvency framework.

## REFERENCES:

- i. *ICICI Bank Ltd. v. Sidco Leathers Ltd., (2006) 10 SCC 452.*
- ii. *IDBI Bank Ltd. v. Deepika Bhugra Prasad, IA(IB) No. 1694/(KB)/2022 (NCLT Kolkata Bench).*
- iii. *Insolvency and Bankruptcy Code, 2016, Sec. 52, 53, 238.*
- iv. *Technology Development Board v. Anil Goel, Company Appeal (AT) (Insolvency) No. 731 of 2020 (NCLAT).*
- v. *Transfer of Property Act, 1882, Sec. 48.*

□



## Dr. Shakuntala Dawesar

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The pace of life, our routines and even manner of working have all changed drastically in the past two decades. The main reason for this is the result of technological inventions which have become available to the common man at an affordable cost, such as mobile phones, computers and internet connection, in addition to a host of electrical gadgets to make housekeeping and household chores like cooking and heating much faster and easier. These advances have made information more accessible to everyone and helped reduce the time taken to accomplish many tasks. They have also made communication much faster. Where we once had to go physically to fulfill certain actions, we can now use technology to accomplish the same in a fraction of the time. Social media, has, to a large extent, replaced real time social activities. These factors have resulted in a slow and steady change in our life styles and priorities.

Some of these changes in our daily living have impacted our habits and our health, leading to what is now categorized broadly as Life Style Disorders. Common among these are Hypertension, Heart Disease, Respiratory conditions, elevated levels of Cholesterol in the blood, Type 2 Diabetes, Obesity, eye-related issues due to long hours of exposure to a lit screen and some Gastro Intestinal disorders, to name a few.

Much of manual labour has been replaced by machines and life, for the majority, is far more sedentary. This is especially the case for those with white collar jobs living in urban areas. Less physical activity can easily lead to obesity, which is now becoming a major cause of concern in urban India. The influx of rural population to urban areas to seek more employment opportunities is causing real estate costs in these cities and towns to escalate and get more congested. Hence, there are fewer playgrounds nearby and often no footpaths and tracks for walking and running. This has led to gradual obesity in the general population impacting the health and wellbeing of many individuals. The bones together with the muscles are responsible for bearing the weight of the body. When the weight increases, the bones and muscles are strained and tire more easily, leading to fatigue and posture problems. Obesity, when unchecked, also increases the chances of Heart Disease and hormonal imbalances.

# LIFE STYLE DISORDERS



Hypertension or High Blood Pressure is caused due to an increase in the pressure with which blood flows through its pipeline, the blood vessels. A high salt diet with lack of exercise, obesity, sedentary life style, smoking and drinking alcoholic beverages, can lead to it. A modification in the life style, incorporating regular exercise, reduced salt intake, a healthy high fibre diet and avoiding tobacco products and alcohol, all play a crucial role in preventing a rise in blood pressure.

High Blood pressure, over time, especially if untreated, increases the work load of the heart which needs to pump the blood through its vessels to the entire body, with greater force and effort. This increased work load causes the heart to gradually increase in size and tire more easily leading to slow heart failure. Thus, High Blood Pressure must be treated while also incorporating life style changes. Once changes are made in one's exercise and diet regimen, medications for heart disease and high blood pressure can often be reduced or even stopped.

Another prevalent life style disorder is Type 2 Diabetes. The Pancreas is an organ situated in the abdominal cavity below the stomach. It produces a hormone called Insulin which regulates the blood sugar by helping the glucose to move from the bloodstream to the cells and provide energy. In Diabetes, the insulin production does not meet the insulin demand of the body and the blood sugar levels increase. Despite increased blood sugar levels, the cells do not receive the glucose they need due to inefficiency in the movement of the glucose in the blood stream to the cells. This faulty metabolism is the cause of the problem in Diabetes. Insufficient glucose in the cell results in reduced energy levels causing varying degrees of fatigue. Over a period of time, fatigue leads to reduced physical

activity and gain in weight. The higher glucose levels in the blood also attract infections, especially of the skin and urinary and respiratory tracts. Uncontrolled Diabetes escalates infections in the body and can eventually lead to decreased functioning or even failure of an organ or, in the case of skin, to ulceration and gangrene, necessitating amputation of the area involved. Adhering to strict dietary provisions along with medication and life style changes, go a long way in preventing complications and opportunistic infections. The blood vessels in the eye may get affected in cases of severe or untreated Diabetes causing a condition called Diabetic Retinopathy which can impact the vision eventually. The Nerves in the body also get affected by long standing high levels of sugar in the blood and can manifest as Neurological impairment. There is hardly a part of the body that completely escapes damage from Diabetes. Hence, it is of paramount importance to take medical advice once Diabetes is diagnosed. Mild rise of blood sugar levels may be controlled by a strict diet and exercise regimen but regular medical supervision and monitoring are necessary. Even in cases where medication is advised, regular monitoring of the state of blood sugar control and periodic investigations are necessary to detect and treat complications, should they arise.

Modern life style seems to have impaired our digestive powers to some degree. This is because of more packaged food and ready made products that we consume to save time and effort in cooking from scratch. To increase shelf life of ready to eat food products preservatives are added to food and certain artificial colours and flavours are also used to make the food look more appetizing. Many of these additives, when consumed regularly, decrease the ability to digest food leading to digestive disorders such as hyperacidity, flatulence and bowel irregularities. These readymade foods also contain more salt and fat which adversely affect our Blood Pressure and Heart. Refined and ultra-refined flour and grains are often used for many packaged food products. These cause one to gain weight easily. Trans fats are produced by partial hydrogenation of certain oils and these are mainly used in packaged food products as they have longer shelf lives. Many of the readymade snacks we consume have more sodium (table salt) and are fried and the left over oil is reused. Reused oil converts to trans fats. These Trans fats increase cholesterol levels in our blood and may form plaques which may, over time, clog the blood vessels which supply blood to the heart and lead to heart attacks. Given the fact that younger and younger people are now getting heart attacks, it is crucial for us to ensure that we avoid or at least restrict the consumption of packaged food stuffs

Smoking or using of Nicotine in any form is addictive and its long-term effects on the human body are well documented. It causes respiratory infections leading

to a host of problems from frequent episodes of cough to chronic lung disease and cancer, not just in the respiratory tract but in other organs of the body as well. Chewing of tobacco is known to cause ulceration and cancer of the mouth and tongue. Some of these cancers are very invasive and painful and despite treatment, patients ultimately die within a few years of diagnosis.

The functioning of the human body depends to a large extent on the life style of the individual. It is therefore up to each one of us to understand the advantages of a healthy life style and to ensure we incorporate changes in our lives to ensure optimum benefit to our bodies. This requires discipline and will power.

Computers and laptops have become necessary for school children, as also to office goers and self-employed persons. Digital communications are now widely used. Screens and monitors have replaced pen and paper. The result has been detrimental to the eyes. Eye strain, visual disturbances due to long hours of lit screen viewing can cause watering of the eyes, frequent headaches and even deterioration of eyesight.

Long hours of sitting at a desk in front of a monitor eventually leads to weight gain due to lack of physical activity. Earlier, even office goers would frequently get up from their seats to submit work or meet for discussions. This has been substituted by sending emails and doing online conferences. Many work stations now come with desks which can be elevated to allow for working while standing. Changes in posture thus necessitated allow better blood circulation. While working on a computer, one must take a few minutes of break every 30 to 40 minutes to allow the eyes to rest and straighten their backs by standing / walking.

Artificial Intelligence is the latest addition to our already fast paced life and unless we learn to keep this digital tool under our command, we may become slaves of the very asset which is now a boon. When information is too freely available, the mind becomes lazy in seeking its own answers. Natural curiosity gets replaced by the convenience of readily accessible solutions. Over time, this leads to a decline in the ability of the mind to think, reason out, imagine, innovate and create. Rapid changes in outlook and life style require enhanced capabilities to adapt. This in itself can pose challenges to one's frame of mind and psychological wellbeing. All these factors must be kept in mind when we adopt new techniques, new gadgets and new horizons of physical comfort. A balanced mind and body are necessary to embrace new technologies while one remains grounded and does not allow oneself to fully depend on factors beyond one's own capabilities, to dictate one's life and choices.



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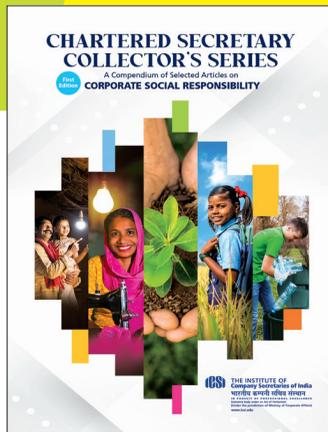
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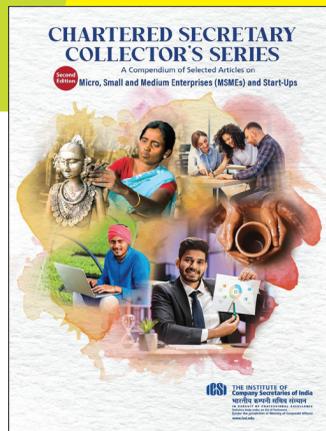
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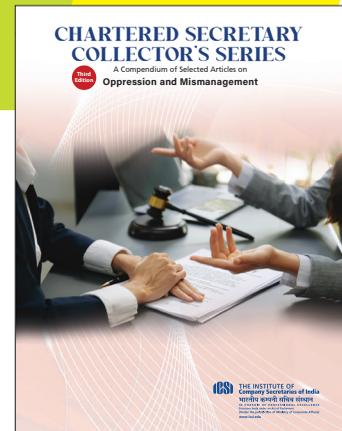
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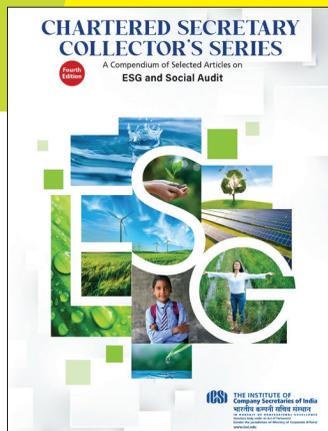
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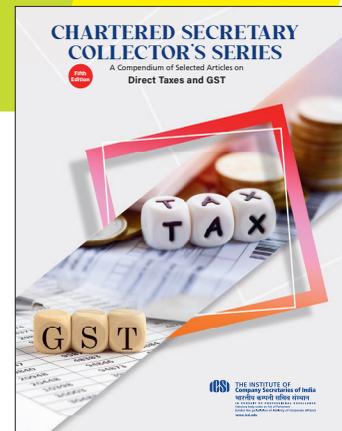
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## LEGAL WORLD



- Oriental Metal Pressing Works (P.) Ltd. v. Bhaskar Kashinath Thakoor & Anr [SC]
- Employees Provident Fund Organisation v. Subhlaxmi Investment Advisory Pvt. Ltd. & Anr [NCLAT]
- Refex Industries Ltd. v. Regional Director, Northern Region, Ministry of Corporate Affairs & Anr [Del]
- Super Medicos & Anr v. Northern Railways Central Hospital [CCI]
- Preeti Kodwani v. Sundar Pichai & Ors [CCI]
- Jindal Equipment Leasing Consultancy Services Ltd. v. Commissioner of Income Tax [SC]
- Kadir Khan Ahmed Khan Pathan v. The Maharashtra State Warehousing Corporation & Ors [SC]
- Motilal Oswal Financial Services Ltd. v. Santosh Cordeiro & Anr [SC]
- Saisudhir Energy Ltd. v. NTPC Vidyut Vyapar Nigam Ltd. [SC]



## Corporate Laws

### Landmark Judgement

LMJ 02:02:2026

### ORIENTAL METAL PRESSING WORKS (P.) LTD. v. BHASKAR KASHINATH THAKOOR & ANR [SC]

Civil Appeal No. 10 of 1960

A.K. Sarkar, SJ Imam & Raghubar Dayal, JJ. [Decided on 16/12/1960]

Equivalent citations: 1961 AIR 573; 1961 SCR (3) 329; (1961) 31 Comp Cas 143; 1962 SCJ 1; 1961 63 BOM LR 505.

**Companies Act, 1956 - Sections 312, 317 and 255-appointment of director under will - whether tenable- Held, Yes.**

#### Brief facts:

Dadoba Tukaram Thakoor carried on a business under the name and style of Oriental Metal Pressing Works and later he converted it into a private company. On the same date, an agreement was made between him and the Company by which he was appointed the managing director of the Company for life and was given the power to appoint his successor by deed inter-vivos or by will or codicil to appoint any person to be a managing director in his place and stead. Regulation 109 of the articles of the Company reproduced these provisions. Dadoba had died leaving a will whereby he purported to appoint the appellant Govind the managing director of the Company in his place from the date of his death.

Shortly after Dadoba's death, disputes arose between the appellant Govind and the respondent Bhaskar with respect to the appointment. The trial court rendered the appointment to be void and on appeal by the Company and Govind, the High Court affirmed it. Hence the present appeal before the Supreme Court.

**Decision: Allowed.**

#### Reason:

Now, s. 312 makes the assignment of his office by a director void. It does not on the face of it, say that an appointment by a director of another person as the director in his place, would be void. The High Court, however, took the view that the word "assignment" in the section included "appointment", and so, such an appointment would also be void under the section. What we have to decide is whether the High Court was right in this view.

We have given the views of the High Court a most respectful and anxious consideration but we do not find ourselves able to agree with them. We will presently state our reasons for this conclusion, but now we wish to point out that in the view that we have taken of the matter it will not be necessary for us to deal with the argument advanced in the High Court that the section only forbade a director from appointing his successor, assuming assignment included appointment, but it did not prevent a managing director from assigning his office, or appointing his successor which was what Dadoba had done. If the section did not prevent a director from appointing his successor, which we do not think it did, then, clearly, there is nothing in it which can justify the view that a managing director cannot appoint his successor.

The section says that a director shall not be able to assign his office. It may be, as the High Court pointed out, that apart from "transfer" another meaning of the word "assignment" is, "appointment". But on a plain reading of the language used in the section, it does not seem to us possible to hold that the word "assignment" in it, can mean "appointment".

First, the section talks of "assignment of his office" by a director. The word "his" would indicate that the office contemplated was one held by the director at the time of assignment. An appointment to an office can be made only if the office is vacant. It is legitimate, therefore, to infer that by using the word "his" the Legislature indicated that an appointment by a director to the office which he previously held but did not hold at the date of the appointment, was not to be included within the word "assignment". Again, there can be no doubt that the section was intended to render void a transfer of his office by a director for, if the section had intended only to avoid an appointment by a director of his successor, it would have clearly said so and would not have used the word "assignment". Therefore, even if it is possible for the word "assignment" to have the meaning of "appointment", then it would have to be given both the meanings of "transfer" and "appointment" in the section. This is what the High Court did. That would produce a curious result.

Transfer and appointment are clearly entirely different things. Even apart from considerations arising from the law of conveyance, which the High Court was unable to entertain in connection with the transfer of an office, a transfer from its very nature inevitably imports the passing of a thing from one to another; a transfer without the passing of the thing transferred, even when that thing is an office, cannot be conceived. An "appointment", on the other hand, has nothing to do with anything passing from one to another; it connotes the putting in of someone in a vacancy. The acts constituting a transfer and an appointment are therefore wholly dissimilar. It would be an unusual statute which by the use of a single word intended to prohibit at the same time, two wholly different acts. We do not think that a construction leading to such a result is permissible.

Secondly, s. 255 of the Act permits one-third of the total number of directors of a public company and all the directors of a private company to be appointed otherwise

than by the company at a general meeting, if the articles make provision in this regard. The Act therefore expressly permits directors to be appointed otherwise than by the company. It follows that within the limit as to the number prescribed by the section, a power of appointment of directors can be legitimately conferred by the articles on any person including one who holds the office of a director. The Act expressly permits such power being conferred.

In order, however, that a director may exercise this power of appointment, there must be a vacant office of a director. He may himself bring about that vacancy by resignation of his office. The vacancy would again be caused by his death or by the expiry of the term of his office. It would follow that the Act contemplates an appointment by a director of another person as director to take his office, when made vacant by his resignation or death or the expiry of the term of his office. There will be nothing illegal, if the power is exercised in the case of the death of the director, by an appointment made by his will. It will not be right so to interpret s. 312, when its language does not compel it, as to bring in conflict with the provisions of s. 255. This would happen, if the word “assignment” in s. 312 was interpreted as including “appointment” and thereby making it prevent a director from appointing his successor when s. 255 permits him to do that. Therefore again we think that in s. 312 the word “assignment” does not mean “appointment”.

In view of the clear provisions of s. 255 we do not think that it can be said, as was done in the High Court, that ss. 254 and 317 of the Act, impliedly indicate that there should be no perpetual management. Section 254 says that a corporation or an association of persons shall not be eligible as a director. But this is not because, otherwise, there would be perpetual management. The persons comprising the corporation or the association must change from time to time and so, even if they were appointed directors, there would be no perpetual management. We rather think that the idea behind s. 254 is that as the office of a director is to some extent an office of trust, there should be somebody readily available who can be held responsible for the failure to carry out the trust and it might be difficult to fix that responsibility if the director was a corporation or an association of persons.

Turning to s. 317, we find that it provides that a managing director cannot be appointed for a term exceeding five years at a time. Section 315 however makes s. 317 inapplicable to a private company. Therefore, s. 317 is not available to support an argument that the Act does not want a private company - and we are concerned with that type of a company - to be under perpetual management. But indeed s. 317 does not support that argument in the case of a public company either. It forbids an appointment of a managing director for more than five years “at a time”. It permits the managing director to be reappointed after a term is over. If he is so reappointed, then there would be “perpetual management” by him. The Act does not, therefore, intend by s. 317, to prevent that. Lastly, s. 317 is not concerned with the directors, which s. 312 is.

Another argument that has to be dealt with is that if s. 312 does not prohibit an appointment by a director of his successor, that section can easily be rendered infructuous by a director adopting the simple device of appointing a person as his successor in office instead of transferring the office to him. It seems to us that the question does not really arise. A director can legally and effectively appoint his successor only to the extent the articles permit this subject, of course, to the limit prescribed in s. 255 in the case of a public company. An appointment so legally made does not result in an evasion of s. 312 for, as we have earlier said, the section could not have intended to prevent what another section in the same Act made legal. An appointment made outside the powers legally conferred by the articles is wholly ineffective and therefore is not an appointment at all and hence again, does not result in an evasion of s. 312.

We think we ought to say something about what strikes us to be the policy behind s. 312 of the new Act. We have earlier said that under s. 255 of that Act a certain number of directors in a public company has to be appointed by the company in a general meeting. In the case of a private company likewise, the directors have to be appointed similarly except to the extent the articles otherwise provide. It would therefore appear to be the policy of the Act that to a certain extent the appointments of the directors have to be made by the shareholders. It is intended that a certain number of directors would be the chosen representatives of the shareholders.

If a director appointed by the company was permitted to assign his office, then the new incumbent would not be the chosen representative of the shareholders, and the intention of the Act would be defeated. It seems to us that it is to prevent this result that the Act forbids a director by s. 312 from assigning his office. Where however a director has been appointed otherwise than by the company in a general meeting, the shareholders have nothing to do with his appointment. Such a director is not the chosen representative of the shareholders and the shareholders cannot claim to have a say in the appointment of his successor. We can discern no policy in the Act which can be said to be liable to be defeated by the appointment of the successor of such a director by him. Therefore s. 312 was not concerned with such an appointment.

In the present case Dadoba had power under the articles to appoint a person to be the managing director in succession to him, and in exercise of that power he had appointed the appellant Govind as the managing director to hold the office after his death. Such power was clearly recognised by, and legal under s. 255 of the new Act. For the reasons earlier stated, the exercise of such power does not offend s. 312. It follows that the appellant Govind had been lawfully and validly appointed the managing director of the Company. We, therefore, declare that the appellant Govind had been validly appointed the managing director of the Company, and set aside the decisions of the Courts below that he had not been so appointed. We have not been asked to interfere with the rest of the judgment under appeal and we do not do so. Appeal allowed.

LW 09:02:2026

**EMPLOYEES PROVIDENT FUND ORGANISATION  
v. SUBHLAXMI INVESTMENT ADVISORY PVT.  
LTD. & ANR [NCLAT]**

**Company Appeal (AT) (Insolvency) No. 794 of 2025**

**N. Seshasayee & Arun Baroka. [Decided on 09/012026]**

**Insolvency and Bankruptcy Code, 2016 - claim of PF dues - Resolution Plan provided for lesser amount- NCLT rejected the objection raised by EPFO to the RP- whether rejection tenable- Held, Yes.**

**Brief facts:**

Appellant - EPFO has sought relief to set aside the Resolution Plan approved by National Company Law Tribunal (NCLT). The main reason for appeal is that while approving the Resolution Plan against the claim of ₹18,35,528/- towards PF dues, provisions of only ₹5,000/- mainly on the grounds that no claim was submitted by EPFO.

**Decision: Dismissed.**

**Reason:**

The arguments presented herein by the Appellant are against the scheme of the Code. We note that in this case assessment and claim by EPFO was made after initiation of CIRP and during the period of moratorium. Thus, it not mandatory for the RP to consider the same. RP also gets support from the judgment of this Appellate Tribunal in the matter of *EPFO vs Jaykumar Pesumal Arlani* in Company Appeal (AT) (Insolvency) No. 1062 of 2024 wherein it is held that after initiation of CIRP and imposition of moratorium under Section 14 of IBC, no assessment proceedings can be initiated or continued by EPFO under Section 7A, 7Q, 14B of EPF & MP Act and no claim based on such assessment can be admitted in CIRP. The said ratio is further affirmed in *CA Pankaj Shah vs EPFO* in Company Appeal (AT) (Insolvency) No. 77 of 2025 that demands made by EPFO on the basis of inspection and assessment orders passed during moratorium are unenforceable.

We find that in this case it is not the case that the RP had not taken note of the claim of the EPFO. But RP included the claim in the Information Memorandum and also the SRA had made necessary provisions.

Another issue which has been raised by EPFO is whether a lower pay out towards Provident Fund dues can be approved in the resolution plan. Perusal of the facts, show that on the basis of the analysis of books of accounts, no amount is shown to be payable as Provident Fund dues. RP had requested the EPFO to file the claims. EPFO initially filed a small amount and then did its own inquiry and reassessment and filed a higher amount, which is being disputed by the RP and ex-suspended director. On the date of initiation of CIRP, there is nothing which is due to EPFO as per books of accounts and at the maximum it could be ₹50,626/- which is also not basis the books of accounts. But ₹5000/- has been provided in the resolution plan. Without books of accounts on record, it is just a nominal amount and approved as per the commercial wisdom

of the CoC and which is non-justiciable. In case details of employees were available on record, situation would have been different. But herein only assessment are being made without EPF deductions being in Books of accounts. Without exact details of employees, it cannot be said that the resolution plan provides for a very low pay out towards Provident Fund dues. Moreover, it could not be done during the moratorium.

In this case, we find that there is no record to suggest that the Provident Fund was deducted contemporaneously by the CD and as no such record existed with the CD. An assessment was made later on by the EPFO basis which a demand has been made and such an assessment is not allowed under the moratorium existing. We have clearly noted the legal position that when the claim on the basis of assessment, which has been made subsequent to initiation of moratorium, is hit by Section 14, sub-section (1) of the IBC, we are of the view that no such claim can be admitted in the CIRP. Therefore, in the facts and circumstances of the case, we find that the Appeal filed by the Appellant does not merit intervention for setting aside the impugned order dated 28.03.2025. We uphold the orders of the Adjudicating Authority and accordingly, the Appeal is hereby dismissed.

LW 10:02:2026

**REFEX INDUSTRIES LTD. v. REGIONAL  
DIRECTOR, NORTHERN REGION, MINISTRY OF  
CORPORATE AFFAIRS & ANR [Del]**

**W.P.(C)-IPD 27/2022**

**Manmeet Pritam Singh Arora, J. [Decided on  
28/01/2026]**

**Companies Act, 2013 - Section 16- companies registered with similar name – rectification thereof - regional director respondent No.1 refused to rectify the name of respondent No.2 - Whether correct-Held, No.**

**Brief facts:**

The present writ petition has been filed by the Petitioner seeking quashing and setting aside of the order dated 23.08.2018 passed by Respondent No. 1, whereby the application filed under Section 16(1)(b) of the Companies Act, 2013 for issuing directions to Respondent No. 2 M/s. Refex Hotels Pvt. Ltd. to rectify its similar name, has been dismissed. The Petitioner further sought a direction to Respondent No. 2 to change its name.

**Decision: Allowed**

**Reason:**

In view of the law settled by this Court in *CGMP Pharmaplan P. Ltd.* (supra) and *Everstone Capital Advisors Pvt. Ltd.* (supra), this Court is of the opinion that the dissimilarity in the businesses of the Petitioner and Respondent No. 2 was not a relevant criterion for the Regional Director to consider for declining to exercise the jurisdiction conferred upon him under Section 16 of the Act of 2013.

The word 'REFEX' as noted above is the prominent part of the name of the Petitioner, which was incorporated in 2002. Subsequently, in the years 2008, 2010 and 2015 its promoter incorporated six [6] other companies, which similarly had 'REFEX' as a prominent part of its corporate name. Thus, as on 27.01.2017, when Respondent No. 2 applied for incorporation with the word 'REFEX' in its corporate name, there already existed seven [7] companies all forming part of the same group, on the register.

In view of the identity of the prominent and distinctive part of the corporate names of the parties, the name of Respondent No. 2 would be undesirable as stipulated under Section 4(2) (a) of the Act of 2013.

The Respondent No. 2's submission that the word 'REFEX' is descriptive of the hospitality services rendered by the company is contradicted by its submissions that the word 'REFEX' is a coined word. In addition, Respondent No. 2's submission that 'REFEX' is descriptive of hospitality service is also unpersuasive and unsubstantiated. The documents on record show that the Petitioner is the prior adopter of this coined word 'REFEX' and, therefore, Respondent No. 2 had no reasonable grounds for adopting this word as a part of its corporate name. The adoption of this name is undesirable within the scope of Section 4(2)(a) of the Act of 2013 as it is identical with the name of the Petitioner.

Learned counsel for Respondent No. 2 had averred that there are several other companies on the register with the word 'REFEX' as a part of the corporate name; however, no details of these other companies have been placed on record. This ground raised by Respondent No. 2 is, therefore, unsubstantiated. The Petitioner, on the other hand, has contended that it is only the Petitioner's group companies, which use the word 'REFEX' as a part of the corporate name.

In these facts, the present petition is allowed, the impugned order dated 23.08.2018 passed by Respondent No. 1 is set aside and Respondent No. 2 is directed to change its name to any other name, which is not identical to or resembles the name of the Petitioner or any other existing company within four (4) weeks from today. Respondent No. 2 and its directors are also directed to ensure that Respondent No. 2 changes its name. Respondent No. 1 is directed to issue appropriate directions to Respondent No. 2 for due compliance of these directions.



## Competition Laws

**LW 11:02:2026**

### **SUPER MEDICOS & ANR v. NORTHERN RAILWAYS CENTRAL HOSPITAL [CCI]**

**Case No. 08 of 2025**

**Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Anurag**

**[Decided on 07/01/2026]**

### **Competition Act, 2002 - Sections 3 & 4- tender for supply of medicines increase of turnover criteria in bid condition- whether violates Sections 3 and 4- Held, No.**

#### **Brief facts:**

The present Information was filed by M/s. Super Medicos ("Informant No. 1") and M/s. Chemicura ("Informant No. 2") (collectively referred to as the "Informants") against Northern Railways Central Hospital [ "OP"] under Section 19(1)(a) of the Competition Act, 2002 ("Act"), alleging contravention of the provisions of Sections 3 and 4 of the Act.

The primary grievance of the Informants was that in the Impugned Tender, the criteria for participation in the bidding process in terms of average annual turnover has been exorbitantly enhanced from Rs.7.5 crores to Rs.19 crores, which is unfair, discriminatory and contrary to guidelines issued by the Ministry of Commerce and Industry and the Ministry of Railways in terms of PPP-MII Order 2017 and GFR, 2017. As stated by the Informants, the alleged conduct of the OP is limiting fair competition of vendors in order to favour a single vendor viz. M/s. Kaushik Medical Store, in contravention of Sections 3 and 4 of the Act.

#### **Decision: Dismissed.**

#### **Reason:**

The Informants have alleged that increasing the annual average turnover from Rs. 7.5 crores to Rs. 19 crores in an unfair manner violates Rule IV of the GFR, 2017. As per the Informants, Rule IV states that turnover criteria should be 30% of the estimated tender value. Notwithstanding the fact that ordinarily tender conditions are not per se violative of the provisions of the Act, the Commission has also perused the GFR, 2017 in view of the allegation raised by the Informants. Rule IV of GFR, 2017 relates to the departmental regulations of financial character, and is reproduced as under:

"All Departmental regulations, insofar as they embody orders or instructions of a financial character or have important financial bearing, must invariably be made by, or with the approval of the Ministry of Finance."

The Commission notes that the averment made by the Informants with regard to Rule IV of GFR, 2017 is not correct as it contains nothing pertaining to annual average turnover. Even otherwise, violation of any rule or guideline/ policy by an enterprise cannot be examined under the Act unless there is any contravention of its provisions.

The Commission has also perused the relevant clause of the Letter No. 2017/H/4/1/Local Purchase (E-3236402) dated 31.07.2023 issued by the Railway Board as furnished by the OP in its response to the Information and notes that the modification by the OP in one of the conditions related to annual average turnover is in compliance with the revised guidelines issued by Railway Board vide the aforesaid letter.

The Commission notes that the Informants are aggrieved with the tender conditions which have been designed and issued by the OP acting on behalf of the President of India. The Commission, in the past has dealt with the competition issues arising from tender conditions prescribed by the procurer and has been of the view that the procurer is at liberty to set its terms and conditions for procurement in free market. The Commission, in *Shri Prem Prakash Vs. Power Grid Corporation of India Ltd.*, had observed “every consumer/procurer must have freedom to exercise their choice freely in the procurement of goods and services. Such choice is sacrosanct in a market economy as the consumers are in the best position to evaluate what meets their requirements and provides them competitive advantage in provision of their services. While exercising such choice, they may stipulate standards for procurement which meets their requirement and the same as such cannot be held as anti-competitive.”

In view of the facts of the case and analysis carried out supra, the Commission is of the view that there is no requirement of delineating the relevant market, as per the provisions of Section 4 of the Act. With regard to the allegation of the Informants regarding favouring one bidder, in violation of Section 3 of the Act, the Commission notes that there is no evidence on record to indicate contravention in terms of Section 3(3) of the Act.

In view of the Information provided and analysis carried out in preceding paragraphs, the Commission is of the opinion that no prima facie case of contravention of Sections 3 and 4 of the Act is made out against the OP. Accordingly, the Information is directed to be closed forthwith under Section 26(2) of the Act.

**LW 12:02:2026**

**PREETI KODWANI v. SUNDAR PICHAI & ORS [CCI]**

**Case No. 36 of 2025**

**Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Anurag**

**[Decided on 05/01/2026]**

**Competition Act, 2002 - Sections 3 & 4- abuse of dominance- no evidence materials to prove the allegations- case was dismissed.**

**Brief facts:**

The present Information has been filed by Preeti Kodwani (‘Informant’) under Section 19(1)(a) of the Competition Act, 2002 (‘Act’), against Sundar Pichai and 22 other persons / entities *inter alia* alleging contravention of the provisions of Sections 3 and 4 of the Act.

It was stated that the Informant is engaged in legitimate business activities and invests considerable resources in marketing and client acquisition through online platforms such as Google and other digital intermediaries. As per the Information, certain dominant players in the digital ecosystems including major technology companies and their associated Artificial Intelligence or ad serving systems are allegedly engaging in practices that unfairly restrict the Informant’s market access and divert its commercial opportunities to competitors.

It was stated that the cumulative and persistent behaviour has already resulted in severe and fundamental commercial distress for the Informant, specifically by undermining professional roles and effectively cutting off access to funding and investment opportunities.

**Decision: Dismissed**

**Reason:**

It is alleged that the Informant’s digital identifiers (such as email IDs, website accounts, or ad campaign data) are being manipulated or interfered with. Further, leads and customers who search for or interact with the Informant’s brand are diverted to competitors, despite paid marketing efforts by the Informant and such diversion constitutes “market allocation” and denial of market access under Section 3(3) and Section 4(2)(c) of the Act, respectively.

It is further alleged that platforms with a dominant position in online advertising and search services are using their control to bias search results and ad placements, intentionally suppressing visibility of the Informant’s business which amounts to imposing unfair or discriminatory conditions in the sale of services, in contravention of Section 4(2)(a)(i) of the Act.

As per the Information, there are attempts to influence international customers (including those in the USA) to boycott the Informant’s brand. It is stated that if this involves collusion among competitors or coordinated platform behavior, it represents a concerted refusal to deal.

It is stated that the Informant is deprived of access to customers/clients and markets despite legitimate advertising expenditure, compounding the pre-existing harm to its funding and business stability. The Informant further states that competitors gain an unfair advantage through manipulated visibility, therefore harming not only the Informant but also consumer choice and market transparency, leading to appreciable adverse effect on competition (‘AAEC’) in India’s digital services market.

The Commission, in its ordinary meeting held on 10.12.2025, considered the Information and decided to pass an appropriate order in due course. The Commission notes that the allegations levelled in the Information are vague, broad, and devoid of the requisite particulars, and the nature of the alleged contraventions have not been clearly articulated. Furthermore, there are 23 OPs arrayed in the present matter; however, the specific role, conduct, and contribution of each OP have not been mentioned in the Information.

The Commission further notes that the evidence furnished in the Information in the form of screenshots is largely illegible and incapable of proper scrutiny. Even otherwise, the Informant fails to specify the manner in which provisions of the Act are allegedly violated. Therefore, in these circumstances, the allegations remain indeterminate and legally unsustainable.

Upon consideration of the facts and circumstances of the present case, the Commission is of the view that there is no prima facie contravention of provisions of Sections 3 and 4 of the Act warranting an investigation into the matter. Therefore, the matter is directed to be closed forthwith under Section 26(2) of the Act.

Consequently, no case for grant of relief(s) as sought under Section 33 of the Act arises and the said request is rejected.



## Tax Laws

LW 13:02:2026

### JINDAL EQUIPMENT LEASING CONSULTANCY SERVICES LTD. v. COMMISSIONER OF INCOME TAX [SC]

**Civil Appeal No. 152 of 2026 with connected appeals  
J.B. Pardiwala & R. Mahadevan, JJ. [Decided on  
09/01/2026]**

**Income tax Act, 1961- Sections 28 and 47- share swap- shares issued by amalgamated company to amalgamating company- what is the treatment if the shares were held as investment or as stock-in-trade by the shareholders of the amalgamating company - Supreme Court clarifies the legal position.**

#### Brief facts:

The present appeals arose out of a common judgment and final order passed by the High Court of Delhi in ITA Nos. 935, 822, 853, and 961 of 2005, pertaining to the Assessment Year 1997-98. By the impugned judgment, the High Court remanded the matters to the Income Tax Appellate Tribunal for fresh adjudication on the question of whether the shares held in the amalgamating company constituted stock-in-trade or capital assets, upon observing that, if the shares were, in fact, held as stock-in-trade, the transaction would fall outside the purview of Section 47(vii) of the Income Tax Act, 1961, and its taxability would consequently be governed by Section 28 under the head “profits and gains of business or profession”.

**Decision: Disposed.**

#### Reason:

In the present case, the Tribunal, relying on *Rasiklal Maneklal*, held that no “transfer” occurs in a scheme of amalgamation. The High Court, however, found this view unsustainable, observing that under the 1961 Act, as clarified in *Grace Collis*, the extinguishment of rights in the shares of the amalgamating company constitutes a “transfer” within the meaning of Section 2(47). Since such transfer is exempt under Section 47(vii) only in respect of capital assets, the High Court proceeded to examine whether shares held as stock-in-trade would nonetheless give rise to taxable business income under Section 28.

The High Court reasoned that once the shares of the amalgamating company ceased to exist and were substituted by shares of the amalgamated company, there was a cession of the old trading stock and its replacement by a new commodity of ascertainable market value. On this footing, it held that a realisation of business profit had occurred, taxable under Section 28. Relying upon *Orient Trading* and *Hindustan Lever*, the Court observed that shares received on

amalgamation are fundamentally new assets, and the process results in realisation of value irrespective of shareholder status. The taxable event, therefore, depends on the substance of the transaction and not merely accounting entries. On this reasoning, the Tribunal’s findings were set aside, the question of law was answered in favour of the Revenue, and the matter was remitted to the Tribunal.

As already noticed, the correctness of this reasoning constitutes the core issue in the present appeals. In view of the foregoing discussions, we reiterate that Section 28 of the I.T. Act is of wide import and encompasses all profits and gains arising in the course of business, even when such profit is realised in kind. The statutory substitution of shares of the amalgamating company by shares of the amalgamated company is not a mere neutral replacement; where the new shares are freely marketable and possess a definite commercial value, the event constitutes a commercial realisation giving rise to taxable business income. The principle laid down in *Orient Trading* and similar authorities makes it clear that such profit need not await actual sale if the benefit received is real and presently realisable.

We thus hold that where the shares of an amalgamating company, held as stock-in-trade, are substituted by shares of the amalgamated company pursuant to a scheme of amalgamation, and such shares are realisable in money and capable of definite valuation, the substitution gives rise to taxable business income within the meaning of Section 28 of the I.T. Act. The charge under Section 28 is, however, attracted only upon the allotment of new shares. At earlier stages namely, the appointed date or the date of court sanction, no such benefit accrues or is received.

In fine, the judgment of the High Court is affirmed, and all these appeals stand disposed of in the aforesaid terms. There is no order as to costs.



## Labour Laws

LW 14:02:2026

### KADIRKHAN AHMEDKHAN PATHAN v. THE MAHARASHTRA STATE WAREHOUSING CORPORATION & ORS [SC]

**Civil Appeal No. of 2026 (@ SLP(C) No. 10869 of 2021)  
J K Maheshwari & Vijay Bishnoi, JJ. [Decided on  
06/01/2026]**

**Labour law – institution of domestic inquiry after employee attaining superannuation- whether valid- Held, No.**

#### Brief facts:

The issue in the present list revolves around the institution of the departmental enquiry by the respondent – Maharashtra

State Warehousing Corporation (for brevity, 'Corporation') against the appellant after his superannuation in absence of any provision in the governing service rules and regulations, i.e., 'Maharashtra Civil Services (Pension) Rules, 1982 (in short '1982 Pension Rules')' and 'Maharashtra State Warehousing Corporation (Staff) Service Regulations, 1992 (in short '1992 Regulations')'.

**Decision: Allowed.**

**Reason:**

The question that falls for our consideration is 'whether in absence of any provision in the 1992 Regulations for institution of departmental proceedings against a superannuated employee, the Corporation could have proceeded against the appellant applying Rule 27(1)(2)(b)(i) of the 1982 Pension Rules? In case enquiry is instituted after retirement of appellant, whether the Corporation had the jurisdiction to continue such enquiry and impose punishment, withholding the retiral benefits and direct recovery?'

After analysing Rule 110 of 1992 Regulations and Rule 27 of 1982 Pension Rules and also considering the averments made in additional affidavit filed as directed on 11.11.2025, the Corporation was unable to produce a conscious decision of the Board regarding adoption of Pension Rules and the circumstances explaining the situation to apply the same rules as applicable to the employees of the Government of Maharashtra to the employees of the Corporation in the matter of institution and continuance of the disciplinary proceedings post-retirement. In light of the above discussions and in view of the judgments referred hereinabove, the irresistible conclusion can be drawn that the Corporation had no jurisdiction to institute the departmental proceedings against the appellant for the alleged misconduct and to direct recovery against him applying 1982 Pension Rules. As such the questions as posed hereinabove are answered in favour of the appellant against the Corporation.

Accordingly, the present appeal is allowed and the impugned order passed by the High Court is set aside. The impugned departmental proceedings against the appellant are also hereby quashed, and the Corporation is directed to release all the retiral benefits to the appellant within a period of eight weeks. The recovery, if any, made from the appellant in the interregnum, shall also be refunded within the period as specified.



## General Laws

**LW 15:02:2026**

**MOTILAL OSWAL FINANCIAL SERVICES LTD. v. SANTOSH CORDEIRO & ANR [SC]**

**Civil Appeal No. 36 of 2026**

**J. B. Pardiwala & K. V. Viswanathan, JJ. [Decided on 05/01/2026]**

**Section 11 of the Arbitration and Conciliation Act, 1996 read with Section 41 of the Presidency Small Cause Courts Act, 1882 - appointment of arbitrator by court- dispute as to property given under leave and licence agreement- whether the dispute is to be dealt with by Small Causes Court only- Held, No. Whether disputes are arbitrable- Held, Yes.**

**Brief facts:**

The present appeal calls in question the correctness of the order dated 02.05.2024 passed by the Single Judge of the High Court of Judicature at Bombay in Commercial Arbitration Application No. 9 of 2024. By the said order, the learned Single Judge allowed the Section 11 Application filed by the respondent under the Arbitration & Conciliation Act, 1996 (for short "the A&C Act") and appointed an arbitrator to adjudicate the dispute between the parties. The only objection taken by the appellant herein was that the dispute is non-arbitrable in view of Section 41 of the Presidency Small Cause Courts Act, 1882 (for short "the 1882 Act"). The learned Single Judge made a short shrift of the said objection by holding that the place where the property in question, which was the subject matter of the dispute, was situated, i.e. Malad, was outside the jurisdiction of the Small Causes Court. This finding has now turned out to be a damp squib, since parties before us are ad idem that Malad area is covered under the jurisdiction of the Small Causes Court. We could have rest content by remanding the matter to the High Court for fresh consideration. However, that will only prolong the dispute and, hence, we have decided to answer the issues arising in the case ourselves.

**Decision: Dismissed.**

**Reason:**

Considerable arguments were advanced both in the oral submissions and in the written note about whether the nature of the claim is in the form of debt or whether it pertains to a matter covered by the ambit of Section 41(1). Arguments were also advanced on the issue as to how the dispute between the parties is a dispute in personam (as contended by the respondent) pertaining only to the recovery of a debt as opposed to the appellant contending that it is a dispute relating to the recovery of the license fee or charges or rent, covered under Section 41(1) of the 1882 Act. Reliance was placed on *Natraj Studios* (supra) and *Booz Allen* (supra) by the appellant and *Globsport* (supra) by the respondents.

In exercise of our jurisdiction under Section 11, we are not concerned with the said dispute. That will be for the arbitrator to decide. We have been told that the Arbitrator has taken a decision on the Section 16 application. If that be so, parties have to work out their remedies in accordance with law. As and when such remedies are resorted to, they will be decided uninfluenced by any of the observations made herein. All questions between the parties other than the one answered herein based on Section 11(6-A) of the A&C Act are left open.

For the reasons set out hereinabove, paragraph 40 of Central Warehousing (Supra) cannot be understood on the facts of the present case to mean that Clause 33 of the Leave and License Agreement has ceased to exist.

We have been constrained to deal with the judgement in Central Warehousing (supra) only to decipher whether on account of the said judgement, Clause 33 of the Leave and License Agreement dated 06.10.2017, in the present case, containing the arbitration clause is non-existent. We hold that it is not and that an examination under Section 11(6-A) indicates that there exists an arbitration agreement between the parties. We are conscious that an appeal is pending in this Court against the judgement in Central Warehousing (supra). That appeal may be decided on its own merits and we are not to be taken to have pronounced on the correctness of Central Warehousing (supra) one way or the other. The appeal is dismissed for the reasons stated above. No order as to costs.

**LW 16:02:2026**

**SAISUDHIR ENERGY LTD. v. NTPC VIDYUT VYAPAR NIGAM LTD. [SC]**

**Civil Appeal Nos. 12892-12893 of 2024 with Civil Appeal Nos. 12894-12895 of 2024**

**P S Narasimha & Atul S. Chandurkar, JJ [Decided on 30/01/2026]**

**Arbitration and Conciliation Act, 1996 - Section 37-grant of liquidated damages- delay in commissioning the power plant - arbitrator allowed liquidated damages of Rs.1.2 crore - High Court enhanced the quantum u/s. 34 to Rs.27.06 crore- Division Bench reduced the quantum to Rs.20.70 crore – whether correct-Held, No.**

**Brief facts:**

These cross appeals arose out of the common judgment passed by the Division Bench of the Delhi High Court in proceedings filed under Section 37 of the Arbitration and Conciliation Act, 1996 (for short, “the Act of 1996”). Broadly, the dispute between the parties relates to the claim for liquidated damages raised by the employer [NVTNL] against the Solar Power Developer [SEL] on account of delay caused in commissioning a power plant. A three-member Arbitral Tribunal while holding that there was a delay in commissioning the power plant, by majority, awarded an amount of ₹1.2 crores towards the claim made by the employer. Both parties raised objections under Section 34 of the Act of 1996. A learned Single Judge of the Delhi High Court proceeded to grant an amount of ₹27.06 crores to the employer on account of delay on the part of the Solar Power Developer in commissioning the power plant. Both parties further took recourse to Section 37 of the Act of 1996. By the impugned judgment, the Division Bench modified the order passed under Section 34 of the Act of 1996 in the matter of grant of liquidated damages and reduced the amount to ₹20.70 crores.

**Decision: Civil Appeal Nos. 12894-12895 of 2024 by NVTNL allowed and Civil Appeal Nos. 12892-12893 of 2024 by SEL dismissed.**

**Reason:**

Coming to the aspect of determination of the amount of reasonable compensation, the learned Single Judge after referring to Clause 4.6 of the PPA determined the claim as made by NVTNL in terms of Clause 4.6 of the PPA at an

amount of ₹54,12,32,000/-. He found that granting 50% of the aforesaid amount by adjusting ₹25,00,000/- per month from the revenue to be received by SEL would amount to reasonable compensation in favour of NVTNL. The Division Bench in appeal, however, proceeded to modify the amount of reasonable compensation by reading Clause 4.6 of the PPA on the premise that a higher rate of damages was payable in the initial three months period of delay and that amount was reduced after three months. On that basis damages at the rate of ₹1,00,000/- per MW per day came to be worked out. The amount of compensation was, thus, reduced to ₹20.70 crores.

In our view, the Division Bench exceeded its jurisdiction under Section 37 of the Act of 1996 when it proceeded to re-work and re-calculate the amount of reasonable compensation to which NVTNL was entitled. The learned Single Judge having determined the amount of reasonable compensation by relying upon Clause 4.6 of the PPA and thereafter awarding 50% of the amount so determined, in the absence of this determination being shown to be beyond the terms of Clause 4.6 of the PPA or arbitrary or perverse, no interference with such determination was called for in exercise of jurisdiction under Section 37 of the Act of 1996. In fact, the Division Bench has not recorded any finding that such determination of reasonable compensation by the learned Single Judge suffered from arbitrariness or that it travelled beyond what was provided by Clause 4.6 of the PPA. Having held in paragraph 28 of the impugned judgment that it was in agreement with the view of the learned Single Judge of the need to balance equities and compute a fair and reasonable amount of compensation coupled with the fact that the majority award granting a paltry amount of ₹1.2 crores was held to be contrary to the fundamental policy of Indian law thus requiring interference, the further exercise undertaken by it in modifying the amount of reasonable compensation was not justified in the facts of the case. The modification in the amount of reasonable compensation by the Division Bench is merely a substitution of its view in place of the plausible view taken by the learned Single Judge. Such course of taking a different view of the same matter from the one taken under Section 34 of the Act of 1996 would be beyond the scope of Section 37 of the Act of 1996. As held in *AC Chokshi Share Broker Private Limited vs. Jatin Pratap Desai & Anr* to which one of us (P.S. Narasimha J) was a party, the Court under Section 37 must only determine whether the Section 34 Court had exercised its jurisdiction properly and rightly, without exceeding its scope. To that extent, we find that the Division Bench of the High Court erred in interfering with the judgment of the learned Single Judge.

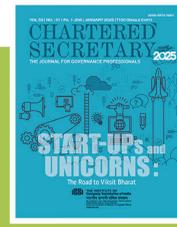
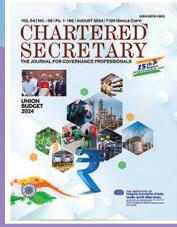
For the aforesaid reasons, we are of the view that the determination of the amount of reasonable compensation by the learned Single Judge having been undertaken in terms of Clause 4.6 of the PPA and further discretion having been exercised by awarding 50% of such amount as liquidated damages, the Division Bench was not justified in modifying the said decision.

Accordingly, the judgment of the Division Bench dated 18.01.2018 to that extent stands set aside. The judgment of the learned Single Judge in OMP No. 410 of 2015 and 446 of 2015 stands restored.

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(With Effect from September 2018)

BACK COVER (COLOURED)			COVER II/III (COLOURED)		
Non – Appointment			Non – Appointment		
Per Insertion	₹1,00,000		Per Insertion	₹ 70,000	
4 Insertions	₹ 3,60,000		4 Insertions	₹2,52,000	
6 Insertions	₹ 5,28,000		6 Insertions	₹ 3,69,000	
12 Insertions	₹ 10,20,000		12 Insertions	₹ 7,14,000	
FULL PAGE (COLOURED)			HALF PAGE (COLOURED)		
	Non – Appointment	Appointment		Non – Appointment	Appointment
Per Insertion	₹ 50,000	₹ 15,000	Per Insertion	₹ 25,000	₹ 7,500
4 Insertions	₹ 1,80,000	₹ 54,000	4 Insertions	₹ 90,000	₹ 27,000
6 Insertions	₹ 2,64,000	₹ 79,200	6 Insertions	₹ 1,32,000	₹ 39,600
12 Insertions	₹ 5,10,000	₹ 1,53,000	12 Insertions	₹ 2,55,000	₹ 76,500
PANEL (QTR PAGE) (COLOURED)			EXTRA BOX NO. CHARGES		
Per Insertion	₹15,500	₹4,500	For 'Situation Wanted' ads	100	
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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

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## Corporate Laws

### Ministry of Corporate Affairs

## 01 Notice inviting comments from various stakeholders on draft rules for refund process from IEPF Authority

[Issued by the Ministry of Corporate Affairs [E. N: IEPFA-15/1/ 2023] dated 28.01.2026]

Investor Education and Protection Fund Authority invites comments on the draft procedure on refund process at IEPF Authority to simplify and expedite the process of claim refund from IEPF Authority under the Companies Act, 2013.

- The comments may be suggested via email [iepfa.consultation@mca.gov.in](mailto:iepfa.consultation@mca.gov.in) till February 27, 2026. Comments may be provided in the following format (soft copy as well as in signed pdf).

S. No.	Para of Draft Rules	Comments	Justification

Comments can also be suggested through e-Consultation module of MCA.

- This issues with approval of Competent Authority.

**RUVIT KUMAR**

Joint Director, IEPF Authority

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## 02 Notification of Amendment

[Issued by the Ministry of Corporate Affairs [E. No. 11/1/2024-Ad.II-MCA] dated 30.12.2025]

In exercise of the powers conferred by sub-section (1) and (2) of section 396 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendment in the notification of the Government of India, Ministry of Corporate Affairs, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 24<sup>th</sup> October, 2025 vide number S.O. 4850 (E), dated the 23<sup>rd</sup> October, 2025 namely:-

In the said notification, in paragraph 2, for the figures, letters and word “1<sup>st</sup> January, 2026”, the words, figures and letters “the 16<sup>th</sup> February, 2026” shall be substituted.

**BALAMURUGAN D**

Joint Secretary

## 03 The Companies (Appointment and Qualification of Directors) Amendment Rules, 2025

[Issued by the Ministry of Corporate Affairs [E. No. 8/4/2018-CL-I] dated 31.12.2025]

In exercise of the powers conferred under second proviso to sub-section (1), sub-section (4), clause (f) of sub-section (6) of Section 149, sub-sections (3) and (4) of Section 150, Section 151, sub-section (5) of Section 152, Sections 153, 154, 157 and 160, sub-section (1) of Section 168 and Section 170 read with Section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Appointment and Qualification of Directors) Rules, 2014, namely: —

- (1) These rules may be called the Companies (Appointment and Qualification of Directors) Amendment Rules, 2025.
- They shall come into force on the 31<sup>st</sup> day of March, 2026.
- In the Companies (Appointment and Qualification of Directors) Rules, 2014, -
  - in rule 11,—
    - in sub-rule (1), for the words and brackets “Regional Director (Northern Region), Noida”, the words and letter “Regional Director, Northern Region Directorate I” shall be substituted;
    - in sub-rule (2),—
      - for the words and brackets “Regional Director (Northern Region)”, at both the places where they occur, the words and letter “Regional Director, Northern Region Directorate I” shall be substituted;
      - for the words, letters and figures “particulars in e-form DIR-3-KYC or the web service DIR-3 KYC-WEB, as the case may be, within stipulated time in accordance with rule 12A”, the words, letters and figures “particulars in Form No. DIR-3-KYC-Web in accordance with rule 12A” shall be substituted;
      - in sub-rule (3), for the words, letters and figures “only after e-form DIR-3-KYC or the web service DIR-3-KYC-WEB, as the case may be, is filed”, the words, letters and figures “only after Form No. DIR-3-KYC-Web is filed” shall be substituted;
  - for rule 12A, the following rule shall be substituted, namely:-
 

“12A. Directors KYC and updation thereof — (1) Every individual who holds a Director Identification Number as on the 31<sup>st</sup> March of a financial year, shall file KYC intimation in Form No. 10 THE GAZETTE OF INDIA : EXTRAORDINARY [PART II—SEC. 3(i)] DIR-3 KYC Web to the Central Government on or before the 30<sup>th</sup> June of the immediately following every third consecutive financial year.

**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](http://www.mca.gov.in)*

## 04 The Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2025

[Issued by the Ministry of Corporate Affairs [F. No. 1/28/2013-CL-V (Part III)] dated 31.12.2025]

In exercise of the powers conferred by sub-sections (1), (2) and (4) of Section 248 read with Section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016, namely:-

- Short title and commencement — (1) These rules may be called the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2025.  
(2) They shall come into force on the date of their publication in the Official Gazette.
- In the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016, in rule 4, in sub-rule (3), after the proviso, the following proviso shall be inserted, namely: —

"Provided further that in case of any other Government Company, including its subsidiaries, the indemnity bond in Form STK-3A, in respect of one or more directors appointed or nominated by the Central Government or State Government, shall be given by an authorised representative not below the rank of Under Secretary or equivalent, in the administrative Ministry or Department of the Government of India or the State Government, as the case may be, on behalf of the Company."

**BALAMURUGAN D**  
Joint Secretary

Securities and Exchange Board of India

## 05 Introduction of Closing Auction Session (CAS) in the Equity Cash Segment and certain modifications in the Pre-Open Auction Session

[Issued by the Securities and Exchange Board of India vide Circular HO/47/11/11(3)2025-MRD-POD2/1/2765/2026 dated 16.01.2026]

- Currently, the closing price of stocks in the equity cash segment of the Stock Exchanges is determined on the basis of the Volume Weighted Average Price (VWAP) of trades executed during the last thirty minutes of the Continuous Trading Session (CTS).
- Globally, in major jurisdictions the closing price of stocks is determined based on CAS, considering the following:
  - CAS aggregates market interest into a single pool of liquidity, thereby providing a fair and transparent closing price and improving the efficiency of execution for large orders.
  - The significance of a fair and transparent closing price, especially since it is used as the reference

for settlement in derivatives, index computation, mutual fund net asset value (NAV) determination, etc.

- Provides equal and transparent access to all categories of investors, ensuring that the discovered closing price reflects the collective market consensus at the close of trading hours.
- Facilitates passive funds to transact at the closing price of the stocks thereby reducing the tracking error.
- Considering the above and taking into account public comments received on consultation papers dated December 05, 2024 and August 22, 2025, deliberations in the Secondary Market Advisory Committee of SEBI and subsequent feedback received from various stakeholders including the Stock Exchanges, Clearing Corporations, Mutual Funds and FPIs, it is decided to introduce CAS in the equity cash segment of the Stock Exchanges.

**SANJAY SINGH BHATI**  
Deputy General Manager

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## 06 Single Window Automatic and Generalised Access for Trusted Foreign Investors (SWAGAT-FI) framework for FPIs and FVCIs

[Issued by the Securities and Exchange Board of India vide Circular HO/19/34/14(5)2025-AFD-POD2/1/2703/2026 dated 16.01.2026]

- SEBI vide "Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors" No. SEBI/HO/AFD/AFDPoD2/P/CIR/P/2024/70 dated May 30, 2024 as amended from time to time (hereinafter referred to as the 'FPI Master Circular') has, *inter alia*, specified the guidelines for registration of FPIs, KYC requirements and attendant investment conditions.
- SEBI (Foreign Portfolio Investors) (Second Amendment) Regulations, 2025 were notified on December 03, 2025, amending the SEBI (Foreign Portfolio Investors) Regulations, 2019, *inter alia*, to simplify on-boarding and ongoing compliances for SWAGAT-FIs.
- Accordingly, the FPI Master Circular stands modified as follows:
  - Under Para 1 of Part A, after sub-para (ii)(da) (added vide Circular No. SEBI/HO/AFD/AFD-PoD-3/P/CIR/2025/127 dated September 10, 2025), the following sub-para shall be inserted:

"db. The provision mentioned at (b) above shall not apply to SWAGAT-FI FPI. However, it shall be subject to the provision that contribution of resident Indian individuals shall be made through the LRS notified by RBI and shall be in global funds whose Indian exposure is less than 50%."

**MANISH KUMAR JHA**  
Deputy General Manager

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## 07 Single Window Automatic and Generalised Access for Trusted Foreign Investors (SWAGAT-FI) framework for FPIs and FVCIs

[Issued by the Securities and Exchange Board of India vide Circular HO/19/34/14(5)2025-AFD-POD2/1/199/2025 dated 16.01.2025]

- SEBI vide Circular No. SEBI/HO/AFD/AFD-PoD-3/P/ CIR/2024/130 dated September 26, 2024, *inter alia*, specified the Operational Guidelines for registration of FVCIs and KYC requirements.
- SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2025 were notified on December 03, 2025, amending the SEBI (Foreign Venture Capital Investors) Regulations, 2000, *inter alia*, to simplify on-boarding and ongoing compliances for SWAGAT-FIs.
- Accordingly, the Operational Guidelines for FVCIs and Designated Depository Participants stand modified as follows:

- 3.1. After Para 1.4.2 of Chapter 1, the following sub-para shall be inserted:

*“1.4.3. A SWAGAT-FI FVCI applicant may apply for registration as FVCI together with application for registration as FPI, without filling application form or supporting documents. Such application shall be processed on the basis of information and documents submitted by the applicant for its application for registration as FPI.*

*Provided the applicant appoints the same custodian and DDP for FVCI registration as appointed for FPI registration.*

*1.4.4 FVCI meeting the requirements for SWAGAT-FI FPI may convert to SWAGAT-FI FVCI on making an application to its DDP.*

*Provided the FVCI appoints the same custodian and DDP for FVCI registration as appointed for FPI registration.*

- 3.2. Sub-para 1.5.1 and 1.5.2 of Chapter 1 shall be modified as under:

*“1.5.1 An existing FVCI registered on or before December 31, 2019 shall (i) pay the renewal fee to its DDP and (ii) intimate changes in information, if any, as submitted earlier, on or before March 31, 2025. For subsequent blocks of five years (10 years in case of SWAGAT-FI) starting from January 01, 2030, such FVCIs shall (i) pay the renewal fee to its DDP and (ii) intimate changes in information, if any, as submitted earlier, at least 15 days before the completion of the previous five-year block so as to continue with their registration.*

*1.5.2 An existing FVCI registered after December 31, 2019 shall (i) pay the renewal fee to its DDP and (ii) intimate changes in information, if any, as submitted earlier, at least 15 days before the completion of five years (10 years in case of SWAGAT-FI) from the date of such registration so as to continue with their registration for the subsequent block of five years.”*

**MANISH KUMAR JHA**  
Deputy General Manager

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## 08 Review of Framework to address the ‘technical glitches’ in Stock Brokers’ Electronic Trading Systems

[Issued by the Securities and Exchange Board of India vide Circular HO/38/44/12(1)2026-MIRSD-TPD1 dated 09.01.2026]

- SEBI vide Circular No. SEBI/HO/MIRSD/TPD-1/P/ CIR/2022/160 dated November 25, 2022 laid down a comprehensive framework to address the technical glitches in stock brokers’ electronic trading systems. Subsequently, Stock Exchanges also issued detailed guidelines in this regard on December 16, 2022.
- SEBI received several representations from the various stakeholders and Industry forum regarding need to review the present framework on technical glitches. Based on the representation received and the analysis of the technical glitch data, a public consultation paper was prepared and disseminated on SEBI website to obtain views from all the stakeholders. A views/feedback obtained on a consultation paper was analysed and discussed with stakeholders.
- The extant technical glitch framework for the stock brokers is thus modified. The modification is carried out based on the following broad principles:
  - 3.1 Ease of compliance: The eligibility criteria has been streamlined to exclude smaller size stock brokers from the technical glitch framework to reduce overall compliance of such stock brokers.
  - 3.2 Exemptions from applicability: The technical glitches which are outside the stock brokers’ trading architecture, glitches that don’t directly affect the trading functionality and those which have negligible impact have been exempted from the technical glitch framework.
  - 3.3 Simplifying the reporting requirement: Extension of time for reporting of technical glitches (from one hour to two hours), consideration of trading holiday’s while submitting reports and streamlining the reporting requirement from reporting to all the exchanges to a single reporting platform (i.e. Common Reporting Platform)
  - 3.4 Rationalised and cost effective based technology requirements: The requirements for the capacity planning, software testing and DR drill have been rationalised based on the size of the stock brokers & their technology dependency.
  - 3.5 Rationalisation in disincentive structure: The financial disincentive structure has been rationalised considering the exemptions, type of glitches (major or minor) and the frequency of the occurrences.

**VISHAL M PADOLE**  
General Manager

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## 09 Simplification of requirements for grant of accreditation to investors

**[Issued by the Securities and Exchange Board of India vide Circular HO/19/34/11(9)2025-AFD-POD1/1/2286/2026 dated 09.01.2026]**

1. Accredited investor framework was introduced by way of amendment in SEBI (AIF) Regulations 2012 ["AIF Regulations"], notified on August 03, 2021. Further, various modalities in this regard were specified vide SEBI circular dated August 26, 2021 [subsumed in Chapter 12 of master circular for AIFs dated May 07, 2024 ("master circular)]. Subsequently, simplification requirements for grant of accreditation to investors were issued vide SEBI Circular SEBI/HO/AFD/POD1/2023/189 dated December 18, 2023.
2. In this regard, the following has been decided:
  - 2.1. Pending receipt of certificate from an accreditation agency, based on the investment manager's assessment of the investor's eligibility criteria, the investment manager may finalise/execute the contribution agreement, and initiate related operational procedures, subject to the following conditions –
    - 2.1.1. Any commitment made by such investor shall not be included in calculation of corpus of the scheme until such investor obtains accreditation certificate from an accreditation agency. This is to maintain sanctity of several prudential norms for AIFs which are based on corpus.
    - 2.1.2. Schemes of AIFs shall receive funds from such investors only after they obtain accreditation certificate from an accreditation agency.
  - 2.2. In reference to accreditation based on net-worth criteria, as per Annexure A under 'Annexure 8 of master circular: modalities of accreditation', it has been mandated that calculation of net worth shall be given as an Annexure to the net worth certificate. Based on market representation, it has been decided that the requirement of submitting detailed break-up of net worth (as Annexure to net worth certificate) shall be done away with. Further, it is being clarified that it is optional for the chartered accountant to specify the actual net-worth in the net-worth certificate, while certifying whether it meets the specified threshold. Considering the same, the modified Annexure A is placed alongside.
3. The trustee/sponsor/manager of AIF, as the case may be, shall ensure that the 'Compliance Test Report' prepared by the manager in terms of Chapter 15 of Master Circular for AIFs, includes compliance with the provisions of this circular.
4. This circular shall come into force with immediate effect.

5. This circular is issued with the approval of the competent authority.
6. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulations 2(1)(ab) and 36 of AIF Regulations, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
7. The circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal framework - Circulars" and "Info for - Alternative Investment Funds".

**ANSHUL JAGDISH GOYAL**  
Deputy General Manager

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## 10 Compliance reporting formats for Specialized Investment Funds (SIF)

**[Issued by the Securities and Exchange Board of India vide Circular HO/24/13/12(4)2025-IMD-POD-1/1/2062/2026 dated 08.01.2026]**

1. SEBI vide circular dated February 27, 2025 and subsequent circulars issued thereunder, has specified the regulatory framework for Specialized Investment Funds ('SIFs').
2. In order to ensure uniformity and clarity in compliance reporting for SIFs, the compliance reporting formats applicable to SIFs shall be as follows:
  - 2.1. In terms of Regulation 49V(2) of the SEBI (Mutual Funds) Regulations, 1996, all reporting requirements applicable to mutual funds under the SEBI (Mutual Funds) Regulations, 1996, the Master Circular for Mutual Funds dated June 27, 2024 ('MF Master Circular'), and any other circulars or guidelines issued thereunder, shall also apply to Specialized Investment Funds.
  - 2.2. Compliance Test Report ('CTR')
    - 2.2.1. The format for the CTR, as prescribed under Format No. 2.B of the MF Master Circular, shall stand modified to include an additional Part IV, as specified in Annexure A1 to this circular.
    - 2.2.2. All Asset Management Companies managing SIF shall additionally report compliance under Part IV as part of the CTR submitted for Mutual Funds.
  - 2.3. Half-Yearly Trustee Report (HYTR)
    - 2.3.1. The format for the HYTR, as prescribed under Format No. 2.C of the MF Master Circular, shall stand modified to include Clause 72A, as specified in Annexure A2 to this circular.

2.3.2. The Trustees/Trustee Companies of Mutual Funds managing SIF shall additionally report compliance under Clause 72A as part of the HYTR submitted for Mutual Funds.

3. The provisions of this circular shall come into force with effect from the date of this circular.
4. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Chapter VI-C of the SEBI (Mutual Funds) Regulations, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
5. This circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link "Legal ->Circulars".

**PETER MARDI**  
Deputy General Manager

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## 11 Extension of timeline for implementation of additional incentives structure for distributors for onboarding new individual investors from B-30 cities and women investors

**[Issued by the Securities and Exchange Board of India vide Circular HO/(83)2025-IMD-POD-1/1/2027/2026 dated 07.01.2026]**

1. SEBI, vide Circular No. HO/(83)2025-IMD-POD-1/1/152/2025 dated November 27, 2025, prescribed a framework (to come into effect from February 01, 2026) for incentivizing distributors for mobilizing investment/inflows from the following categories of investors at the mutual fund industry level:
  - 1.1. New individual investors (new PAN) from B-30 cities;
  - 1.2. New women individual investors (new PAN) from both T-30 and B-30 cities.
2. Based on the feedback received from the industry, citing operational difficulties in putting place the requisite systems and processes for smooth implementation of the additional incentive structure, it has been decided to extend the implementation timeline. Accordingly, the provisions of the aforesaid circular shall now come into effect from March 01, 2026.
3. All other provisions of SEBI Circular dated November 27, 2025 shall remain unchanged.
4. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, and the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, in the interest of investors and to promote the orderly development of the mutual fund industry.
5. This circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link "Legal-> Circulars."

**PETER MARDI**  
Deputy General Manager

## 12 Specification of the consequential requirements with respect to Amendment of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

**[Issued by the Securities and Exchange Board of India vide Circular HO/49/11/11(106)2025-CFD-RAC-DIL3/1/1796/2026 dated 02.01.2026]**

1. SEBI (Merchant Bankers) Amendment Regulations, 2025 has been notified on December 05, 2025 and shall be applicable w.e.f. January 03, 2026 (hereinafter being referred as "Effective Date").
2. Conditions for compliance with revised capital adequacy and new liquid net worth requirements as well as timelines to re-categorize as Category I or Category II; for Merchant Bankers:
  - 2.1. In terms of clause (d) of regulation 6 of SEBI (Merchant Bankers) Regulations, 1992 (hereinafter being referred as "MB Regulations"), the revised net worth and liquid net worth as specified in regulations 7 and 7A are applicable as follows:
    - a) In case of applications made on or after January 03, 2026, the applicants shall fulfill the revised capital adequacy requirements under regulation 7 and new liquid net worth requirements under regulation 7(A) as on date of its application.
    - b) Existing Merchant Bankers (MBs) shall comply with the above requirements in phased manner as given at para 2.2. Those applicants who have filed application before January 03, 2026 and are granted registration subsequently are also considered as existing MBs for the purpose of this circular.
  - 2.2. For existing MBs, the MB Regulations empowers Board to specify the time and manner for its implementation. Accordingly, to ensure smooth adoption of these requirements, it has been decided that revised capital adequacy and new liquid net worth requirements shall apply to existing MBs in a phased manner as under:

Table (I): Phased implementation of capital adequacy and liquid net worth requirements

Category	Phase (I) - on or before January 02, 2027		Phase (II) - on or before January 02, 2028	
	capital adequacy being net worth	liquid net worth requirement	capital adequacy being net worth	liquid net worth requirement
Category I	Rs.25 cr	Rs.6.25 cr	Rs.50 cr	Rs.12.5 cr
Category II	Rs.7.5 cr	Rs.1.875 cr	Rs.10 cr	Rs.2.5 cr

**NARENDRA RAWAT**  
General Manager

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## 13 Reserve Bank of India (Rural Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/203 DOR.RET. REC.400/12.01.001/2025-26 dated 22.01.2026]

Please refer to Reserve Bank of India (Rural Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 dated November 28, 2025.

2. Pursuant to the enactment of the Banking Laws (Amendment) Act, 2025, the Banking Regulation (Co-operative Societies) Amendment Rules, 2025 and the Reserve Bank of India Scheduled Banks (Amendment) Regulations, 2025 have been published in the Gazette of India dated December 10, 2025 and January 15, 2026 respectively.
3. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and pursuant to Section 42 of the Reserve Bank of India Act, 1934 and Sections 18 and 24, read with Section 56 (AACS), of Banking Regulation Act, 1949, as amended from time to time, and all other provisions / laws enabling the Reserve Bank of India in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
4. These Directions shall be called the Reserve Bank of India (Rural Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026.
5. The provisions shall come into force with immediate effect.
6. These Amendment Directions modify the Reserve Bank of India (Rural Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 as under:
  - (i) In paragraph 20 (3), the words "other development financial institutions as defined in Section 2 (CCCII) of the RBI Act, 1934" shall be inserted.
  - (ii) In paragraphs 28 (4) (v), the words under "Cash in hand" shall be deleted.
  - (iii) In Annex I (Form B),
    - The words "Industrial Development Bank of India, National Bank for Agriculture and Rural Development, Export-Import Bank of India" shall be substituted with "the National Bank, Exim Bank, the National Housing Bank, the Small Industries Bank, the National Bank for Financing Infrastructure and Development or other development financial institution."

- Before the footnotes, in item 2, the words "Industrial Development Bank of India" shall be deleted and the words "National Housing Bank", "Small Industries Bank", "National Bank for Financing Infrastructure and Development" and "Other development financial institution" shall be inserted.

(iv) In Annex II (Form I) and Annex III,

- In I (a) (i) and III (a), the words "IDBI Bank limited" shall be inserted.
- In IX, the words "such" and "as notified by the Reserve Bank" shall be inserted.
- In XI and XIII, the word "such" shall be inserted before "percent", words "(or a higher specified percentage)" shall be deleted and words "as notified by the Reserve Bank" shall be inserted.
- A new item "Amount deposited with the Reserve Bank, under Standing Deposit Facility Scheme" shall be inserted.

(v) In footnotes Annex II (Form I), the words "Industrial Development Bank of India" shall be deleted and "the National Housing Bank, the Small Industries Bank" shall be inserted.

**MANORANJAN PADHY**  
Chief General Manager

## 14 Reserve Bank of India (Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/202 DOR.RET. REC.399/12.01.001/2025-26 dated 22.01.2026]

Please refer to Reserve Bank of India (Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 dated November 28, 2025.

2. Pursuant to the enactment of the Banking Laws (Amendment) Act, 2025, the Banking Regulation (Co-operative Societies) Amendment Rules, 2025 and the Reserve Bank of India Scheduled Banks (Amendment) Regulations, 2025 have been published in the Gazette of India dated December 10, 2025 and January 15, 2026 respectively.
3. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and pursuant to Section 42 of the Reserve Bank of India Act, 1934 and Sections 18 and 24, read with Section 56 (AACS), of Banking Regulation Act, 1949, as amended from time to time, and all other provisions/ laws enabling the Reserve Bank of India in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

4. These Directions shall be called the Reserve Bank of India (Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026.
5. The provisions shall come into force with immediate effect.
6. These Amendment Directions modify the Reserve Bank of India (Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 as under:
  - (i) In paragraph 20 (3), the words "other development financial institutions as defined in Section 2 (CCCII) of the RBI Act, 1934" shall be inserted.
  - (ii) In paragraphs 28 (4) (v), the words under "Cash in hand" shall be deleted.
  - (iii) In Annex I (Form B),
    - The words "Industrial Development Bank of India, National Bank for Agriculture and Rural Development, Export-Import Bank of India" shall be substituted with "the National Bank, Exim Bank, the National Housing Bank, the Small Industries Bank, the National Bank for Financing Infrastructure and Development or other development financial institution."
    - Before the footnotes, in item 2, the words "Industrial Development Bank of India" shall be deleted and the words "National Housing Bank", "Small Industries Bank", "National Bank for Financing Infrastructure and Development" and "Other development financial institution" shall be inserted.
  - (iv) In Annex II (Form I) and Annex III,
    - In I (a) (i) and III (a), the words "IDBI Bank limited" shall be inserted.
    - In IX, the words "such" and "as notified by the Reserve Bank" shall be inserted.
    - In XI and XIII, the word "such" shall be inserted before "percent", words "(or a higher specified percentage)" shall be deleted and words "as notified by the Reserve Bank" shall be inserted.
    - A new item "Amount deposited with the Reserve Bank, under Standing Deposit Facility Scheme" shall be inserted.
  - (v) In footnotes Annex II (Form I), the words "Industrial Development Bank of India" shall be deleted and "the National Housing Bank, the Small Industries Bank" shall be inserted.

**MANORANJAN PADHY**  
Chief General Manager

## 15 Reserve Bank of India (Local Area Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026

**[Issued by the Reserve Bank of India vide RBI/2025-26/201 DOR.RET. REC.398/12.01.001/2025-26 dated 22.01.2026]**

Please refer to Reserve Bank of India (Local Area Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 dated November 28, 2025.

2. Pursuant to the enactment of the Banking Laws (Amendment) Act, 2025, the Banking Regulation (Companies) Amendment Rules, 2025 and the Reserve Bank of India Scheduled Banks (Amendment) Regulations, 2025 have been published in the Gazette of India dated December 10, 2025 and January 15, 2026 respectively.
3. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and pursuant to Section 42 of the Reserve Bank of India Act, 1934 and Sections 18 and 24 of Banking Regulation Act, 1949, as amended from time to time, and all other provisions / laws enabling the Reserve Bank of India in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
4. These Directions shall be called the Reserve Bank of India (Local Area Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026.
5. The provisions shall come into force with immediate effect.
6. These Amendment Directions modify the Reserve Bank of India (Local Area Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 as under:
  - (i) In paragraph 16 (1), the words "other development financial institutions as defined in Section 2 (CCCII) of the RBI Act, 1934" shall be inserted.
  - (ii) In paragraphs 23 (5) (v), the words under "Cash in hand" shall be deleted.
  - (iii) In Annex I (Form A), the words "National Bank for Agriculture and Rural Development, Export Import Bank of India" shall be substituted with "the Exim Bank, the National Housing Bank, the National Bank, the Small Industries Bank, the National Bank for Financing Infrastructure and Development or the other development financial institution."
  - (iv) In Annex II (Form VIII),
    - The words "Export-Import Bank of India and National Bank for Agriculture and Rural Development" shall be substituted with "Exim Bank, National Bank, National

Housing Bank, Small Industries Bank, National Bank for Financing Infrastructure and Development and other development financial institutions as defined in Section 2 (CCCII) of the Reserve Bank of India Act, 1934."

- The word "specified" shall be substituted with "notified" and words "from time to time" shall be deleted.
- A new item "Amount deposited with the Reserve Bank, under Standing Deposit Facility Scheme" shall be inserted.

**MANORANJAN PADHY**  
Chief General Manager

## 16 Reserve Bank of India (Small Finance Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2025-26/198 DOR.RET. REC.395/12.01.001/2025-26 dated 22.01.2025]

Please refer to Reserve Bank of India (Small Finance Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 dated November 28, 2025.

- Pursuant to the enactment of the Banking Laws (Amendment) Act, 2025, the Banking Regulation (Companies) Amendment Rules, 2025 and the Reserve Bank of India Scheduled Banks' (Amendment) Regulations 2025 have been published in the Gazette of India dated December 10, 2025 and January 15, 2026 respectively.
- Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and pursuant to Section 42 of the Reserve Bank of India Act, 1934 and Sections 18 and 24 of Banking Regulation Act, 1949, as amended from time to time, and all other provisions / laws enabling the Reserve Bank of India in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
- These Directions shall be called the Reserve Bank of India (Small Finance Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026.
- The provisions shall come into force with immediate effect.
- These Amendment Directions modify the Reserve Bank of India (Small Finance Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 as under:
  - In paragraph 19 (1), the words "other development financial institutions as defined in Section 2 (CCCII) of the RBI Act, 1934" shall be inserted.
  - In paragraphs 28 (6) (v), the words under "Cash in hand" shall be deleted.

(iii) In Annex I (Form A), the words "National Bank for Agriculture and Rural Development, Export Import Bank of India" shall be substituted with "the Exim Bank, the National Housing Bank, the National Bank, the Small Industries Bank, the National Bank for Financing Infrastructure and Development or the other development financial institution."

(iv) In Annex II (Form VIII),

- The words "Export-Import Bank of India and National Bank for Agriculture and Rural Development" shall be substituted with "Exim Bank, National Bank, National Housing Bank, Small Industries Bank, National Bank for Financing Infrastructure and Development and other development financial institutions as defined in Section 2 (CCCII) of the Reserve Bank of India Act, 1934."
- The word "specified" shall be substituted with "notified" and words "from time to time" shall be deleted.
- A new item "Amount deposited with the Reserve Bank, under Standing Deposit Facility Scheme" shall be inserted.

**MANORANJAN PADHY**  
Chief General Manager

## 17 Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026

[Issued by the Reserve Bank of India vide RBI/FIDD/2025-26/196 FIDD. CO.PSD.BC.No.11/04.09.001/2025-26 dated 19.01.2026]

Please refer to the Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025 (hereinafter referred to as "the Directions").

- On a review, in exercise of the powers conferred by Sections 21 and 35A read with Section 56 of the Banking Regulation Act, 1949, and all other provisions / laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest to do so, hereby issues the Amendment Directions hereinafter specified.
- The Amendment Directions modify the Directions as below:
  - Item no. V in the table at paragraph 6.1 shall be partially modified as below:  
"Eligible amount for exemptions on issuance of long-term bonds for infrastructure and affordable housing as per circular ~~DBOD.BP.BC. No.25/08.12.014/2014-15 dated July 15, 2014~~ Reserve Bank of India (Resource Raising Norms) Directions, 2025 as applicable to Commercial Banks and Small Finance Banks."

- ii. Paragraph 6.1 shall be partially modified by adding a footnote to item VI of the table at para 6.1:

“The incremental advances extended out of the resources generated from the eligible incremental FCNR(B)/NRE deposits are calculated as the difference between outstanding advances in India as on March 7, 2014 (June 13, 2014, in case of UCBs) and the Base Date (July 26, 2013). The amount to be excluded from ANBC for computation of priority sector targets will not exceed incremental FCNR (B) / NRE deposits eligible for exemption from maintenance of CRR / SLR in terms of the circulars mentioned above. In case, the difference in the amount outstanding is zero or negative, no amount would be eligible for deduction from ANBC for the purpose of arriving at the priority sector lending targets.”

- iii. Paragraph 6.2 shall be partially modified as below:

“For the purpose of calculation of Credit Equivalent of Off-Balance Sheet Exposures (CEOBSE), banks shall be guided by the circular on ‘Large Exposures Framework’ issued by Department of Regulation, RBI vide DBR.No.BP.BC.43/21.01.003/2018-19 dated June 03, 2019 and as updated from time to time. UCBs shall be guided by the relevant provisions of the Master Circular dated April 20, 2023 on ‘Prudential Norms on Capital Adequacy – Primary (Urban) Co-operative Banks (UCBs)’ issued by Reserve Bank of India Reserve Bank of India (Commercial Banks - Concentration Risk Management) Directions, 2025, and Reserve Bank of India (Prudential Norms on Capital Adequacy) Directions, 2025, as applicable to Small Finance Banks, Urban Co-operative Banks and Regional Rural Banks. In the case of Local Area Banks, for the purpose of calculation of credit risk exposure attached to off-balance sheet items, banks may refer to Reserve Bank of India (Local Area Banks – Prudential Norms on Capital Adequacy) Directions, 2025.”

**NISHA NAMBIAR**

Chief General Manager-in-Charge

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## 18 Interest Subvention for Pre- and Post-shipment Export Credit under Export Promotion Mission (EPM) – Niryat Prothsaan

**[Issued by the Reserve Bank of India vide RBI/2025-26/195 DOR.STR. REC.393/04.02.001/2025-26 dated 19.01.2026]**

The Government of India has announced the captioned Scheme under the EPM on a pilot basis. The operational instructions for implementation of the Scheme, as notified by the Directorate General of Foreign Trade vide Trade Notice No. 20/2025-26 dated January 2, 2026, read with Trade Notice No. 22/2025-26 dated January 16, 2026, are enclosed.

- In terms of the above instructions, eligible lending institutions shall extend the benefit of interest subvention to eligible exporters strictly in accordance with the provisions of the Scheme, and subject to compliance with the extant regulatory instructions issued by the Reserve Bank.
- The eligible lending institutions shall ensure that interest subvention is extended only in respect of eligible export credit, and that claims are submitted in accordance with the operational instructions and procedures as may be prescribed from time to time.

**VAIBHAV CHATURVEDI**

Chief General Manager

## 19 Export and Import of Goods and Services

**[Issued by the Reserve Bank of India vide RBI/2025-26/194 A.P. (DIR Series) Circular No. 20 dated 16.01.2026]**

The Reserve Bank has comprehensively reviewed the regulations and directions governing export and import of goods and services, under FEMA, 1999, in consultation with stakeholders, and issued Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026. The Regulations are intended to promote ease of doing business, especially for small exporters and importers, and to empower authorised dealers to provide quicker and more efficient service to their customers.

The Regulations will be effective from October 01, 2026. Accordingly, the instructions contained in these directions will also be effective from the said date.

- In exercise of the powers conferred under the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank hereby directs that authorised dealers shall ensure adherence to Foreign Exchange Management Act, 1999 (FEMA), and rules, regulations & directions issued under FEMA, and extant Foreign Trade Policy issued by the Government of India, while handling transactions related to export and import of Goods and Services, including merchanting trade transactions.
- An Authorised Dealer shall
  - send all references to the Reserve Bank through PRAVAAH portal.
  - inform any doubtful transaction to the Directorate of Enforcement (DoE).
- With effect from the date these directions come into force, the Master Direction – Export of Goods and Services and Master Direction – Import of Goods and Services and circulars listed at Annex shall stand superseded.
- Authorised Dealers may bring the contents of the circular to the notice of their customers/ constituents concerned.

6. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act 1999 (42 of 1999) and are without prejudice to permission/approvals, if any, required under any other law.
7. These directions shall come into force from October 01, 2026.

**N. SENTHIL KUMAR**

Chief General Manager

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## 20 Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026

**[Issued by the Reserve Bank of India vide Notification No. FEMA 23(R)/2026-RB dated 13.01.2026]**

In exercise of the powers conferred by Section 7, Section 8, sub-section (6) of Section 10 and sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in supersession of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 (Notification No. FEMA 23(R)/2015-RB dated January 12, 2016), except in respect of things done or omitted to be done before such supersession, Reserve Bank of India makes the following Regulations, namely:

1. Short title and commencement - (1) These Regulations may be called the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026.
  - (2) These regulations shall come into force from October 01, 2026.
2. Definitions - (1) In these Regulations, unless the context requires otherwise -
  - (a) "Act" means the Foreign Exchange Management Act, 1999 (42 of 1999);
  - (b) "Authorised Dealer" means a person authorised as an authorised dealer under sub-section (1) of Section 10 of the Act;
  - (c) "Export Declaration Form" (EDF) means the form given at Annex;
  - (d) "Project Export" shall have the same meaning as defined in the Foreign Trade Policy;
  - (e) "Software" means any computer programme, database, drawing, design, audio/video signals, any information by whatever name called in or on any medium other than in or on any physical medium;
  - (f) "Specified authority" means:
    - (i) Commissioner of Customs in Domestic Tariff Area (DTA) and Development Commissioner of Special Economic Zone (SEZ) in SEZ, for goods;

- (ii) An Authorised Dealer in DTA and Development Commissioner of Special Economic Zone (SEZ) in SEZ, for services other than software; and
- (iii) An Authorised Dealer or Software Technology Parks of India (STPI) in DTA, and Development Commissioner of Special Economic Zone (SEZ) in SEZ, for software.

Explanation – For the purpose of these regulations, 'services' shall also include 'software'.

- (2) The words and expressions used but not defined in these Regulations shall have the same meanings as assigned to them in the Act or rules or regulations made thereunder.
3. Declaration of exports.- (1) An exporter of goods shall furnish to the specified authority, a declaration in the Export Declaration Form (EDF) specifying the amount representing the full export value of goods, at the time of export:
 

Provided that the EDF will be deemed to be submitted as part of shipping bill for goods exported through Electronic Data Interchange (EDI) port;

Provided further that a traveller moving personal effects (which are either accompanied or unaccompanied) from India shall not be treated as exporter for the purpose of these Regulations.

  - (2) An exporter of services shall furnish to the specified authority, a declaration in EDF specifying the amount representing the full export value of services, within 30 days from the end of month in which invoice for services has been raised, provided that:
    - (a) the exporter of services who has exported services to one or more recipients in a month, may submit a single EDF for all such exports;
    - (b) the exporter of services other than software, may submit an EDF on or before the date of receipt of payment;
    - (c) the Authorised Dealer may, on a request from the exporter citing reasons for delay, extend the period for submission of the EDF after satisfying itself about the reasonableness of the request.
  - (3) In the case of a non-EDI port for export of goods; or where the specified authority for export of services is other than an Authorised Dealer, the duly authenticated EDF, shall be forwarded by the specified authority to the respective Authorised Dealer.

**N. SENTHIL KUMAR**

Chief General Manager

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## 21 Reserve Bank of India (Credit Information Companies - Internal Ombudsman) Directions, 2026

[Issued by the Reserve Bank of India vide RBI/CEPD/2025-26/386 CEPD. PRD.No.S1032/13.01.019/2025-26 dated 14.01.2026]

In exercise of the powers conferred by Section 11 of the Credit Information Companies (Regulation) Act, 2005, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

These Directions are issued with a view to strengthen the Internal Grievance Redress mechanism within a Credit Information Companies (CIC) and ensure a speedy and meaningful resolution of customer complaints by enabling a review before their rejection, by an apex level authority within the CIC.

### Chapter I

#### Preliminary

##### 1. Short Title and Commencement

- (1) These Directions shall be called the Reserve Bank of India (Credit Information Companies - Internal Ombudsman) Directions, 2026.
- (2) These Directions shall come into force with immediate effect except clause 7(2), 14(2) and 14(4) which shall be complied with, latest by June 30, 2026.

##### 2. Suspension

- (1) The Reserve Bank, if it is satisfied that it is expedient so to do, may, by an order, suspend for such period as may be specified in the order, the operation of any or all of the provisions of these Directions, either generally or in relation to any specified regulated entity.
- (2) The Reserve Bank may by an order, extend from time to time, the period of any suspension ordered as aforesaid by such period, as it may deem fit.

**DR. NEENA ROHIT JAIN**  
Chief General Manager

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## 22 Reserve Bank of India (Non-Bank Prepaid Payment Instruments Issuers - Internal Ombudsman) Directions, 2026

[Issued by the Reserve Bank of India vide RBI/CEPD/2025-26/385 CEPD. PRD.No.S1031/13.01.019/2025-26 dated 14.01.2026]

In exercise of the powers conferred by Section 18 of the Payment and Settlement Systems Act, 2007, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

These Directions are issued with a view to strengthen the Internal Grievance Redress mechanism within a non-bank prepaid payment instruments issuer and ensure a

speedy and meaningful resolution of customer complaints by enabling a review before their rejection, by an apex level authority within the non-bank prepaid payment instruments issuer.

### Chapter I

#### Preliminary

##### 1. Short Title and Commencement

- (1) These Directions shall be called the Reserve Bank of India (Non-Bank Prepaid Payment Instruments Issuers - Internal Ombudsman) Directions, 2026.
- (2) These Directions shall come into force with immediate effect except clause 7(2), 14(2) and 14(4) which shall be complied with, latest by June 30, 2026.

##### 2. Suspension

- (1) The Reserve Bank, if it is satisfied that it is expedient so to do, may, by an order, suspend for such period as may be specified in the order, the operation of any or all of the provisions of these Directions, either generally or in relation to any specified regulated entity.
- (2) The Reserve Bank may by an order, extend from time to time, the period of any suspension ordered as aforesaid by such period, as it may deem fit.

**DR. NEENA ROHIT JAIN**  
Chief General Manager

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## 23 Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026

[Issued by the Reserve Bank of India vide RBI/CEPD/2025-26/384 CEPD. PRD.No.S1030/13.01.019/2025-26 dated 14.01.2026]

In exercise of the powers conferred by Section 45L read with 45M of the Reserve Bank of India Act, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

These Directions are issued with a view to strengthen the Internal Grievance Redress mechanism within a Non-Banking Financial Company (NBFC) and ensure a speedy and meaningful resolution of customer complaints by enabling a review before their rejection, by an apex level authority within the NBFC.

### Chapter I

#### Preliminary

##### 1. Short Title and Commencement

- (1) These Directions shall be called the Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026.
- (2) These Directions shall come into force with immediate effect except clause 7(2), 14(2) and 14(4) which shall be complied with, latest by June 30, 2026.

## 2. Suspension

- (1) The Reserve Bank, if it is satisfied that it is expedient so to do, may, by an order, suspend for such period as may be specified in the order, the operation of any or all of the provisions of these Directions, either generally or in relation to any specified regulated entity.
- (2) The Reserve Bank may by an order, extend from time to time, the period of any suspension ordered as aforesaid by such period, as it may deem fit.

**DR. NEENA ROHIT JAIN**  
Chief General Manager

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## 24 Reserve Bank of India (Commercial Banks - Internal Ombudsman) Directions, 2026

**[Issued by the Reserve Bank of India vide RBI/CEPD/2025-26/381 CEPD. PRD.No.S1027/13.01.019/2025-26 dated 14.01.2026]**

In exercise of the powers conferred by Section 35A of Banking Regulation Act, 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

These Directions are issued with a view to strengthen the Internal Grievance Redress mechanism within a bank and ensure a speedy and meaningful resolution of customer complaints by enabling a review before their rejection, by an apex level authority within the bank.

### Chapter I

#### Preliminary

##### 1. Short Title and Commencement

- (1) These Directions shall be called the Reserve Bank of India (Commercial Banks - Internal Ombudsman) Directions, 2026.
- (2) These Directions shall come into force with immediate effect except clause 7(2), 14(2) and 14(4) which shall be complied with, latest by June 30, 2026.

##### 2. Suspension

- (1) The Reserve Bank, if it is satisfied that it is expedient so to do, may, by an order, suspend for such period as may be specified in the order, the operation of any or all of the provisions of these Directions, either generally or in relation to any specified regulated entity.
- (2) The Reserve Bank may by an order, extend from time to time, the period of any suspension ordered as aforesaid by such period, as it may deem fit.

**DR. NEENA ROHIT JAIN**  
Chief General Manager

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## 25 Modified Interest Subvention Scheme for Short-Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial year 2025-26

**[Issued by the Reserve Bank of India vide RBI/2025-26/193 FIDD.CO.FSD. BC.No.10/05.02.001/2025-26 dated 13.01.2026]**

Please refer to our circular FIDD.CO.FSD.BC. No.8/05.02.001/2024-25 dated August 06, 2024 conveying the decision of the Government of India for continuation of the Modified Interest Subvention Scheme for short-term loans for agriculture and allied activities for the year 2024-25.

2. In this regard, it is advised that Government of India has approved the continuation of the Modified Interest Subvention Scheme (MISS) for the financial year 2025-26 with the following stipulations:
  - (i) In order to provide short-term crop loans and short-term loans for allied activities including animal husbandry, dairy, fisheries, bee keeping etc. up to an overall limit of ₹3 lakh to farmers through KCC at concessional interest rate during the year 2025-26, it has been decided to provide interest subvention to lending institutions viz. Public Sector Banks (PSBs) and Private Sector Banks (in respect of loans given by their rural and semi-urban branches only), Small Finance Banks (SFBs) and computerized Primary Agriculture Cooperative Societies (PACS) ceded with Scheduled Commercial Banks (SCBs), on use of their own resources. This interest subvention will be calculated on the loan amount from the date of its disbursement/drawal/renewal up to the date of actual repayment of the loan by the farmer or up to the tenure/ due date/renewal of loans fixed by the banks/PACS, whichever is earlier, subject to a maximum period of one year. The applicable lending rate to farmers and the rate of interest subvention for the financial year 2025-26 will be as follows:

Financial Year	Lending rate to farmers	Rate of Interest Subvention to Lending Institutions
2025-26	7%	1.50%

**R. GIRIDHARAN**  
Chief General Manager

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## 26 Foreign Exchange Management (Guarantees) Regulations, 2026

**[Issued by the Reserve Bank of India vide No. FEMA 8(R)/2026-RB dated 06.01.2026]**

In exercise of the powers conferred by sub-section (2) of Section 6 and sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), and in supersession of Notification No. FEMA 8/2000-RB dated May 3, 2000, except as respects things done or omitted to be done before such supersession, the Reserve Bank of India makes the following regulations namely:

1. **Short title and Commencement** - (1) These regulations may be called the Foreign Exchange Management (Guarantees) Regulations, 2026.
  - (2) They shall come into force from the date of their publication in the Official Gazette.

2. **Definitions** - (1) In these regulations, unless the context otherwise requires,-
- “Act” means the Foreign Exchange Management Act, 1999 (42 of 1999);
  - “Authorised dealer” means a person authorised as an authorised dealer under sub-section (1) of Section 10 of the Act;
  - “Creditor” means a person to whom the guarantee is given;
  - “Guarantee” including a “counter-guarantee” means a contract, by whatever name called, to perform the promise, or discharge a debt, obligation or other liability (including a portfolio of debts, obligations or other liabilities), in case of default by the principal debtor;
  - “International Financial Services Centre” or “IFSC” shall have the same meaning as assigned to it in clause (g) of Section 3 of the International Financial Services Centres Authority, 2019 (50 of 2019);
  - “Principal debtor” means a person in respect of whose default the guarantee is given;
  - “Surety” means a person who gives a guarantee.
- (2) The words and expressions used but not defined in these regulations shall have the same meanings respectively assigned to them in the Act or rules or regulations made thereunder.

**DR. ADITYA GAIHA**

Chief General Manager-in-Charge

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## 27 Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Amendment Directions, 2026

**[Issued by the Reserve Bank of India vide RBI/2025-26/191 DOR.STR.REC.392/21-01-002/2025-26 dated 09.01.2026]**

Please refer to Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred to as ‘the Directions’).

- On a review, and in exercise of the powers conferred by the Section 45L of the Reserve Bank of India Act, 1934 and all other laws enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.
- The Amendment Directions modifies the Directions as under:

Para 44 shall be substituted by the following:

“44. The claims on non-resident corporates shall be risk weighted as under as per the ratings assigned by international rating agencies. Further, with regard to claims on all non-resident corporates originating at International Financial Services Centre (IFSC) for which ratings are assigned by M/s CareEdge Global IFSC Limited, the mapping shall be as per Table 9.2 below.

**Table 9.1: Claims on non-resident corporates - risk weight mapping for the ratings assigned by S&P/Fitch/Moody's Ratings**

S&P / Fitch Ratings	AAA to AA	A	BBB to BB	Below BB	Unrated
Moody's ratings	Aaa to Aa	A	Baa to Ba	Below Ba	Unrated
Risk Weight (%)	20	50	100	150	100

**Table 9.2: Claims on non-resident corporates - risk weights mapping for the ratings assigned by M/s CareEdge Global IFSC Limited –for claims originating at International Financial Services Centre (IFSC)**

CareEdge Global IFSC Limited	AAA	AA	A	BBB	BB & below
Risk Weight (%)	20	30	50	100	150

*Explanation –*

- Unrated claims having aggregate exposure from banking system of more than ₹200 crore shall attract a risk weight of 150 percent.
- Claims with aggregate exposure from banking system of more than ₹100 crore which were rated earlier and subsequently have become unrated shall attract a risk weight of 150 percent.
- No claim on an unrated corporate shall be given a risk weight preferential to that assigned to its sovereign of incorporation.”

**VAIBHAV CHATURVEDI**

Chief General Manager

*Complete details are not published here for want of space. For complete notification readers may log on to [www.rbi.org.in](http://www.rbi.org.in)*

## 28 Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, Amendment Directions, 2026

**[Issued by the Reserve Bank of India vide RBI/2025-26/187 DOR.CRE.REC.388/21.04.018/2025-26 dated 05.01.2026]**

Please refer to Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 (hereinafter referred to as ‘the Directions’).

- On a review, consequent to the issuance of the Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026, and in exercise of the powers conferred by the 45JA, 45L and 45M of the Reserve Bank of India Act, 1934; Sections 30A and 32 of the National Housing Bank Act, 1987 and Section 6 of the Factoring Regulation Act, 2011 and all other provisions/ laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.
- The Amendment Directions modifies the Directions as under:
  - (1) In Chapter-III ‘Disclosure in Financial Statements – Notes to Accounts’, a new sub-paragraph (9A) shall be inserted after sub-paragraph 21(9), as given below:

**21(9A) Exposures to Related Parties**

Details of exposures to related parties as defined in Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025 shall be disclosed as per the following table:

(Amount in ₹ crore)

Sl No.	Particulars	Previous Year	Current Year
<b>A. Loans to Related Parties</b>			
1.	Aggregate value of loans sanctioned to related parties during the year		
2.	Aggregate value of outstanding loans to related parties as on 31 <sup>st</sup> March		
3.	Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31 <sup>st</sup> March		
4.	Aggregate value of outstanding loans to related parties which are categorized as:		
	(i) <i>Special Mention Accounts as on 31<sup>st</sup> March</i>		
	(ii) <i>Non-Performing Assets as on 31<sup>st</sup> March</i>		
5.	Amount of provisions held in respect of loans to related parties as on 31 <sup>st</sup> March		
<b>B. Contracts and Arrangements involving Related Parties</b>			
6.	Aggregate value of contracts and arrangements awarded to related parties during the year		
7.	Aggregate value of outstanding contracts and arrangements involving related parties as on 31 <sup>st</sup> March		

4. The above amendments shall come into force from April 1, 2026. NBFCs may however decide to implement the amendments in entirety from an earlier date.

**VAIBHAV CHATURVEDI**  
Chief General Manager

## 29 Reserve Bank of India (All India Financial Institutions – Credit Risk Management) – Amendment Directions, 2026

**[Issued by the Reserve Bank of India vide RBI/2025-26/180 DOR.CRE. REC.381/07-02-007/2025-26 dated 05.01.2026]**

Please refer to Reserve Bank of India (All India Financial Institutions - Credit Risk Management) Directions, 2025 (hereinafter referred to as 'the Directions').

2. On a review, in exercise of the powers conferred by Section 45L of the Reserve Bank of India Act, 1934 and all other provisions / laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues these Directions hereinafter specified.

3. The Amendment Directions modifies the Directions as under:

3(1) In Chapter I – 'Preliminary' of the Directions, the following modifications shall be effected:

- (i) In paragraph 4(1), the following sub-paragraphs shall be inserted as definitions:
- (iia) 'Committee on lending to related parties' shall mean a committee established by the Board of the AIFI specifically to deal with lending to related parties. AIFIs may also identify any existing Committee, other than the Audit Committee, for this purpose.
- (iib) 'Contract or arrangement' shall have the same meaning as specified in Section 188(1)(a) to (g) of the Companies Act, 2013.

**VAIBHAV CHATURVEDI**  
Chief General Manager

*Complete details are not published here for want of space. For complete notification readers may log on to [www.rbi.org.in](http://www.rbi.org.in)*

## 30 Reserve Bank of India (Urban Co-operative Banks – Credit Risk Management) – Amendment Directions, 2026

**[Issued by the Reserve Bank of India vide RBI/2025-26/177 DOR.CRE. REC.378/07-02-005/2025-26 dated 05.01.2026]**

Please refer to Reserve Bank of India (Urban Co-operative Banks – Credit Risk Management) Directions, 2025 (hereinafter referred to as 'the Directions').

2. On a review, in exercise of the powers conferred by the Sections 21 and 35A read with Section 56 of the Banking Regulation Act, 1949; and all other provisions / laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.
3. The Amendment Directions modifies the Directions as under:

3(1). In 'Chapter I - Preliminary' of the Directions, the following modifications shall be effected:-

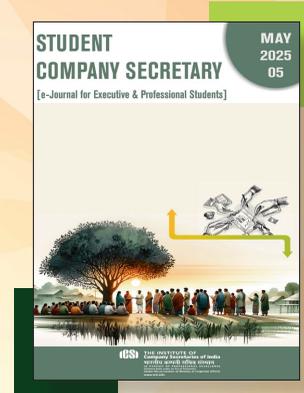
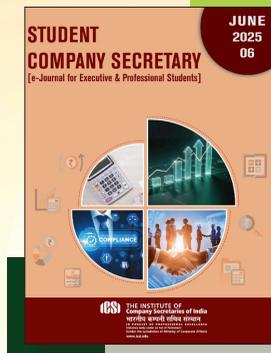
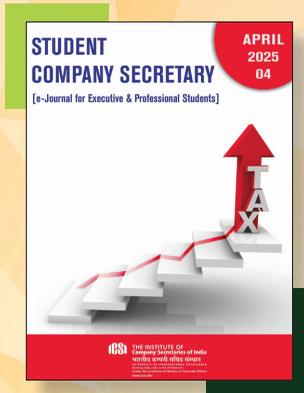
- (i) In paragraph 4(1), the following sub-paragraphs shall be inserted as definitions:
- (iia) 'Contract or arrangement' shall have the same meaning as specified in Section 188(1)(a) to (g) of the Companies Act, 2013.
- (iib) 'Control' shall have the same meaning as assigned to it under Section 2(27) of the Companies Act, 2013.
- (iva) 'Director of a UCB' shall have the same meaning as defined in Explanation (b) to Section 20 of the Banking Regulation Act 1949 and would include a nominee director, an independent director, and a member of the Board of Management (BoM).

**VAIBHAV CHATURVEDI**  
Chief General Manager

*Complete details are not published here for want of space. For complete notification readers may log on to [www.rbi.org.in](http://www.rbi.org.in)*

# STUDENT COMPANY SECRETARY (e-Journal)

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**IN PURSUIT OF PROFESSIONAL EXCELLENCE**

Statutory body under an Act of Parliament

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# 6

## NEWS FROM THE INSTITUTE



- 
- Members Restored during the month of December 2025
  - Certificate of Practice surrendered during the month of December 2025
  - List of Licentiates who have been Disentitled to use the Descriptive Letters “Licentiate – ICSI” w.e.f. 1<sup>st</sup> July, 2025, due to Non-Payment of Annual Licentiate Subscription for FY 2025-26
- 
- New Admissions
  - Uploading of Photograph (Passport Size only) and Signature
  - Obituaries
  - Change / Updation of Address
-



## Institute News

### MEMBERS RESTORED DURING THE MONTH OF DECEMBER 2025

S. No.	Membership No.	Member's Name	Region
1	ACS - 12758	CS ALKA DUA	NIRC
2	ACS - 13516	CS K VIDYA	SIRC
3	ACS - 15337	CS SURENDER YOGENDER	SIRC
4	ACS - 15457	CS NITESH KUMAR SINHA	NIRC
5	ACS - 15537	CS DEEPAK SHARMA	EIRC
6	ACS - 16242	CS P SRIVIDYA	SIRC
7	ACS - 16297	CS ADITYA KUMAR TIBREWAL	EIRC
8	ACS - 16590	CS JAYA NAGPAL	NIRC
9	ACS - 18140	CS CHARU VINAYAK KARNICK	WIRC
10	ACS - 18977	CS VATSALYA VARSHNEY	NIRC
11	ACS - 20004	CS K SANTHOSH KUMAR	SIRC
12	ACS - 20610	CS MOHIT JAYANT DHAMNE	WIRC
13	ACS - 20816	CS PAYAL BHUTORIA	WIRC
14	ACS - 22370	CS VIMAL TANK	WIRC
15	ACS - 23399	CS SHWETA DHANRAJANI	EIRC
16	ACS - 24103	CS ABHIJEET ARVIND SONTAKKE	WIRC
17	ACS - 24354	CS GAUTTAM KUMAR MISHRA	NIRC
18	ACS - 24806	CS ROMA KEJRIWAL	EIRC
19	ACS - 24837	CS SAROJ KUMAR THAKUR	NIRC
20	ACS - 25117	CS S BHUVANESWARI	WIRC
21	ACS - 25196	CS VAISHALI GUPTA	NIRC
22	ACS - 25575	CS NIRAJ KUMAR	NIRC
23	ACS - 25680	CS CLAUS PREYES CHAKRAVARTHY	WIRC
24	ACS - 25691	CS GAURAV SHARMA	NIRC
25	ACS - 26418	CS GURPREET KAUR ANAND	NIRC
26	ACS - 27708	CS AVNEESH KUMAR	NIRC
27	ACS - 29212	CS HETAL DARJI	WIRC
28	ACS - 29670	CS DHARTI SONI	WIRC
29	ACS - 30171	CS ALOK KUMAR GHOSH	WIRC
30	ACS - 30675	CS NARENDER KUMAR	NIRC
31	ACS - 30732	CS APURVA RAJENDRA MEHTA	NIRC

32	ACS - 30940	CS ANAND PRAKASH SONI	NIRC
33	ACS - 30953	CS KANIKA SHARMA	NIRC
34	ACS - 31478	CS SHIKHA MAKEN	NIRC
35	ACS - 31665	CS VIDYA MANOJ NALAWADE	WIRC
36	ACS - 32214	CS PRINCI KAPOOR	NIRC
37	ACS - 32344	CS SHILPA AGGARWAL	EIRC
38	ACS - 32367	CS KAVITA SURANA	SIRC
39	ACS - 32581	CS GAURANG MANUBHAI SHAH	WIRC
40	ACS - 32952	CS NEELIMA E	SIRC
41	ACS - 33204	CS RIDHIMA SONI	NIRC
42	ACS - 33439	CS SANDEEP CHOUDHARY	NIRC
43	ACS - 33492	CS JIGNA HITESH SHAH	WIRC
44	ACS - 34259	CS RISHIKA GURU DATTA	WIRC
45	ACS - 34500	CS URVASHI MALHOTRA	NIRC
46	ACS - 35204	CS AKANSHA PITHALIYA	WIRC
47	ACS - 35284	CS VIBHAV RANADE	WIRC
48	ACS - 35616	CS MONIKA RATHI	WIRC
49	ACS - 36533	CS ANKIT AGARWAL	EIRC
50	ACS - 36812	CS BHAWNA KASAT	SIRC
51	ACS - 36966	CS UPMA U K CHANDA	WIRC
52	ACS - 37027	CS PARAKH SHITLBHAI PATEL	WIRC
53	ACS - 37489	CS NAMRTA SAXENA	WIRC
54	ACS - 37869	CS PALLAVI GUPTA	WIRC
55	ACS - 38172	CS RESHMA SUSAN THOMAS	WIRC
56	ACS - 38613	CS RITIKA	SIRC
57	ACS - 39088	CS MEGHA MODI	WIRC
58	ACS - 40062	CS BAVNEET KAUR OBEROI	NIRC
59	ACS - 40268	CS ANISHA CHANDRASHEKAR IYER	WIRC
60	ACS - 40286	CS PRIYANKA DAMMANI	EIRC
61	ACS - 40760	CS KRISHNA MADHAVAN	SIRC
62	ACS - 41004	CS ARTI TIWARI	NIRC
63	ACS - 41420	CS SWATI RAJVIR SINGH CHAUHAN	WIRC
64	ACS - 41929	CS NAINA KHERA	NIRC
65	ACS - 42189	CS KALYANI KAMALAKAR KARANDE	WIRC
66	ACS - 42341	CS HARSHITA ANIL RANKA	WIRC
67	ACS - 43077	CS MOHIT KUKREJA	NIRC
68	ACS - 43257	CS MANDAR MADHAV DESAI	WIRC
69	ACS - 43269	CS PADMA PUSHKAR RATNAPARKHI	WIRC
70	ACS - 43640	CS TARNNUM HASNAIN MULLA	WIRC

71	ACS - 43801	CS POOJA NIKHIL ABHYANKAR	WIRC
72	ACS - 43854	CS SEJAL DILIP WADHER	WIRC
73	ACS - 44164	CS SANJANA RANI	NIRC
74	ACS - 45262	CS ANKITA DINESHBHAI SONI	WIRC
75	ACS - 45439	CS AASIMA KHURSHID KHAN	NIRC
76	ACS - 45474	CS RUDHRU KRISHNA	SIRC
77	ACS - 45573	CS SUNAKSHI VILENDRA JAGGA	WIRC
78	ACS - 45652	CS NAMRATA GUPTA	NIRC
79	ACS - 45753	CS PRABHAS SINGH	NIRC
80	ACS - 46255	CS MONIKA MANNAN	NIRC
81	ACS - 46683	CS GANDHI KARAN BANKIMBHAI	WIRC
82	ACS - 47072	CS SWETA PRIYA	EIRC
83	ACS - 47163	CS PRAGATI PRAMOD NATHANI	WIRC
84	ACS - 47791	CS TARUN CHAKARVARTI	NIRC
85	ACS - 48341	CS TIPU SULTAN	SIRC
86	ACS - 48423	CS NIKITA MAHESH SADHNANI	SIRC
87	ACS - 48772	CS ANKITA RAJ BHIKADIA	WIRC
88	ACS - 48979	CS DHANASHREE VIJAY KALE	WIRC
89	ACS - 49085	CS DIVYA SHARMA	NIRC
90	ACS - 49149	CS JUHI KHANDELWAL	WIRC
91	ACS - 49303	CS JYOTSNA	NIRC
92	ACS - 49890	CS DISHA SHARAD VERMA	WIRC
93	ACS - 50254	CS VIKRAM BAHRI	NIRC
94	ACS - 50431	CS REVATI SURESH KATE	WIRC
95	ACS - 50726	CS DIVYA BAFNA	WIRC
96	ACS - 50808	CS BHAVANA SHIVANAND	SIRC
97	ACS - 51066	CS MD SHAHNAWAZ ALAM	EIRC
98	ACS - 51349	CS SHIVANI SINGLA	NIRC
99	ACS - 52050	CS PIYUSH SURESH KEWALRAMANI	WIRC
100	ACS - 52662	CS RIMI AGARWAL	NIRC
101	ACS - 52971	CS RENUCKA ABHAY KULKARNI	WIRC
102	ACS - 53701	CS ALPANA SUDHIR KUMAR MISHRA	NIRC
103	ACS - 53846	CS NUPUR AGGARWAL	NIRC
104	ACS - 54045	CS PRIYANKA SONI	EIRC
105	ACS - 54520	CS SWATI TAMBHI	NIRC
106	ACS - 54646	CS VIKAS MISHRA	NIRC
107	ACS - 55124	CS RIYA PUNJABI	NIRC
108	ACS - 55341	CS MANSI GUPTA	NIRC

109	ACS - 56044	CS MONICA SATISH RAWAL	WIRC
110	ACS - 56096	CS CHETNA TRIGUN	SIRC
111	ACS - 56215	CS PRIYA MANISH SURVE	WIRC
112	ACS - 56970	CS POONAM CHIMANBHAI THADESHWAR	WIRC
113	ACS - 57599	CS NIRAJ VIJAY SHARMA	WIRC
114	ACS - 57742	CS ASTHA SRIVASTAVA	NIRC
115	ACS - 57752	CS ANJALI SHREEDHAR	NIRC
116	ACS - 58169	CS BYSANI SAI SUSMITHA	SIRC
117	ACS - 58305	CS BHUTADA MAHESHKUMAR OMPRAKASH	WIRC
118	ACS - 58842	CS POOJA KOHLI	NIRC
119	ACS - 58958	CS JULIEE JAYANT GHADGE	WIRC
120	ACS - 59211	CS NEHIL SHARDA	NIRC
121	ACS - 59328	CS SUMIT KUMAR GARG	NIRC
122	ACS - 59334	CS LAXMAN JAJODIA	SIRC
123	ACS - 59668	CS DIMPI DHAVAL OZA	WIRC
124	ACS - 59996	CS PANKHURI JAIN	NIRC
125	ACS - 60054	CS ANKITA KABRA	WIRC
126	ACS - 60212	CS RONAK MAHESHWARI	WIRC
127	ACS - 60425	CS NANDULA VAMSIKRISHNA	WIRC
128	ACS - 60631	CS KIRTI NAGI	NIRC
129	ACS - 60977	CS SURBHI PACHORI	WIRC
130	ACS - 61121	CS SOWMYA RAMASWAMY	WIRC
131	ACS - 61178	CS RUPAL VENKTESH MARDIA	SIRC
132	ACS - 61398	CS AMIT BHUDEV JHA	WIRC
133	ACS - 61871	CS RACHIT SAXENA	NIRC
134	ACS - 62106	CS GARGI GUPTA	NIRC
135	ACS - 62139	CS ASHISH KUMAR	NIRC
136	ACS - 62763	CS DIVYA MISHRA	SIRC
137	ACS - 63044	CS DIMPLE SANJAY MANDANIYAN	WIRC
138	ACS - 63659	CS NANDU C MOHAN	SIRC
139	ACS - 65834	CS NEHA BUNG	SIRC
140	ACS - 66014	CS PRACHI SEKSARIA	WIRC
141	ACS - 66016	CS KAVITA SAINI	NIRC
142	ACS - 66323	CS ANKIT VAID	NIRC
143	ACS - 66472	CS GYAN PRAKASH	NIRC
144	ACS - 66558	CS CHARU SEHGAL	NIRC
145	ACS - 66956	CS DEEPTI AHUJA	NIRC
146	ACS - 67173	CS SHRIYA CHOPRA	NIRC
147	ACS - 67554	CS JAIN AKSHITA	WIRC
148	ACS - 6795	CS SIDHARTH KAPUR	NIRC
149	ACS - 68146	CS RITU DAS	NIRC
150	ACS - 68212	CS NISHI MAHEK MODI	WIRC

151	ACS - 68239	CS AMEYA YASHWANT MAHASHABDE	WIRC
152	ACS - 68475	CS RAVEENA BOHRA	NIRC
153	ACS - 68733	CS SHWETA SATISH PATEL	WIRC
154	ACS - 69059	CS NIRMATHA HAREENDRAN	SIRC
155	ACS - 69092	CS PAYAL BAID	WIRC
156	ACS - 69511	CS NIKHIL RETNA KUMAR	SIRC
157	ACS - 69781	CS RIMESH DINESH PATEL	WIRC
158	ACS - 69789	CS NARESH BHIMESH YASOLU	WIRC
159	ACS - 70936	CS SAURABH KUMAR PERIWAL	WIRC
160	ACS - 72745	CS NIDHI KUMARI	EIRC
161	ACS - 72937	CS MUSKAN KUMAR	NIRC
162	ACS - 73631	CS VISWANATHAN V	SIRC
163	ACS - 74071	CS RAVINDRA SINGH SISODIA	NIRC
164	ACS - 74382	CS AMEYA GIRISH KULKARNI	WIRC
165	ACS - 74899	CS AKANKSHA KHANDELWAL	WIRC
166	ACS - 75575	CS GOMATI NARAYANLAL SUTHAR	WIRC
167	ACS - 75855	CS AKANKSHA GUPTA	NIRC

168	ACS - 7674	CS L R NEELAKANTA	SIRC
169	ACS - 8411	CS PANKAJ MISRA	NIRC
170	ACS - 9048	CS N N KRISHNAN	SIRC
171	FCS - 10655	CS AVANI RAMESHKUMAR SEJPAL	WIRC
172	FCS - 13255	CS SHILPA ANIL BHARGAVA	NIRC
173	FCS - 2578	CS PANKAJ SETHI	NIRC
174	FCS - 3633	CS SATISH KASHI RAJGARHIA	WIRC
175	FCS - 3820	CS G BENEDICT VICTOR	SIRC
176	FCS - 4582	CS KAMAL DALUKA	SIRC
177	FCS - 6324	CS MOLLY SWAROOP	NIRC
178	FCS - 6461	CS BALAJI PRASAD	NIRC
179	FCS - 6576	CS RAJ KUMAR KOTHARI	EIRC
180	FCS - 7892	CS PRATHIBA VENKATRAMAN	SIRC
181	FCS - 8147	CS MADHUKAR K APTE	WIRC
182	FCS - 8261	CS SHILPA VERMA	NIRC
183	FCS - 8611	CS RAJESH KUMAR PATHAK	WIRC
184	FCS - 8625	CS NEHA GUPTA	NIRC
185	FCS - 8732	CS KASHIF ALI	NIRC
186	FCS - 8854	CS CHITRANSHI AGARWAL	NIRC
187	FCS - 9587	CS SHARAD PATHAK	NIRC

### CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF DECEMBER 2025

S. No.	Member's Name	Membership No.	CoP No.	CP Date	Cancel Date	Region
1	CS NITISHA YOGESH DIWE	A65866	27190	15/03/2024	01/12/2025	WIRC
2	CS HARISH CHOURSIYA	A70293	27342	27/05/2024	02/12/2025	NIRC
3	CS MANOJ KUMAR JOSHI	A23084	27505	05/08/2024	04/12/2025	NIRC
4	CS SHILPA BHASKAR DESHMUKH	F6903	7003	20/01/2006	06/12/2025	WIRC
5	CS RAMYA	A27826	13759	05/09/2014	06/12/2025	SIRC
6	CS MANIRAJA SHUBANGI	A38160	18636	31/05/2017	06/12/2025	SIRC
7	CS ABHINAV GARG	A39239	24466	17/05/2021	09/12/2025	SIRC
8	CS DIVYASHRI SHIVAPRASAD	A66387	28271	18/08/2025	10/12/2025	SIRC
9	CS NISHA AGARWAL	A61080	25545	18/04/2022	12/12/2025	NIRC
10	CS KHUSHBOO MEHTA	A29517	26544	27/03/2023	12/12/2025	NIRC
11	CS KOMAL BHOJWANI	A65594	27385	18/06/2024	12/12/2025	WIRC
12	CS NEELAKANTAN SUBRAMONIAN	F8492	28211	25/07/2025	13/12/2025	SIRC
13	CS RANJEET KUMAR	F10973	15500	10/11/2015	15/12/2025	NIRC
14	CS KARTHIK NARASIMMAN	A24157	27559	30/08/2024	16/12/2025	SIRC
15	CS PRATIBHA RATHI	A32343	22150	06/06/2019	17/12/2025	NIRC
16	CS VIDHI CHHAGANLAL HARIA	A60284	22669	25/11/2019	18/12/2025	WIRC
17	CS MEGHNA RAVIRAJ KARIA	F13862	17044	22/08/2016	21/12/2025	WIRC
18	CS KRITIKA SHARMA	A64341	26695	05/06/2023	23/12/2025	NIRC
19	CS KOMAL JINDAL	A75857	28095	05/06/2025	23/12/2025	NIRC
20	CS AMRUTA BALCHANDRA JANA	A25687	21573	20/12/2018	26/12/2025	WIRC
21	CS KUSUM LATA MATHURIA	A41930	24288	16/03/2021	31/12/2025	NIRC

**LIST OF LICENTIATES WHO HAVE BEEN DISENTITLED TO USE THE DESCRIPTIVE LETTERS "LICENTIATE – ICSI" W.E.F. 1<sup>ST</sup> JULY, 2025 DUE TO NON-PAYMENT OF ANNUAL LICENTIATE SUBSCRIPTION FOR F.Y. 2025-26**

S. No.	LIC. No.	Name	Region
1	7066	MR. ARUNAVO LASKAR	EIRC
2	7078	MS. AISWARYA P R	SIRC
3	7082	MS. SAKSHI JITENDRA CHHABRA	WIRC
4	7120	MR. HARMEET SINGH BAWA	NIRC
5	7135	MS. PRIYA G	SIRC
6	7148	MS. S UMA	SIRC
7	7153	MR. DHIRAJ KEJRIWAL	EIRC
8	7155	MR. HARSH GUPTA	WIRC
9	7156	MS. HARSHITA GUPTA	WIRC

10	7159	MR. ESHAN MANOJ LOIYA	WIRC
11	7162	MS. PARVATHY S	SIRC
12	7165	MR. VENKATESH S	SIRC
13	7169	MR. JAGRAT BISHAN SHAH	WIRC
14	7171	MS. SHIVANI BORA	NIRC
15	7186	MR. VAIBHAV GOEL	NIRC
16	7189	MS. INDRAKSHI BANERJEE	WIRC
17	7196	MR. CHIRAAG AGARWAL	EIRC
18	7198	MR. SHAMI AHMAD	NIRC
19	7203	MR. DHRUV DINESH CHHAJED	WIRC
20	7220	MS. MUSKAN MANGAL	WIRC
21	7223	MS. JASLEEN KAUR DUA	WIRC
22	7224	MR. SATYAM SAWARN	SIRC

### NEW ADMISSIONS

For latest admission of Associate and Fellow Members, Life Members of Company Secretaries Benevolent Fund (CSBF), Licentiates and issuance of Certificate of Practice, kindly refer to the link <https://www.icsi.edu/member>



### UPLOADING OF PHOTOGRAPH (PASSPORT SIZE ONLY) AND SIGNATURE

Members are requested to ensure that their latest scanned PASSPORT size front-facing colour photograph (in formal wear) and signature in .jpg format (each on light-colored background of not more than 200 KB file size) are uploaded on the online portal of the Institute.

Online Steps for Uploading of photo and signature.

- Use ONLINE SERVICES tab on www.icsi.edu
- Select Member Portal from dropdown
- Login using your membership number e.g. A1234/F1234
- Enter your password
- Under My Profile – Click on View and Update
- Upload/update the photo and signature as required
- Press Save button

### OBITUARIES

Chartered Secretary deeply regrets to record the sad demise of the following members:

**CS M SRINIVASAN** (15-06-1956– 09.10.2025) a Fellow member of the Institute from TIRUPPUR, TAMIL NADU

**CS KULDIPSINH JAYENDRASINH ZALA** (01-01-1988 – 24.09.2025) a Fellow member of the Institute from AHMEDABAD, GUJARAT

**CS SATYABRATA PADHI** (20-02-1985 – 22.11.2025) an Associate member of the Institute from BHUBANESWAR, ORISSA

**CS PARIMAL KANTI PAUL** (04-09-1953 - 10.12.2025) a Fellow member of the Institute from CACHAR, ASSAM

**CS RAKESH MOHAN SHARMA** (21.11.1956 - 05.05.2025) a Fellow member of the Institute from GREATER NOIDA, UP

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](http://www.icsi.edu)
2. Click on **MEMBER** in the menu
3. Click on **Member Search** on the member home page
4. Enter your membership number and check
5. The address displayed is your Professional address (Residential if Professional is missing)

The steps for online change of address are as under:

1. Go to [www.icsi.edu](http://www.icsi.edu)
2. On the Online Services – select **Member Portal** from dropdown menu
3. Login using your membership number e.g. A1234/F1234
4. Under **My Profile** – Click on View and update option and check all the details and make the changes required and save
5. To change the mobile number and email Id click the side option “**Click Here to update Mobile Number and E-mail Id**”
6. Check the residential address and link the Country-State-District-City and check your address in the fields Add. Line1/Add. Line2 & Add. Line3 (Click Here to change residential address)
  - a) Select the Country<sup>#</sup>
  - b) Select the State
  - c) Select the City
  - d) Submit the Pincode which should be 6 digits without space.
  - e) Then click on “Save” button.
7. Select the appropriate radio button for Employment Status and check your address in the fields Add. Line1/ Add. Line2 & Add. Line3 click the link on the right (Click Here to change Professional address)
  - a) Select the Country<sup>#</sup>
  - b) Select the State
  - c) Select the City
  - d) Submit the Pincode which should be 6 digits without space.
  - e) Then click on “Save” button.
8. Go back to the Dashboard and check if the new address is being displayed.

#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 along with Zipcode.

Members are required to verify and update their address and contact details as required under Regulation 3 of the CS Regulations, 1982 amended till date.

*For any further assistance, we are available to help you at <http://support.icsi.edu>*



**THE INSTITUTE OF  
Company Secretaries of India**  
भारतीय कम्पनी सचिव संस्थान  
IN PURSUIT OF PROFESSIONAL EXCELLENCE  
Statutory body under an Act of Parliament  
(Under the jurisdiction of Ministry of Corporate Affairs)

### Documents downloadable from the DigiLocker Platform

The National Digital Locker System, launched by Govt. of India, is a secure cloud-based platform for storage, sharing and verification of documents and certificates. In the wake of digitization and in an attempt to issue documents to all the members in a standard format and make them electronically available on real-time basis, the Institute of Company Secretaries of India had connected itself with the DigiLocker platform of the Government of India. The initiative was launched on 5<sup>th</sup> October, 2019 in the presence of the Hon'ble President of India.

In addition to their identity cards and Associate certificates, members can also now access and download their Fellow certificates and Certificates of Practice from the Digilocker anytime, anywhere.



#### 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 menu.
6. For COP certificate enter your COP number e.g. 12345 and select COP.
7. Click download / generate.
8. The ID Card / Membership certificate / Practice Certificate can be downloaded every year after making payment of Annual Membership fees.



**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 वर। धर्मं चर। *सत्यं त्रुथ। धर्मं रिग्टेउसनेस*

*Mission*  
"To develop high calibre professionals  
facilitating good corporate governance"

# ICSI BLOOD Bank Portal



**Dedicated to  
the Service  
of the Nation**

The ICSI Blood Bank Portal has a huge  
database of blood donors with information  
on Blood Groups with their location

To find a donor near you or  
to register as a donor visit  
<https://www.icsi.in/bloodbank/>

Connect with ICSI

[www.icsi.edu](http://www.icsi.edu)



Online helpdesk : <http://support.icsi.edu>

# 7

## MISCELLANEOUS CORNER



- GST Corner
- Ethics in Profession
- CG Corner
- Maritime Corner
- ESG Corner
- MSME Corner
- AI Corner
- Gist of ROC & RD Adjudication Orders

## ADVISORY ON FILING OPT-IN DECLARATION FOR SPECIFIED PREMISES, 2025

Following Notification No. 05/2025 – Central Tax (Rate) dated January 16, 2025, the relevant declarations for specified premises are now available for electronic filing on the GST Portal. Persons applying for registration or already registered taxpayers supplying hotel accommodation services may opt to declare their premises as “specified premises.”

### Key Points

#### 1. Eligibility

##### Who may file:

- Regular taxpayers (active and suspended) supplying hotel accommodation services who wish to declare their premises as “specified premises”
- Applicants for new GST registration who wish to declare their premises as “specified premises”

##### Who cannot file:

- Composition taxpayers
- TDS/TCS taxpayers
- SEZ units/developers
- Casual taxpayers
- Cancelled registrations

#### 2. Types of Declarations

The following declarations are available on the portal:

##### Annexure VII: Opt-In Declaration for Registered Person

- For existing registered taxpayers opting to declare premises as specified premises for a succeeding financial year

##### Annexure VIII: Opt-In Declaration for Person Applying for Registration

- For persons applying for new registration, to declare premises as specified premises from the effective date of registration

*Note: Annexure IX (Opt-Out Declaration) will be made available separately in due course.*

#### 3. Filing Timeline

##### (A) Existing Registered Taxpayers – Annexure VII

- **Filing window:** January 1 to March 31 of the preceding financial year
- **For FY 2026-27:** File between January 1, 2026 and March 31, 2026

##### (B) New Registration Applicants – Annexure VIII

- **Primary window:** Within 15 days from the date of ARN generation for the registration application
- Filing is permitted regardless of GSTIN allocation status, provided the application is not rejected
- **Alternative window:** If the 15-day period lapses, filing is possible only during the Annexure VII window (January 1 to March 31)
- **Important:** If the registration application is rejected, Annexure VIII cannot be filed, regardless of whether 15 days have elapsed

#### 4. Filing Process

1. Log in to the GST Portal
2. Navigate to: **Services → Registration → Declaration for Specified Premises**
3. Select: **Opt-In Declaration for Specified Premises or Download Annexure Filed**
4. Select eligible premises, complete the declaration, and submit using EVC

An ARN will be generated upon successful submission.

#### 5. Important Considerations

- A maximum of 10 premises can be included in one declaration. Additional declarations may be filed for remaining premises, with separate PDFs and reference numbers generated for each premise
- If any premises are omitted, taxpayers may file Annexure VII again for those premises during the same filing window
- Suspended taxpayers may file declarations; cancelled taxpayers cannot
- Once exercised, the option continues for subsequent financial years unless an opt-out declaration (Annexure IX) is filed within the prescribed timeframe

#### 6. Downloading Filed Declarations

Filed Annexures (VII/VIII) can be downloaded at: **Services → Registration → Declaration for Specified Premises → Download**

Separate reference numbers are generated for each declared premise.

#### 7. Notifications

Email and SMS confirmations will be sent to all authorized signatories upon successful filing.

## Special Notes

- FY 2025-26 Manual Filers:** Declarations for FY 2025-26 were filed manually with jurisdictional authorities. Since electronic filing is now available, such taxpayers must file Annexure VII again electronically for FY 2026-27 between January 1, 2026 and March 31, 2026.
- First-Time Filers:** Taxpayers declaring specified premises for the first time must file Annexure VII for FY 2026-27 between January 1, 2026 and March 31, 2026.

**Source:** <https://services.gst.gov.in/services/advisoryand-releases/read/645>

## ADVISORY ON RSP-BASED VALUATION OF NOTIFIED TOBACCO GOODS UNDER GST

From February 1, 2026, specific tobacco products must be valued based on Retail Sale Price (RSP) instead of actual transaction value, creating a mismatch with existing GST reporting systems.

**Covered Products:** Pan masala, unmanufactured tobacco, cigars/cigarettes, manufactured tobacco products, and nicotine/tobacco inhalation products (HSN codes 2106 90 20, 2401-2404).

### Key Problem:

- Tax must be calculated on RSP (printed on package), not actual sale price
- Formula:  $\text{Tax} = (\text{RSP} \times \text{Tax Rate}) / (100 + \text{Tax Rate})$
- This creates a situation where taxable value + tax amount can exceed total invoice value, triggering system errors

### Example Given:

- RSP: ₹1,00,000
- Actual sale value: ₹60,000 (after discounts)
- Tax (IGST @40%): ₹28,571.43 (calculated on RSP)
- Problem: ₹71,428.57 (deemed taxable value) + ₹28,571.43 (tax) > ₹88,571.43 (total invoice)

**Reporting Solution:** For e-Invoice, e-Way Bill, and GSTR-1/1A/IFF:

- Report **Net Sale Value** (actual commercial consideration) as taxable value: ₹60,000
- Report **RSP-based calculated tax:** ₹28,571.43
- Total invoice value: ₹88,571.43 (sum of above two)
- Manually correct system-calculated values if needed

This is a facilitation measure to bypass system validation issues while ensuring correct tax discharge based on RSP.

**Source:** <https://services.gst.gov.in/services/advisoryand-releases/read/646>

## ADVISORY ON INTEREST COLLECTION AND RELATED ENHANCEMENTS IN GSTR-3B

From January 2026 period onwards, few enhancements have been made in filing of GSTR-3B

### 1. Enhanced Interest Calculation (Major Change)

- Interest computation now gives benefit of **minimum cash balance** in Electronic Cash Ledger (ECL)
- Formula:  $\text{Interest} = (\text{Net Tax Liability} - \text{Minimum Cash Balance in ECL from due date to payment date}) \times (\text{Days delayed} / 365) \times \text{Interest Rate}$
- This aligns with Rule 88B(1) proviso of CGST Rules, 2017
- Reduces interest burden** if taxpayer had sufficient cash in ECL

### 2. Non-Editable Auto-Populated Interest (Table 5.1)

- System auto-calculates and displays interest in Table 5.1
- Cannot be edited **downward** by taxpayers
- Can only be edited **upward** if taxpayer assesses higher liability
- Auto-populated amount is **minimum** interest payable

### 3. Auto-Population of Tax Liability Breakup Table

- System automatically populates breakup of supplies from previous periods reported in current period
- Based on document dates from GSTR-1/1A/IFF
- Helps in accurate interest calculation per Section 50 of CGST Act
- Values are suggestive and can be modified upward

### 4. IGST ITC Cross-Utilization Update (Table 6.1)

- After IGST ITC is fully used, taxpayers can pay IGST liability using CGST or SGST ITC in **any sequence** (more flexibility)

### 5. Interest Collection in GSTR-10

- For cancelled taxpayers, if last GSTR-3B was filed late, interest will be collected through Final Return (GSTR-10)

**Source:** <https://services.gst.gov.in/services/advisoryand-releases/read/647>

## Due diligence in certification of e-Form DIR-12

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 in certification of e-Forms regarding (i) appointment and cessation of Directors w.r.t. consent or resignation letters of director; (ii) in certification of e-Forms regarding notice of change of registered office of a company w.r.t. date of change in such registered office. Company Secretaries in Practice are also expected to take special care while witnessing signatures of any director/subscriber.

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 Practising Company Secretary (hereinafter referred to as ‘the Respondent’). The Complainant has *inter-alia* stated that the Respondent while filing records with the Registrar of Companies (ROC) at the time of forming two companies (accused) has mentioned that shareholders of both the companies as mentioned in the Memorandum of Association have signed in presence of the Respondent in one particular city in India, but on examination of shareholders of both the companies, it has been revealed that most of them have denied to have signed in presence of the Respondent in that city. The shareholders of both the companies have stated that they signed the papers at some other places etc. and have not invested any amount in the companies.
2. The Complainant stated that the Respondent was indulging in keeping the Digital Signatures (DSC) and password of the directors of the companies during that time and was filing the data of the companies/ directors with the ROC on behalf of them through his subordinate staff.
3. The Complainant has further alleged that the role of the Respondent is filing the records of the company with the ROC in irregular manner, and the Respondent deviated the basic objective and principles and needs to be dealt with as per the rules of the Act. The Complainant has also submitted the documentary evidence recorded, while investigation of the case.
4. The Complainant argued the matter and stated that the Respondent has not exercised due diligence while certifying the form (DIR-12 in Companies Act, 2013) for appointment of one director and for cessation of another director as the same email address has been used for both the directors. The Complainant has further stated that the consent letter is undated, and the Respondent has misused the DSC and password of the directors of the company. The Respondent has argued that there was no provision for mentioning separate email address for different directors.
5. The Respondent in his written statement has submitted that the allegation made against him is totally baseless and based on oral mis-statement of those promoters/subscribers to the Memorandum and Articles of the said companies. The Respondent further stated that his responsibility is to see whether the formation of the companies is as per rules and regulations prescribed under the provisions of the Companies Act or not. The Respondent stated that he is not responsible as to whether the shareholders have paid the subscription money or not after incorporation and opening of bank account. The Respondent further submitted that he has witnessed only the signature of the shareholders of the companies on the subscribers’ sheet to subscription money. The Respondent submitted that he is unaware of the fact as to why the shareholders are saying that they have not visited that particular city, although they have admitted to personally sign the subscriber’s pages.
6. The Respondent further stated that the relevant forms were prepared by the Respondent’s staff and sent to other professionals for verification and certification before filing the forms. The Respondent stated that many times professionals assigned work to other professionals due to time constraint.
7. The Respondent submitted that another professional was his associate partner and occasionally used to visit his office. The Respondent further stated that the staff working under that other professional has used his DSC and password to file the aforesaid form as they normally do in regular course. The Respondent further stated that he never used DSC of another professional or of his colleague.
8. According to the Director (Discipline), the Respondent is *prima facie* ‘Guilty’ of Professional Misconduct under Clause (7) of Part-I of the Second Schedule to the Act. The Disciplinary Committee agreed with *prima facie* opinion based on the preliminary findings of the Director (Discipline) and decided to adjudicate the matter against the Respondent in accordance with Rule 18 of the Rules read with the Act to finally conclude as to whether the Respondent is guilty or not in the matter.
9. The Respondent pleaded ‘not guilty’ before the Disciplinary Committee. Accordingly, the Disciplinary Committee decided to proceed with the matter.
10. The Disciplinary Committee observed that the Respondent has certified forms for appointment as well as cessation of Directors and the Respondent has mentioned same email address for the directors in both the company. The Disciplinary Committee has further observed that the Respondent has also certified and filed form (INC-22 in Companies Act, 2013) for change of address of the company. However, it is observed that the company in its annual report mentioned the registered office of the company for which the form was filed at some later date. It shows that the company was using the premises as its registered office even before the date mentioned in the form filed with ROC for change of its registered office. And the Respondent has failed to take note of the same. The Disciplinary Committee has further observed that the Respondent has admitted that the letter of consent from the directors of the company without date is an inadvertent mistake made by him.
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 before certifying the forms for appointment of the directors in both the company and form for change of address of the company. After giving an opportunity of being heard to the Respondent, the Disciplinary Committee passed an order of ‘Reprimand’ under Section 21B (3) of the Company Secretaries Act, 1980.

# Institutional Investor Engagement and Stewardship

OECD has issued a report on *Institutional Investor Engagement and Stewardship*<sup>1</sup> developed by the Capital Markets and Financial Institutions Division of the OECD Directorate for Financial and Enterprise Affairs. The report examines how institutional investors engage with listed companies and how effective stewardship can strengthen the long-term efficiency and resilience of capital markets. It presents trends in institutional ownership and the asset management industry; reviews current engagement practices and mechanisms; and analyses stewardship-related regulatory frameworks, including fiduciary duties. It highlights the need for enhanced international co-operation to identify and promote both voluntary and regulatory approaches that support effective stewardship. Let us understand the trends in detail:

## RISING CONCENTRATION OF INSTITUTIONAL INVESTOR'S OWNERSHIP IN LISTED COMPANIES

The current institutional investor landscape shows large institutions holding significant portions of capital in listed companies across markets. Asset managers alone hold more than 50% of the listed equity in the United States, the United Kingdom and Ireland and at least 20% of the listed equity in Brazil, India and South Africa. The largest 20 asset managers hold USD 56 trillion (38%) of assets globally. In some smaller markets, such as Estonia, Lithuania, Luxembourg, Latvia and the Slovak Republic, the largest institutional investor in each company owns more than 70% of the institutional investor equity holdings on average. In more developed markets such as the United Kingdom and the United States, institutional ownership presents high concentration levels considering the largest 20 institutional investors in each company.

## PREVALENCE OF NON-DOMESTIC INVESTMENT AND OWNERSHIP PATTERNS

Non-domestic ownership is prominent in most markets. In almost 80% of OECD, G20 and Financial Stability Board (FSB) economies, the share held by domestic institutional investors is smaller than that held by their non-domestic counterparts. Notable exceptions include Argentina, the People's Republic of China, South Africa and the United States, where domestic institutional investors own larger equity shares than non-domestic ones. Most non-domestic institutional investor ownership is attributed to UK and US-domiciled investors. However, other non-domestic institutional investors also hold important positions across some markets. For instance, asset managers domiciled in France are significant investors in Belgium, Ireland, the Netherlands, and Spain.

<sup>1</sup> [https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/12/institutional-investor-engagement-and-stewardship\\_16fa4a8d/a4902cee-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/12/institutional-investor-engagement-and-stewardship_16fa4a8d/a4902cee-en.pdf)

## THE SHIFT FROM NON-INDEX FUNDS TO INDEX-LINKED FUNDS

To enhance performance while reducing costs, and supported by technological advances, there has been a shift among institutional investors towards the inclusion of index investment strategies within their portfolios. Globally, non-index managed investment funds total USD 38.3 trillion of assets under management, while index-linked funds account for USD 26.7 trillion. Active investors are directly involved in selecting which individual financial assets or categories of assets have an expected return that differs from the market expectations, aiming to generate profits by trading these assets. Index investors typically adopt an investment approach that involves high diversification and a low fee structure. Often, they aim to mirror broader market trends instead of outperforming them.

## INVESTOR ENGAGEMENT AND PROXY VOTING

Investors focussing on the valuation of individual assets already have a "sunk cost" of analysing the business of the investee companies, and, therefore, voting and engaging with them may in some cases represent relatively low marginal costs. Conversely, for other active investors and all index investors, voting and engaging also includes the cost of researching the investee company to form a position when voting and engaging. This difference partially explains why there is a spectrum of well-informed stewardship on one side and no stewardship at all on the other, with a mid-point where some investors exercise their shareholder rights in line with proxy advisors' recommendations.

## PUBLIC AND PRIVATE APPROACHES TO INVESTOR STEWARDSHIP REGULATION

Stewardship regulatory frameworks vary across jurisdictions and typically comprise a mix of public and private requirements and recommendations. A soft law approach through stewardship codes has become especially important, with codes being set by public authorities (e.g. Japan and the United Kingdom) or by private sector organisations such as industry associations (e.g. Australia, Brazil, South Africa and the United States).

## CONFLICTS OF INTEREST IN STEWARDSHIP

Conflicts of interest are an important issue to consider when examining the stewardship regulatory framework because they can undermine the trust and accountability required when institutional investors manage investments on behalf of others. Conflicts of interest can occur at multiple levels,

for example, where a bank provides corporate finance advisory services such as capital raising but also owns an asset management subsidiary that buys and sells securities.

### FIDUCIARY DUTY AND STEWARDSHIP

Any solid stewardship regulatory framework relies on a well-defined and effectively enforced fiduciary duty of institutional investors. This is because, given the complexities of capital markets, asset management mandates are inescapably incomplete, leaving a considerable level of discretion to asset managers. Fiduciary duty refers to an institutional investor's legal obligation to act in their clients' best interests, and these duties are especially important in the context of investor stewardship related to environmental and social matters. Fiduciary duties limit the possibility of institutional investors managing their clients' capital with the objective of achieving sustainability-related goals at the cost of risk-adjusted financial returns unless there is a clear mandate from their clients to do so.

There are, however, two significant questions that have remained unresolved in existing stewardship regulatory frameworks. First, how to mediate conflicts between the expectations and information needs of institutional investors and companies based in different jurisdictions. For instance, while institutional investors seek sustainability-related material information, they should ensure disclosure does not place unreasonable costs on companies. Second, what disclosure rules should apply to the largest institutional investors to ensure they fulfil their fiduciary duties, respond to their clients' sustainability concerns, and do not create economic inefficiencies.

Considering these open questions, further co-operation in identifying good policies and practices for the development of voluntary and regulatory frameworks that foster effective stewardship could be beneficial.



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(Under the jurisdiction of Ministry of Corporate Affairs)

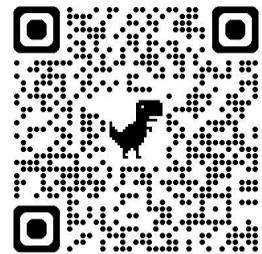
ICSI House, 22, Institutional Area, Lodi Road, New Delhi –110 003  
Phone : 011-45341036/92 email : [hr.dept@icsi.edu](mailto:hr.dept@icsi.edu) Website : [www.icsi.edu](http://www.icsi.edu)

## ADVT. NO. 01/2026 CAREER OPPORTUNITIES

The Institute of Company Secretaries of India (ICSI) is a statutory body set up under an Act of Parliament, the Company Secretaries Act, 1980, to regulate and develop the profession of Company Secretaries in India. The ICSI invites applications for the following post at its Headquarters at New Delhi/ Noida:-

S. No.	Name of the Post & Location	Pay Level as per 7 <sup>th</sup> CPC Pay Matrix (Rs.)	Gross Salary per Annum (Rs. in Lakhs)	Max. Age (as on 01.01.2026)	No. of Posts
1.	Chauffeur (New Delhi / Noida)	Level 2 (19900-63200)	4.75	35 years	01

For further details viz. qualification, experience, procedure for submission of application etc., please visit website <https://www.icsi.edu/careers/> on and from **28.01.2026**. Interested candidates may **apply only through electronic mode (Online)**. Last date for submission of application (Online) is **18.02.2026**. Reservation policy will be applicable as adopted by the "ICSI" in its Service Rules. The "ICSI" reserves the right to increase/decrease or even not to fill up any post as per its requirement.



<https://www.icsi.edu/careers/>

## MARITIME NEWS

**IMO WELCOMES ENTRY INTO FORCE OF THE BBNJ AGREEMENT**

The world's first global treaty to protect ocean life in international waters was entered into on 17 January 2026, bringing into effect legally-binding rules for the sustainable use and management of marine resources in the high seas.

Formally known as the Agreement under the United Nations Convention on the Law of the Sea on the Conservation and Sustainable Use of Marine Biological Diversity of Areas beyond National Jurisdiction (BBNJ Agreement), the treaty addresses:

- Marine genetic resources, including fair and equitable sharing of benefits;
- Measures such as area-based management tools, including marine protected areas;
- Environmental impact assessments; and
- Capacity-building and transfer of marine technology.

The BBNJ Agreement enters into force following its adoption in June 2023 - a culmination of decades of negotiations and preparatory works. More than 80 nations have ratified the Agreement to date.

<https://www.imo.org/en/mediacentre/pressbriefings/pages/imo-welcomes-entry-into-force-bbnj.aspx>

**MINISTRY FOR PORTS, SHIPPING AND WATERWAYS INAUGURATES CAPACITY AUGMENTATION WORKS OF VIZHINJAM INTERNATIONAL SEAPORT IN KERALA**

Ministry for Ports, Shipping and Waterways, inaugurated the capacity augmentation works of Vizhinjam International Seaport at Thiruvananthapuram, Kerala.

The inauguration marked the commencement of construction works for Phases II, III and IV of the Vizhinjam International Seaport, which are being implemented under a fast-tracked and integrated development programme. The expansion aims to substantially augment India's container transshipment capacity and strengthen the country's maritime infrastructure ecosystem.

Vizhinjam International Seaport commenced commercial operations of Phase I on 3 December 2024 with a designed capacity of 1 million TEUs. Within a short period of operation, the port demonstrated strong performance, handling over 1.43 million TEUs and operating at more than 130 per cent capacity utilisation. The port has established direct connectivity with major global shipping routes across Europe, the Americas, Africa and the Far

East, reinforcing its role as a key national trans-shipment terminal.

Under the capacity augmentation programme, the existing container berth will be extended to create a continuous 2-kilometre-long container berth, the longest in India. The breakwater will be extended to 3.88 kilometres, and additional container yards will be developed through sea reclamation. The port's cargo handling capacity will be strengthened through the addition of ship-to-shore and yard cranes, enabling the handling of next-generation container vessels of up to 28,000 TEUs. On completion, the port will be capable of handling up to five mother vessels simultaneously, with an operational throughput capacity of up to 5.7 million TEUs per annum.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2218315&reg=3&lang=1>

**INSV KAUNDINYA REACHES MUSCAT, REVIVING 5,000-YEAR-OLD INDIA-OMAN MARITIME RELATIONSHIP**

The Indian Naval Sailing Vessel INSV Kaundinya arrived in Muscat (Oman) after successfully completing its maiden voyage from Porbandar, marking a significant moment in the shared maritime heritage of India and Oman. The ship along with the crew were received by the Ministry of Ports, Shipping & Waterways (MoPSW), at Port Sultan Qaboos.

The voyage of the traditionally - built stitched sail vessel highlights the deep-rooted maritime, cultural and civilizational ties between the two nations that span more than 5,000 years. It also underscores the role of oceans as connective corridors that have enabled sustained interaction between India and Oman over centuries. The expedition holds added significance as both countries commemorate 70 years of diplomatic relations.

Named after the legendary Indian mariner Kaundinya, the vessel showcases India's indigenous maritime knowledge, craftsmanship and sustainable shipbuilding practices. The project was envisioned by Prime Minister Narendra Modi and executed by the Indian Navy with the support of naval architects, archaeologists, traditional shipbuilding designers and master shipwrights. Inspired by a fifth-century CE vessel depicted in the Ajanta Cave paintings, INSV Kaundinya was constructed using ancient Indian shipbuilding techniques, including stitched-plank construction without modern nails or metal fastenings.

India and Oman continue to strengthen maritime ties through enhanced connectivity, sustainable shipping initiatives and growing collaboration across ports, shipbuilding and sea-faring sectors.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2214685&reg=3&lang=1>

## IWDC 3.0 APPROVES OVER ₹1,500 CRORE PROJECTS TO DRIVE GREEN MOBILITY, CARGO MOVEMENT & RIVER TOURISM

The third meeting of the Inland Waterways Development Council (IWDC 3.0) concluded in Kochi, Kerala, with a comprehensive roadmap to expand India's inland water transport network, approve major infrastructure investments, and strengthen Centre-State coordination to unlock full economic potential of the country's rivers.

IWDC 3.0 identified projects worth more than ₹1,500 crore, aimed at accelerating green mobility, strengthening multimodal logistics and promoting river-led economic development. Foundation stones were laid for projects exceeding ₹150 crore, including river cruise jetties in Kerala, Gujarat, Karnataka, Odisha and Telangana, supporting the expansion of cruise tourism circuits across the country.

Kerala emerged as a key focus area at IWDC 3.0 with a series of major announcements aimed at strengthening inland water transport and logistics in the state. The Jal Vahak Cargo Promotion Scheme is being explored to be expanded to other National Waterways including Kerala, offering reimbursement of up to 35% of the total operating expenditure incurred on cargo movement through inland waterways. The scheme is expected to encourage private participation by enabling cargo owners to hire vessels operated by entities other than IWAI or ICSL, making it particularly attractive for major shipping companies, freight forwarders, trade bodies and operators handling bulk and containerised cargo. Valid initially for three years, the initiative will help optimise supply chain networks and enhance the commercial viability of water-based logistics. At IWDC, the commencement of Fixed Day Scheduled Sailing Services on commercially viable stretches to demonstrate the readiness of waterways as an efficient, cost-effective and environmentally sustainable mode of cargo transport was also announced. The Kerala package also includes the development of river cruise jetties and induction of one survey vessel, further strengthening the state's capacity for passenger movement, tourism and safe navigation.

IWDC 3.0 concluded with a shared commitment by the Centre and states to scale up inland water transport, strengthen regional connectivity, promote cleaner transport solutions and position rivers as engines of economic growth. The meeting reaffirmed inland waterways as a preferred, future-ready mode of transport for both cargo and passengers, contributing to cleaner transport, smarter logistics and a stronger India.

India's inland waterways continue to play a crucial role in decongesting road and rail networks by offering a fuel-efficient and environmentally friendly mode of transport. With 111 national waterways spread across 23 states and 4 union territories, inland waterways are increasingly

supporting initiatives such as Ro-Ro vehicle movement and cruise tourism. IWAI, under the Ministry of Ports, Shipping and Waterways, remains the nodal agency responsible for the development, maintenance and regulation of national waterways.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2217807&reg=3&lang=1>

## RAFT OF SHIPPING RULES IN FORCE FROM JANUARY 01, 2026

A set of amendments to key IMO treaties and Codes have entered into force on January 01, 2026 including:

### Preventing and responding to bullying, harassment and sexual assault

Amendments to the Seafarers' Training, Certification and Watchkeeping Code (STCW Code) aim to prevent and respond to violence and harassment in the maritime sector, including sexual harassment, bullying and sexual assault.

### Strengthening safety through improved training and certification of fishing vessel personnel

Amendments to the International Convention on Standards of Training, Certification and Watchkeeping for Fishing Vessel Personnel, 1995 (STCW-F Convention), together with the newly-established mandatory Code on Standards of Training, Certification and Watchkeeping for Fishing Vessel Personnel (STCW-F Code), enforced w.e.f. January 01, 2026.

### Mandatory reporting of lost containers

Containers lost overboard can be a serious hazard to navigation and safety at sea as well as to the marine environment. Amendments to the MARPOL and SOLAS Conventions on mandatory reporting of lost containers entered into force on January 01, 2026.

### Safety of onboard lifting appliances and anchor handling winches

A new SOLAS regulation II-1/3-13 covers requirements for the application, design and construction, operation, inspection, testing and maintenance of onboard lifting appliances and anchor handling winches.

### Enhancing the safety of ships using oil fuel

Amendments to SOLAS chapter II-2 are intended to prevent the supply of oil fuel not complying with SOLAS flashpoint requirements (60°C).

### Safety measures for non-SOLAS ships operating in polar waters - Polar Code and SOLAS

Amendments to the Polar Code, together with associated amendments to the SOLAS Convention, extend the requirements concerning safety of navigation and voyage planning to fishing vessels of 24 m in

length overall and above, pleasure yachts of 300 GT and above not engaged in trade and cargo ships of 300 GT and above but below 500 GT, operating in polar waters.

### Amendments to the 2011 ESP Code

New amendments to the International Code on the Enhanced Programme of Inspections during Surveys of Bulk Carriers and Oil Tankers (ESP Code) relate to the role of administration in relation to firms conducting thickness measurements of the hull structure of bulk carriers and oil tankers under the 2011 ESP Code, including audits of such firms by the Administration in order to ascertain that the firm is duly organized and managed.

### International Maritime Dangerous Goods Code (IMDG)

The revised and updated consolidated International Maritime Dangerous Goods Code (IMDG) incorporating amendment 42-24 entered into force from January 01, 2026.

### Grain Code

Amendments to the International Code for the Safe Carriage of Grain in Bulk (Grain Code) introduce a new class of loading conditions for special compartments.

### IGF Code amendments to enhance safety

Amendments made to the International Code of Safety for Ship Using Gases or Other Low-flashpoint Fuels (IGF Code), adopted at MSC 108 to enhance safety by regulating a variety of issues, such as pump suction wells, safety relief valve discharge, fuel preparation rooms, structural fire protection and hazardous zones.

### Life-saving Appliance (LSA) Code

The amendments introduced to the LSA Code provide new requirements on ventilation for totally enclosed lifeboats (installed on or after January 01, 2029).

<https://www.imo.org/en/mediacentre/pressbriefings/pages/raft-of-shipping-rules-in-force-from-1-january-2026.aspx>

## MARITIME TERMINOLOGY

### BIOTECHNOLOGY

“*Biotechnology*” means any technological application that uses biological systems, living organisms, or derivatives thereof, to make or modify products or processes for specific use.

### AREA-BASED MANAGEMENT TOOL

“*Area-based management tool*” means a tool, including a marine protected area, for a geographically defined area through which one or several sectors or activities are managed

with the aim of achieving particular conservation and sustainable use objectives in accordance with this Agreement.

### COLLECTION IN SITU

“*Collection in situ*”, in relation to marine genetic resources, means the collection or sampling of marine genetic resources in areas beyond national jurisdiction.

### ENVIRONMENTAL IMPACT ASSESSMENT

“*Environmental impact assessment*” means a process to identify and evaluate the potential impacts of an activity to inform decision-making.

### MARINE PROTECTED AREA

“*Marine protected area*” means a geographically defined marine area that is designated and managed to achieve specific long-term biological diversity conservation objectives and may allow, where appropriate, sustainable use provided it is consistent with the conservation objectives.

### MARINE TECHNOLOGY

“*Marine technology*” includes, *inter alia*, information and data, provided in a user-friendly format, on marine sciences and related marine operations and services; manuals, guidelines, criteria, standards and reference materials; sampling and methodology equipment; observation facilities and equipment for in situ and laboratory observations, analysis and experimentation; computer and computer software, including models and modelling techniques; related biotechnology; and expertise, knowledge, skills, technical, scientific and legal know-how and analytical methods related to the conservation and sustainable use of marine biological diversity.

### SUSTAINABLE USE

“*Sustainable use*” means the use of components of biological diversity in a way and at a rate that does not lead to a long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations.

### UTILIZATION OF MARINE GENETIC RESOURCES

“*Utilization of marine genetic resources*” means to conduct research and development on the genetic and/or biochemical composition of marine genetic resources, including through the application of biotechnology.

<https://docs.un.org/en/a/conf.232/2023/4>

## UK, EU TARGET 100 GW JOINT OFFSHORE WIND TO STRENGTHEN ENERGY SECURITY

At the Future of the North Seas Summit in Hamburg, European leaders committed to advancing a new wave of hybrid offshore energy projects that will connect many gigawatts of wind power directly into cross-border electricity networks. This initiative strengthens cooperation between the United Kingdom, Germany, Norway, Denmark, France, Belgium, Iceland, Ireland, the Netherlands, and Luxembourg, positioning the North Sea as a shared strategic clean-energy hub for Europe.

Joint offshore development has quickly become central to Europe's energy security strategy. Three years ago, North Sea nations collectively aimed for 300 GW of offshore wind capacity by 2050. The Hamburg Declaration updated that goal by dedicating 100 GW specifically to cooperative projects rather than national installations alone. These hybrid assets will connect wind farms to multiple countries simultaneously, enabling electricity to flow towards markets with the highest demand and best pricing conditions. The cooperation model requires major investment not only in turbines and sea-bed areas but also in sub-sea cables, converter stations, market-linking systems, and new rules for sharing costs and distributing revenues. European investors increasingly see interconnectors as a safeguard against market fragmentation and a pathway to more flexible energy portfolios. However, the success of the 100 GW objective depends heavily on regulatory alignment.

Policymakers continue to work on electricity market reforms, cross-border balancing, ETS coordination, and state-aid frameworks. The offshore pact adds a strategic push toward aligning supply chains, cable production, grid integration, and permitting processes.

The Hamburg Declaration also sends signals internationally. Regions such as East Asia and the Gulf of Mexico each examining their own multinational offshore corridors are watching how the North Sea develops its regulatory structures and financing models. The framework establishes a benchmark for using shared marine areas to minimize geopolitical risks, combine capital resources, and speed up decarbonization.

<https://esgnews.com/uk-eu-target-100-gw-joint-offshore-wind-to-strengthen-energy-security/>

## NITI AAYOG SEES INDIAN CEMENT SECTOR EMISSIONS FALL UP TO 85% BY 2070

India's cement industry could cut its greenhouse gas emissions by up to 85% by 2070 if three major

decarbonization strategies are expanded quickly, according to a new national roadmap. The report warns that high costs, regulatory gaps and limited infrastructure remain significant hurdles. Cement production in India is projected to grow almost seven-fold by 2070 from 391 million tonnes in 2023, driven by rapid urbanization and infrastructure demand. Without action, emissions are expected to rise sharply from 246 million tonnes CO<sub>2</sub>e in 2023 to 945 million tonnes in 2047 and 1,323 million tonnes by 2070. India is already world's second-largest cement producer, contributing about 6% of national greenhouse gas emissions.

Prepared by NITI Aayog with support from WRI India, the roadmap evaluated 22 decarbonization approaches. After assessing scalability, cost and long-term impact, it prioritized three key pathways:

- Greater use of refuse-derived fuel (RDF) from municipal waste
- Higher adoption of supplementary cementitious materials (SCMs) to cut clinker use
- Carbon capture, utilization and storage (CCUS) technologies

Together, these could reduce sectoral emissions by 80–85% by 2070, assuming supportive policies and feasibility. Raising RDF use to a 20% thermal substitution rate by 2030 could avoid about 80 million tonnes CO<sub>2</sub>e (10% cut in energy-related emissions). India generates 62 million tonnes of municipal solid waste annually, projected to reach 165 million tonnes by 2031 and 436 million tonnes by 2050. Co-processing this waste in cement kilns could ease disposal pressures and reduce reliance on coal and pet coke.

However, inconsistent waste quality, low calorific value, contamination and high investment needs pose challenges. The roadmap recommends long-term public-private waste-management agreements and third-party quality checks. Initial implementation costs are estimated at \$4.9 billion, with another \$18 billion in potential value-chain investments and around 65,000 new jobs. Since process emissions from limestone calcination make up more than half of Cement Sector's total emissions, the report identifies CCUS as the only viable solution to address 35–54% of the sector's emissions.

It calls for stable regulation, coordinated policy measures and access to climate finance, including government funds, multilateral climate support, donor contributions and green bonds.

<https://www.esgimes.in/climate/carbon/niti-aayog-sees-india-cement-sector-emissions-fall-up-to-85-by-2070/>

## UK LAUNCHES \$19B WARM HOMES PLAN TO CUT BILLS AND ACCELERATE HOUSEHOLD CLEAN ENERGY

The UK government has announced a £15 billion Warm Homes Plan designed to retrofit millions of houses with insulation, solar panels, home batteries, and heat pumps. The initiative aims to lower energy bills, tackle fuel poverty, and speed up the nation's transition to clean energy. The Project is being described as the largest government investment ever made in upgrading residential properties, offering targeted support for low-income households, a universal scheme for homeowners, and stronger protections for renters.

The programme builds on the recent Budget's emergency cost-of-living measures, which reduced typical energy bills by £150 from April and delivered an additional £150 Warm Home Discount to around six million households. The new package represents a move from short-term assistance toward long-term affordability and fairness.

### The Warm Homes Plan stands on 3 main pillars:

1. Low-income households will receive packages of upgrades fully funded by the State, including insulation and rooftop solar with batteries where suitable. These interventions are supported by five billion pounds of public funds and could cover full system costs currently estimated at nine thousand to twelve thousand pounds for solar and storage. Social housing estates could receive area wide upgrades that improve warmth and comfort street by street.
2. A universal offer aims to triple the number of homes with rooftop solar by 2030 through zero and low interest government backed loans. These products will also cover batteries and heat pumps. Heat pumps will be supported through a seven-thousand-five-hundred-pound universal grant, while air to air units that can both heat and cool will become eligible for the first time. Future homes standards due in early 2026 will require solar panels as a standard in new builds, lowering operating costs for future buyers.
3. The Government will expand protections for renters. 1.6 million children live in properties suffering from cold, damp or mould. Updated rules will require landlords to ensure homes are safe, warm and affordable, lifting an estimated half a million families out of fuel poverty by the end of the decade. Rules would be phased in to allow landlords to upgrade properties on a fair timetable.

<https://esgnews.com/uk-launches-19b-warm-homes-plan-to-cut-bills-and-accelerate-household-clean-energy/>



## HONG KONG EXPANDS SUSTAINABLE FINANCE TAXONOMY TO INCLUDE TRANSITION AND ADAPTATION CATEGORIES

The Hong Kong Monetary Authority (HKMA) released the Phase 2A update of the Hong Kong Taxonomy for Sustainable Finance on 22 January, aiming to accelerate the development of the region's transition finance market and bolster climate adaptation investments in key sectors. This update substantially broadens the Taxonomy's technical scope by adding transition-focused activities and resilience elements, while expanding sector coverage and increasing the number of defined economic activities from 12 to 25.

The HKMA has been developing the Taxonomy in phases. Phase 1 was issued in May 2024, followed by a consultation on the proposed Phase 2A prototype in September 2025. According to the HKMA, stakeholders across banks, asset managers, corporates, NGOs, think tanks and public-sector bodies supported the broader scope and the inclusion of transition and adaptation components. The Central Bank also published a consultation report outlining market feedback and its responses. In its announcement, the HKMA stated that the Taxonomy is intended to strengthen green and sustainable capital flows, enable Hong Kong's low-carbon transition, and establish a credible classification framework for environmental sustainability.

The most significant update is the introduction of a structured transition category, created to guide capital toward carbon-intensive sectors and define time-bound decarbonisation pathways. Under the new framework, the HKMA has organised climate-mitigation activities into three groups:

- **Green:** Activities already operating at net zero or aligned with a 1.5°C pathway.
- **Transition:** Carbon-intensive activities that are on a time-bound trajectory toward 1.5°C alignment and net zero by 2050.
- **Exclusion:** Activities that are incompatible with a 1.5°C future or have low climate relevance.

Within the Transition category, Phase 2A differentiates between a “**Transition Activity**”, which refers to activities not yet 1.5°C-aligned but moving toward alignment or delivering near-term emissions reductions, and a “**Transition Measure**”, which refers to specific interventions that partially improve emissions performance — such as sourcing low-carbon energy inputs.

A key governance feature is that transition activities must be time-bound, with sector-specific sunset dates shaped by technology maturity, environmental considerations, and regulatory factors.

Phase 2A also introduces climate adaptation for the first time. The initial focus is on “adapting measures” that enhance resilience within broader activities, including technologies, materials, processes and services. For now, the HKMA is using a whitelist approach, allowing defined measures to qualify without further technical screening. It intends to develop more stringent criteria as adaptation science advances and local benchmarks become clearer.

<https://esgnews.com/hong-kong-expands-sustainable-finance-taxonomy-to-include-transition-and-adaptation-categories/>

### UNESCO PUSHES FOR SUSTAINABLE AI GOVERNANCE AS CLIMATE STAKES RISE

At the Adopt AI Summit in late November, UNESCO used a crowded mainstage session to urge governments, corporations, and UN agencies to address AI’s expanding climate impact while simultaneously accelerating its use for climate mitigation and adaptation. The panel emphasized that AI is quickly becoming a form of climate

infrastructure — one that relies on growing amounts of energy, water, data, and computing power. At the same time, it supports critical functions such as early-warning systems, resource efficiency, and environmental monitoring.

The conversation highlighted a central dilemma: AI is becoming essential to climate action, yet its long-term contribution will depend on whether it can evolve sustainably and remain within planetary limits. UNESCO’s hydrology division underscored the urgency emerging from climate science. The expanding role of AI in water management, early warning systems, and environmental forecasting was highlighted. It was noted that UNESCO is stepping up its efforts on green, energy-efficient AI by providing policy guidance and building capacity to help governments apply AI to climate and water challenges without increasing infrastructure demands beyond what they can support. Alongside the panel discussion, UNESCO also ran a booth at the summit showcasing its work on green AI, sustainable digital transformation, data governance, and the Recommendation on the Ethics of Artificial Intelligence. The space became a hub for participants from government, academia, industry, and civil society to reflect on how ambitious global goals often meet real-world challenges — such as limited data availability, high infrastructure costs, and institutional inertia. Positioned after COP30 in Belém and ahead of the India AI Impact Summit in February 2026, the event underscored how AI is becoming an integral part of the climate diplomacy agenda.

<https://esgnews.com/unesco-pushes-for-sustainable-ai-governance-as-climate-stakes-rise/>



## MSMEs – BUDGETARY PROVISIONS 2026-27

### INTRODUCTION

Global uncertainty is the new normal. Budgetary provisions 2026-27 focus on building resilient MSMEs. Booster doses have been provided through the MSME Ministry as well as through few other ministries. The need to scale up size of MSMEs in India has been given powerful wings through upward revisions in upper limits in recent past.

The upper limits to decide category of an enterprise is dependent upon two criterias:

- **Criteria 1:** Investment in Plant and Machinery (investment in land and building is excluded);
- **Criteria 2:** Turnover (Revenue from Operations) in the financial year (export turnover is excluded from this turnover)

The Budgetary provisions for 2026-27 are well balanced with focus on resilient economy which is fool-proof from global jerks. As shared by the Hon'ble Minister of Finance and Corporate Affairs, Ms. Nirmala Sitharaman, the budget talks about three Kartavyas (Duties). First Kartavya (duty) is defined as 'To Accelerate and Sustain Economic Growth'. Under this kartavya, interventions are proposed in six areas and third intervention is mentioned as **Creating "Champion MSMEs"**. This indicator is sufficient to portray the sensitized and proactive approach of the Union Government towards the MSME Sector and its development.

### MSME CENTRIC ANNOUNCEMENTS AND THEIR IMPACT

For the purpose of clear understanding, MSME centric announcements made on 1<sup>st</sup> February, 2026 in the Union Budget can be understood by sub-dividing them into two:

#### DIRECT SCHEMES

- 1) **SME GROWTH FUND**: A dedicated ₹10,000 crore fund to help high-potential MSMEs scale up and become National Champions.

*This is a welcome announcement. Although the modalities and disbursement from this fund may take some time but it will surely help in growth journey of MSMEs through infusion of equity capital. The objective of this initiative is clearly to support long term capacity expansion and providing equity cushion.*

- 2) **SELF-RELIANT INDIA (SRI) FUND**: An additional ₹2,000 crore has been infused with the object that even the smallest micro-units have access to the risk capital needed for expansion.

*This booster dose to 10,000 crore SRI Fund is again a welcome move. However, maximum benefits of the same can be reaped only when daughter funds associated with SRI Fund (managed by NSIC Venture Capital Fund*

*Limited) focus towards disbursing funds to both tech-driven startups and healthy but traditional MSMEs equitably.*

- 3) **EXPANSION OF TReDS PLATFORMS**: All Central Public Sector Enterprises (CPSEs) to mandatorily onboard TReDS platform and to treat them as transaction settlement platform between CPSEs and MSME.

*GeM like popularity can be expected with this announcement. Average payment cycle by CPSEs to MSMEs is more than six months. Unwanted and avoidable litigations before release of payment against supplies comes as a major challenge for MSMEs. Presently, RBI has licensed five TReDS platforms. This move will definitely improve working capital liquidity.*

- 4) **CGTMSE SUPPORT FOR INVOICE DISCOUNTING**: Introduction of credit guarantee support mechanism for invoice discounting on TReDS platforms.

*Although the initiative is commendable and supportive of MSMEs, more clarity will be needed in the future since bill discounting on TReDS is unable to provide recourse to MSMEs in case of failure of payment on due date by the customer.*

- 5) **INVOICE TRADING ON TReDS PLATFORMS**: Trading in unpaid invoices would be allowed to be traded on TReDS platform.

*The initiative has the potential to improve liquidity by inviting participation from wide range of lenders as well as bringing down cost of working capital. However, issue may arise in case unpaid invoices are traded at heavy discounts resulting into eventual losses for MSMEs.*

- 6) **LINKING GEM PORTAL WITH TReDS PLATFORMS**: The object is to facilitate cheaper and quicker financing.

*This will surely ease funding pressure as the lenders would be enticed to extend credit as soon as order is finalised on GEM Platform. A Welcome move.*

- 7) **CORPORATE MITRAS - NEW PROFESSIONAL CADRE**: Onus to develop the cadre has been put on top professional institutes like ICAI, ICSI, ICMAI with an eye on Tier II and Tier III cities.

*The initiative is aimed at creating a brigade of para professionals to support both MSMEs and other professionals. Going forward, this cadre of professionals may support in the compliance for unincorporated bodies, like proprietorship, partnerships and HUF organizations.*

- 8) **REMOVAL OF UPPER CAP ON COURIER-BASED EXPORTS**: There is budgetary proposal to remove upper cap on courier-based export. Presently this cap is INR 10 Lakhs per consignment. The proposal goes beyond removal of upper cap and talks about streamlining other procedural hurdles.

*This is a significant proposal. Many youngsters have adopted this as full-time career and are into B2C exports through tech platforms (like amazon, eBay, etc.). However, they face multiple hurdles in long run, such as (i) billing in foreign currency and receipt in INR as they receive money through tech intermediaries and they make deduction of their charges while making payment; (ii) dispatch issues for high value orders (with worth of more than 10 Lakh); (iii) knock off issues as ADs fail to understand the difference between receipt and billing amount and receipt of payment in INR; (iv) issues related to return and rejections (v) GST related issues and many more. This initiative has potential to fuel more demand MSMEs engaged in home décor and furnishing items, handicrafts, fashion accessories, auto parts, healthcare products, alternative medicines, ayurveda products, non-perishable food items, handloom item and many more.*

## SUPPORT SCHEMES

- A) INFRASTRUCTURE UPGRADE OF LEGACY INDUSTRIAL CLUSTERS:** Scheme to upgrade infrastructure of 200 legacy industrial clusters. The announced objective is to bring them at par with modern industrial parks by creating better roads, reliable utilities and shared tech support centers, etc.

*The challenges like narrow roads, frequently interrupted electricity, shrinking water resources, absence of CETPs for units located in older industrial clusters will be addressed with this Scheme. The scheme, if implemented in true letter and spirit, has the potential to rejuvenate these old industrial clusters.*

- B) SHE - MARTS:** There is budgetary provision to establish chain of physical retail hubs **Self-Help Entrepreneur (SHE) Marts**. Such outlets are proposed to be set up in rural and semi-urban clusters with special focus to support products being manufactured by women entrepreneurs.

*Empowering women-led businesses is a core focus of this budget. Along with this it is suggested that the government may also consider extending support by subsidising women driven SHGs, AOPs or Co-operatives to set up and manage these outlets. As an idea this is laudable as it will provide ready market for women entrepreneurs involved in tiny businesses.*

- C) RENEWED EMPHASIS ON SERVICE SECTOR:** Budget has provided for focus on emerging areas in Service Sector. Special emphasis has been put on developing cadre of Allied Health Professional (AHP) and Care Givers; Focus on Medical Tourism; Nurturing of Orange Economy (AVGC – Animation, Visual effects, Gaming and Content Creation)

*Again a welcome decision – one that will relay better emphasis on the service side of the MSME Industry.*

## THE PROFESSIONAL OPPORTUNITY

New schemes and outlays will bring forth new type of professional opportunities. Company Secretaries, in particular 'Practising Company Secretaries'. This brigade

of professionals can easily upgrade themselves to connect with MSMEs and vibrant MSME associations in their respective cities:

- **Creating Awareness:**

Sensitization of MSMEs through forums will help in getting connected with them in professional handholding for SME Growth Fund or SRI Fund. Company Secretaries in Practice (PCS) can easily create awareness and handhold MSMEs for new schemes proposed in Budget 2026-27.

- **Handholding for Equity Funding from SME Growth Fund and SRI Fund:**

This is the time to keep an eye on development and data mine the basket and identify MSMEs eligible and receptive towards the idea of equity infusion through Daughter Funds (also known as AIFs). PCS can align their readiness with readiness of downstream AIFs to accept the proposal. Otherwise also, equity funding is the forte of Company Secretaries, be it private equity or listing on Stock Exchange (including SME Exchange).

## CONCLUSION

Times have changed. GST is out of the purview of Annual Budget. Separate budget for Railways has been done away with. Making of schemes has been primarily left to ministries. Therefore, as a professional, instead of focusing on wherefrom Government is going to raise resources, one shall focus on expenditure allocation by government. Professionally, there is need to track announcement of Schemes by Ministry of MSMEs and other industry-specific ministries and then align the MSMEs with various schemes. For example, for a MSME engaged in printing and dyeing work on fabric, the scheme of textile industry may be more lucrative. Similarly for MSME engaged in food processing, the suitable scheme may be by Ministry of Food Processing Industries (MOFPI). It is imperative to remember that every change brings new opportunities. MSMEs need services of professionals not only for compliance but also for aligning with Government Schemes and availing benefits being extended by the Centre and State governments. Every new scheme is a golden opportunity for PCS to enter into domain of MSMEs.

PCS need to focus on four equally crucial steps while going through budgetary proposals:

- Careful reading of each new scheme and change
- Sensitize MSMEs on individual and collective level
- Keep track of further development and delivery models

And most importantly, remember that -

- MSMEs need complete handholding (so treat MSME entrepreneur as valuable friend not as a client)...!

*Contributed by Dr. (CS) Ajay Garg, Social Entrepreneur*

The rapid advancement of Artificial Intelligence (AI) is not only transforming business operations but also reshaping the compliance and governance landscape. As organizations increasingly deploy AI-driven systems for decision-making, monitoring, and reporting, there is a growing demand for professionals who are aligned with the use of these AI technologies for better functioning. AI has added new dimension to ensure ethical corporate governance including compliances, audit, risk management, data governance and oversight, requiring a blend of technical understanding as well as regulatory expertise. With the rise of AI use in corporate functioning, there is a parallel expansion in compliance and governance-oriented employment opportunities.

## RECENT DEVELOPMENTS IN AI

### AADHAAR GETS A FACE: UIDAI LAUNCHES AADHAAR MASCOT UDAI (उदय)

The Unique Identification Authority of India (UIDAI) launched the Aadhaar mascot on 8<sup>th</sup> January, a new resident-facing communication companion to simplify public understanding of Aadhaar services. The Aadhaar mascot named Udai (उदय) will be helpful in making Aadhaar-related information more relatable, and people-friendly. It will simplify communication of Aadhaar services about



updates, authentication, offline verification, selective sharing of information, new technology adoption, responsible usage and many more.

To bring this vision to life, UIDAI chose an open and inclusive route by launching national design and name competitions on the MyGov platform. The response was overwhelming. UIDAI received 875 entries from

professionals, designers, etc. – each offering a unique interpretation of what Aadhaar represents to them. A multi-tier evaluation process was adopted to ensure fairness and rigour in the selection process. What emerged from this process is a beautiful creation – that is shaped by public imagination and refined through institutional diligence.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2212405&reg=3&lang=1>

### THE PRESIDENT OF INDIA CALLS FOR INCLUSIVE AND FUTURE-READY AI ECOSYSTEM

The President of India, Smt. Droupadi Murmu, on 1<sup>st</sup> January, 2026 conferred SOAR (Skilling for AI Readiness) certificates upon learners, including students and Members of Parliament, and announced the #SkillTheNation

Challenge' at a special ceremony at Rashtrapati Bhavan, reaffirming India's commitment to building a digitally skilled, future-ready and inclusive nation.

This momentum will meaningfully build into the upcoming IndiaAI Summit, where India's vision, readiness and collective resolve to shape the global AI future will be powerfully articulated.

Placing Artificial Intelligence at the centre of India's growth journey, the President Smt. Droupadi Murmu, said that Artificial Intelligence is emerging as a growth driver for the Indian economy. In the coming decade, AI will play a significant role in the country's GDP, employment and overall productivity. Skills such as data science, AI engineering and data analytics will play a crucial role in developing the country's AI talent pool. She stated that the government, in collaboration with various institutions, industry partners, and academia, is ensuring that India not only adopts technology but also shapes a responsible future through it. She urged all work together with commitment to build a developed India. She said that we should contribute to making India a knowledge superpower in line with the National Education Policy and to building a tech-driven, inclusive, and prosperous India.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2210537&reg=3&lang=1>

### BHASHINI SAMUDAYE: STRENGTHENING INDIA'S LANGUAGE AI ECOSYSTEM

The Digital India BHASHINI Division (DIBD), Ministry of Electronics and Information Technology (MeitY), successfully organised BHASHINI Samudaye: Strengthening India's Language AI Ecosystem at New Delhi. The workshop represented a significant step in consolidating India's language AI ecosystem through collaborative engagement, participatory governance, and shared ownership of public digital infrastructure.

The event outlined the vision for a coordinated, sovereign, and inclusive language AI ecosystem, anchored in public digital infrastructure, community participation, and ethical data practices.

One of the session reflected on the evolution of BHASHINI as a national language AI platform, emphasizing the importance of ecosystem partnerships in scaling multilingual AI solutions for governance, education, and public service delivery. The discussion highlighted the collaborative role of government agencies, academic institutions, civil society organisations, and industry stakeholders in advancing language AI initiatives across India.

The workshop convened language experts, academic institutions, civil society organisations, and data practitioners to examine use cases and identify pathways for co-creating, governing, and scaling language AI solutions under the National Language Translation Mission (NLTM).

The BHASHINI Samudaye workshop concluded with a reaffirmation of the commitment to strengthen India's language AI ecosystem through shared ownership, coordinated action, and long-term collaboration, ensuring that language does not remain a barrier to digital inclusion and advancing the vision of democratised and scalable Artificial Intelligence for social and economic empowerment.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2214269&reg=3&lang=1>

### NFRA - INDIAAI LAUNCH FINANCIAL REPORTING COMPLIANCE CHALLENGE TO SOLICIT AI POWER SOLUTIONS

The National Financial Reporting Authority (NFRA), in partnership with IndiaAI, has launched the IndiaAI Financial Reporting Compliance Challenge to solicit AI - powered solutions that help in monitoring financial reporting quality and speed up internal tasks.

The initiative invites Indian companies and DPIIT-recognized startups to develop an advanced engine capable of extracting data from multi-format documents and validating them against frameworks. Participants will compete for a total prize pool of ₹1.5 Crore, with up to ten teams receiving ₹5 Lakhs each during a virtual refinement stage and one winner potentially securing a two-year contract with NFRA worth up to ₹1 Crore for national-scale deployment.

The challenge seeks to produce explainable compliance validation reports, automated analytics for risk indicators, and an AI-enabled insight bot to support the NFRA's mission of safeguarding public trust and investor interests. Applications are currently open and will close on February 22, 2026.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2214697&reg=3&lang=1>

### NIXI MARKS ONE YEAR OF INTERNET GOVERNANCE INTERNSHIP & CAPACITY BUILDING SCHEME

The **National Internet Exchange of India (NIXI)** marked the successful completion of one year of its **Internet Governance Internship & Capacity Building Scheme (IGICBS)** with a commemorative event held in New Delhi on 19<sup>th</sup> January 2026.

The milestone event celebrated a year of focused efforts towards building awareness, skills, and leadership in the field of internet governance among India's young digital talent. The initiative has brought together students, academic institutions, and policymakers to strengthen India's participation in global internet governance processes.

The **IGICBS portal was officially launched**, and the **IGICBS Impact Report was unveiled**, highlighting the programme's progress and key milestones achieved over the past year.

The event reaffirmed NIXI's continued focus on academic collaboration, youth engagement, and capacity building in areas critical to India's digital future. The IGICBS programme aligns with the Government of India's broader vision of fostering a secure, inclusive, and resilient digital ecosystem through knowledge-led initiatives.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2216562&reg=3&lang=1>

### INDIA TO SHOWCASE AI IMPACT, SOVEREIGN MODELS AND SAFETY FRAMEWORKS AT AI IMPACT SUMMIT 2026

The **India–AI Impact Summit 2026** will be the **first global AI summit to be hosted in the Global South**.

The **Summit** has been designed with a clear focus on outcomes. The first objective of the Summit is **impact** — how AI models, applications and the overall AI ecosystem can be used to improve efficiency, increase productivity and create a multiplier effect for the economy.

The second objective, is **accessibility**, particularly for India and the **Global South**. Drawing parallels with India's success in building the **UPI and Digital Public Infrastructure (DPI)** stack.

The third objective of the AI Impact Summit, is **safety**. The need to address apprehensions around AI by building appropriate guardrails, guidelines and safety features, and stated that the regulatory and safety stack for AI should also be built in India.

Global leaders and technology leaders will participate in the Summit, alongside investment announcements and the rollout of India's AI models.

The India AI Impact Expo is expected to feature **over 300 exhibitors, from 30 Countries, across more than 10 thematic pavilions**.

Taking forward outcomes from major international AI forums, India's approach through the India–AI Impact Summit 2026 will focus on translating global discussions into development outcomes aligned with national priorities under the IndiaAI mission and Digital India Initiative. It will strengthen multilateral cooperation while advancing practical, people-centric AI frameworks relevant to India's governance, economy, and society.

Recognising the strategic importance of AI, the Government of India has accorded high priority to building a robust and inclusive AI ecosystem. Initiatives such as the **IndiaAI Mission, development of AI compute infrastructure, promotion of indigenous AI models, and large-scale capacity-building programmes** are laying a strong foundation for responsible and trusted AI adoption in the country.

Further, the **India–AI Impact Summit 2026** will focus on strengthening global collaboration, promoting responsible and ethical AI, and accelerating AI adoption across priority sectors of the economy. The Summit is expected to play

a catalytic role in positioning India as a global hub for AI innovation and deployment, aligned with the vision of a digitally empowered and technology-driven India.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2216901&reg=3&lang=1>

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2216805&reg=3&lang=1>

## OFFICE OF PRINCIPAL SCIENTIFIC ADVISER RELEASES WHITE PAPER ON STRENGTHENING AI GOVERNANCE THROUGH TECHNO-LEGAL FRAMEWORK

The Office of the Principal Scientific Adviser (OPSA) to the Government of India has released a White Paper titled “Strengthening AI Governance Through Techno-Legal Framework”, outlining India’s approach to building a trusted, accountable, and innovation-aligned artificial intelligence (AI) ecosystem.

The White Paper emphasises the contours of “techno-legal” AI governance framework that aims to mitigate risks while preserving flexibility and innovation. It highlights India’s pro-innovation approach to AI governance, which integrates baseline legal safeguards, sector-specific regulations, technical controls, and institutional mechanisms.

Key focus areas covered in the White Paper include understanding the techno-legal approach to AI governance; enabling safe and trusted AI across the full AI lifecycle; technological pathways for operationalising techno-legal governance; implementation considerations for India’s AI governance framework; and the development of techno-legal tools and compliance mechanisms.

This publication is the second in the White Paper Series on ‘Emerging Policy Priorities for India’s AI Ecosystem, an initiative by OPSA that aims at deepening understanding and fostering informed discussion on critical AI policy issues. The first White Paper in the series, released in December 2025, focused on “Democratising Access to AI Infrastructure”, highlighting the need to treat AI infrastructure as a shared national resource and identifying key enablers such as access to high-quality datasets, affordable computing resources, and integration with Digital Public Infrastructure (DPI).

These White Papers, framed as explanatory knowledge documents, are intended to support informed deliberations on various policy priorities to shape the evolving AI ecosystem, and to reinforce India’s catalytic role in shaping the global AI governance discourse.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2217839&reg=3&lang=1>

## AI FACTS AND TERMINOLOGY

### AGENTIC AI

Highly autonomous system that senses and responds to its environment and takes actions to achieve its goals.

## HUMAN IN THE LOOP/HUMAN-ALLIED AI

Involving human expertise in the AI lifecycle particularly during training and deployment to actively improve system performance & reliability.

## LARGE LANGUAGE MODELS

Foundation models capable of understanding and generating natural language.

## MODEL BIAS

Systematic errors in a model arising from erroneous assumptions during the modelling process, that cause it to consistently make incorrect or skewed predictions.

## TRANSPARENCY

Making information about an AI system available to relevant stakeholders in an accessible and understandable manner, to the extent technically feasible.

<https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/nov/doc2025115685601.pdf>



**YOUR OPINION MATTERS**

‘Chartered Secretary’ has been constantly striving to achieve Excellence in terms of Coverage, Contents, Articles, Legal Cases, Govt. Notification etc. for the purpose of knowledge sharing and constant updation of its readers. However, there is always a scope for new additions, improvement, etc.

The Institute seeks cooperation of all its readers in accomplishing this task for the benefit of all its stakeholders. We solicit your views, opinions and comments which may help us in further improving the varied segments of this journal. Suggestions on areas which may need greater emphasis, new Sections or areas that may be added are also welcome.

You may send in your suggestions to the Editor, Chartered Secretary, The ICSI at [cs.journal@icsi.edu](mailto:cs.journal@icsi.edu)

# GIST OF ROC & RD ADJUDICATION ORDERS

## Gist of ROC Adjudication orders

### 1. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of APS LIFE SCIENCES PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 05<sup>th</sup> January 2026 in the matter of APS Life Sciences Private Limited for violating Section 134(3) of the Companies Act, 2013 for failing to furnish the details of Risk Management Policy in the Board's report for the FY 2014-15. The Adjudicating Authority imposed a penalty of ₹50,000 upon one of the Directors of the Company.

<https://www.mca.gov.in/bin/dms/getdocument?mds=4hPfWkhZdgzdZvlBCBDrFA%3D%3D&-type=open>

### 2. Adjudication Order for violation of Section 172 of the Companies Act, 2013 in the matter of APS LIFE SCIENCES PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 05<sup>th</sup> January 2026 in the matter of APS Life Sciences Private Limited for violating Section 158 of the Companies Act, 2013, for failing to mention DIN of the directors in financial statements, for the FY 2014-15. The Adjudicating Authority imposed a penalty of ₹50,000 upon one of the Directors of the Company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=qc869cvABbNo4Ohf6phJCg%3D%3D&-type=open>

### 3. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of GATEWAY BENEFITS FUND LIMITED

ROC Chennai issued an adjudication order dated 05<sup>th</sup> January 2026 in the matter of Gateway Benefits Fund Limited for violating Section 137 of the Companies Act, 2013 for non-filing of financial statements for the FY 2014-15. The Adjudicating Authority imposed a penalty of ₹56,900 upon the company and ₹50,000 on one of the Directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=OHmOtXSV7OwgACyadJQZcg%3D%3D&-type=open>

### 4. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of APS LIFE SCIENCES PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 05<sup>th</sup> January 2026 in the matter of APS Life Sciences Private Limited for violating Section 92 of the Companies Act, 2013 for failing to file Annual Return (in e-form MGT-7) for the Financial Year 2015-16. The Adjudicating Authority imposed a penalty of

₹50,000 upon one of the Directors of the Company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=0OTf6LGmaflrUw9cZsx5LQ%3D%3D&-type=open>

### 5. Adjudication Order for violation of Section 105 of the Companies Act, 2013 in the matter of APS LIFE SCIENCES PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 05<sup>th</sup> January 2026 in the matter of APS Life Sciences Private Limited for violating Section 105 of the Companies Act, 2013 for appointing proxy in Annual General Meetings held in 2016, 2017, 2018, 2019 and 2020, without proper notice. The Adjudicating Authority imposed a penalty of ₹5000 upon one of the Directors of the Company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=XLpBjrjct127R8V3q7w%3D%3D&-type=open>

### 6. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of APS LIFE SCIENCES PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 05<sup>th</sup> January 2026 in the matter of APS Life Sciences Private Limited for violating Section 137 of the Companies Act, 2013 for non-filing Financial Statements for the FY 2016-17. The Adjudicating Authority imposed a penalty of ₹50,000 upon one of the Directors of the Company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=CKD3QB70xW1Voq4m78xYEg%3D%3D&-type=open>

### 7. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of APS LIFE SCIENCES PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 05<sup>th</sup> January 2026 in the matter of APS Life Sciences Private Limited for violating Section 137 of the Companies Act, 2013 for non-filing Financial Statements for the FY 2017-18. The Adjudicating Authority imposed a penalty of ₹50,000 upon one of the Directors of the Company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=h58Ga8OK51U0Va9btcyrFQ%3D%3D&-type=open>

### 8. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of APS LIFE SCIENCES PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 05<sup>th</sup> January 2026 in the matter of APS Life Sciences Private Limited for violating Section 134 of the

Companies Act, 2013 for failing to disclose the details of money accepted, in the Board report for FY 2014-15. The Adjudicating Authority imposed a penalty of ₹50,000 upon one of the Directors of the Company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=Y3mlRybid8pYlsGUqMe3Tw%3D%3D&type=open>

**9. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of SHRI VEERGANAPATHI STEELS PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 05<sup>th</sup> January 2026 in the matter of Shri. Veeraganapathi Steels Private Limited for violating Section 92 of the Companies Act, 2013 for failing to file Form MGT-8 for the FY 2016-17. The Adjudicating Authority imposed a penalty of ₹10,000 each upon two of the Directors of the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=wxjCJJOvVNwLRCpV0o7UIw%3D%3D&type=open>

**10. Adjudication Order for violation of Section 138 of the Companies Act, 2013 in the matter of SHRI VEERGANAPATHI STEELS PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 05<sup>th</sup> January 2026 in the matter of Shri. Veeraganapathi Steels Private Limited for violating Section 138 of the Companies Act, 2013 for failing to appoint an internal auditor for the FY 2015-16 and 2016-17. The Adjudicating Authority imposed a penalty of ₹50,000 each upon two of the Directors of the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=GshR2PAVXBhFftkZfCEQ%3D%3D&type=open>

**11. Adjudication Order for violation of Section 172 of the Companies Act, 2013 in the matter of SHRI VEERGANAPATHI STEELS PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 05<sup>th</sup> January 2026 in the matter of Shri. Veeraganapathi Steels Private Limited for violating Section 170 of the Companies Act, 2013 for failing to maintain the statutory Register of Directors and Key Managerial Personnel for the Financial Year 2014-15 to 2016-17. The Adjudicating Authority imposed a penalty of ₹1,00,000 each upon two of the Directors of the company.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=7aML9dXt3ecZCZsv9NGSXA%3D%3D&type=open>

**12. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of BHARI METAL FABRICATION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Bhari Metal

Fabrication Private Limited for violating Section 92 of the Companies Act, 2013 for failing to file the Annual Return for the financial year 2014-15 till date. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=ESLzvh0QqHVMg3NFUcsog%3D%3D&type=open>

**13. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of J.K.S. CONSTRUCTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of J.K.S. Construction Private Limited for violating Section 137 of the Companies Act, 2013 for failing to file the Financial Statements with the Registrar of Companies for the FY 2014-15. The Adjudicating Authority imposed a penalty of ₹50,000 each upon three of the directors of the company.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=XQs4SmUI6i2fuZqk%2FqNzbw%3D%3D&type=open>

**14. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of J.K.S. CONSTRUCTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of J.K.S. Construction Private Limited for violating Section 12 of the Companies Act, 2013 for failing to function from its notified premises. The Adjudicating Authority imposed a penalty of ₹1,00,000 each upon three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=T3qYhFq7mVI3s00BK6baiw%3D%3D&type=open>

**15. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of J.K.S. CONSTRUCTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of J.K.S. Construction Private Limited for violating Section 92 of the Companies Act, 2013 for failing to file the Annual Return for the FY 2017-18. The Adjudicating Authority imposed a penalty of ₹50,000 upon three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=p%2FyBkCQyWsW6yhoRR61BPQ%3D%3D&type=open>

**16. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of J.K.S. CONSTRUCTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of J.K.S. Construction

Private Limited for violating Section 92 of the Companies Act, 2013 for failing to file the Annual Return for the FY 2016-17. The Adjudicating Authority imposed a penalty of ₹50,000 each upon three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=xEfQXhsH5AdkIOUiGTvIPA%3D%3D&type=open>

**17. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of J.K.S. CONSTRUCTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of J.K.S. Construction Private Limited for violating Section 92 of the Companies Act, 2013 for failing to file the Annual Return for the FY 2015-16. The Adjudicating Authority imposed a penalty of ₹50,000 upon three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=iXaK2UecIkBMselqVNWawQ%3D%3D&type=open>

**18. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of J.K.S. CONSTRUCTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of J.K.S. Construction Private Limited for violating Section 92 of the Companies Act, 2013 for failing to file the Annual Return for the FY 2014-15. The Adjudicating Authority imposed a penalty of ₹50,000 each upon three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=Egp9AC5jupqd4TdioGjb4g%3D%3D&type=open>

**19. Adjudication Order for violation of Section 188 of the Companies Act, 2013 in the matter of UNIPRES INDIA PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Unipres India Private Limited for violating Section 188 of the Companies Act, 2013 for failing to disclose the related party transaction in the Board's Report for the FY ended on 31.03.2018. The Adjudicating Authority imposed a penalty of ₹5,00,000 upon one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=iV5KUCUEsLOLGzzIG%2FcA4A%3D%3D&type=open>

**20. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of KAASHYAP TECHNOLOGIES LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Kaashyap Technologies Limited for violating Section 12 of the Companies Act, 2013 for failing to maintain its Registered Office. The Adjudicating Authority imposed a penalty of ₹73,000 each upon two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=BTYeLE1f0pV1e4wwkibPPw%3D%3D&type=open>

**21. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of DA ENTERPRISES PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of DA Enterprises Private Limited for violating Section 12 of the Companies Act, 2013 for failing to function from its notified premises. The Adjudicating Authority imposed a penalty of ₹1,00,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=wO7OOtRpkBzNC02vh5rzxg%3D%3D&type=open>

**22. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of COLACHEL VICARIATE NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Colachel Vicariate Nidhi Limited for violating Section 12 of the Companies Act, 2013 as the Company has not mentioned the occupation of allottees in the list of allottees furnished with Form PAS-3 for the FY 2026-26. The Adjudicating Authority imposed a penalty of ₹10,000 upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=1TuJFwA2KXE6xpCmM1G5yA%3D%3D&type=open>

**23. Adjudication Order for violation of Section 42 of the Companies Act, 2013 in the matter of COLACHEL VICARIATE NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Colachel Vicariate Nidhi Limited for violating Section 42 of the Companies Act, 2013 for failing to disclose the complete information in Form PAS-3 for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=EJfSzl6JQbDsDNw20JQY6A%3D%3D&type=open>

**24. Adjudication Order for violation of Section 77 of the Companies Act, 2013 in the matter of SHRI VEERGANAPATHI STEELS PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Shri. Veeraganapathi Steels Private Limited for violating Section 77 of the Companies Act, 2013 for failing to register the charges in Form CHG-1. The Adjudicating Authority imposed a penalty of ₹50,000 each upon two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=eZSyxqGZD81uYfeUwL8J2A%3D%3D&type=open>

**25. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of INDIAN INSURANCE MARKETING PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Indian Insurance Marketing Private Limited for violating Section 12 of the Companies Act, 2013 for failing to maintain its registered office for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹83,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=nCOxMnyMDba2yX7ip3pcaA%3D%3D&-type=open>

**26. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of INDIAN FINANCIAL SERVICES PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Indian Financial Services Private Limited for violating Section 12 of the Companies Act, 2013 for failing to maintain its Registered Office for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹83,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=NniVC%2FUK0OQNjgpbtrQFDA%3D%3D&-type=open>

**27. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of CHRIS TV PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Chris TV Private Limited for violating Section 12 of the Companies Act, 2013 for failing to maintain its Registered Office for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹83,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=8D9DGIvXL5J8pE00Cg0FqQ%3D%3D&-type=open>

**28. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of FORE C SOFTWARE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Fore C Software Limited for violating Section 12 of the Companies Act, 2013 for failing to maintain its Registered Office for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹1,00,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=hlWMqid%2FRLXVRmfpDXFbKg%3D%3D&-type=open>

**29. Adjudication Order for violation of Section 42 of the Companies Act, 2013 in the matter of KAMAKOTI BENEFIT FUND NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Kamakoti Benefit Fund Nidhi Limited for violating Section 42 of the Companies Act, 2013 for failing to mention complete details allottees as required in Rule 14(6) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=4SpR9ToWCTXY3yHATcxLKA%3D%3D&-type=open>

**30. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of WATER JET GERMANY PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Water Jet Germany Private Limited for violating Section 12 of the Companies Act, 2013 for failing to maintain its Registered Office for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹1,00,000 each upon company and on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=MxlaHWNotPic6Cvx9v3ddw%3D%3D&-type=open>

**31. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of SIVAKASI PERMANENT FUNDS LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Sivakasi Permanent Funds Limited for violating Section 450 of the Companies Act, 2013 for failing to maintain the complete details of list of allottees as required in Rule 14(6) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=a4itvnQMK8jPdiQpsS6hfg%3D%3D&type=open>

**32. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of RAAJ INTERNET (I) PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Raaj Internet (I) Private Limited for violating Section 92 of the Companies Act, 2013, for failing to file Annual Returns (e-form MGT-7) for the FY 2015-16. The Adjudicating Authority imposed a penalty of ₹10,000 each upon two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=7Z1QPsgco20k3n1bWVkg8Q%3D%3D&-type=open>

**33. Adjudication Order for violation of Section 149 of the Companies Act, 2013 in the matter of ABL BIO-TECHNOLOGIES LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of ABL Bio-Technologies Limited for violating Section 149 of the Companies Act, 2013, as the Company failed to appoint the Woman Director in the FY 2015-16. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹1,00,000 on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=EusskVAActjU0Nf9fCDn3CA%3D%3D&-type=open>

**34. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of BHARI METAL FABRICATION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Bhari Metal Fabrication Private Limited for violating Section 137 of the Companies Act, 2013, failing to file financial statements for the FY 2014-15. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company.

<https://www.mca.gov.in/bin/dms/getdocument?mds=8BhWI0C0i3A5Nut0YyiXbQ%3D%3D&-type=open>

**35. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of JMBF KUMBAKONAM NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of JMBF Kumbakonam Nidhi Limited for violating Section 117 of the Companies Act, 2013, for failing to file Form MGT-14 for the financial year 2021-22. The Adjudicating Authority imposed a penalty of ₹78,000 upon the company, ₹46,500 and ₹50,000 on two of the directors respectively.

<https://www.mca.gov.in/bin/dms/getdocument?mds=d0ivh3REEbdQadG9SC4HfA%3D%3D&-type=open>

**36. Adjudication Order for violation of Section 42 of the Companies Act, 2013 in the matter of JMBF KUMBAKONAM NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of JMBF Kumbakonam Nidhi Limited for violating Section 42 of the Companies Act, 2013 for not filing the complete information of list of allottees as required under Rule 14(6) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=CnXar6JBve6mdVUJrByiow%3D%3D&-type=open>

**37. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of ARVIND REMEDIES LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Arvind Remedies Limited for violating Section 134 of the Companies Act, 2013, for failing to maintain records of the Board meeting for Financial Year 2016-17. The Adjudicating Authority imposed a penalty of ₹50,000 each upon two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=SFgFILLHM8a7Q1XZnko7NQ%3D%3D&-type=open>

**38. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of ARVIND REMEDIES LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Arvind Remedies Limited for violating Section 92 of the Companies Act, 2013 for failing to file the Annual returns for the FY 2014-15. The Adjudicating Authority imposed a penalty of ₹50,000 each upon two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=kZDGW84TpHb9LLnVf6I5Q%3D%3D&-type=open>

**39. Adjudication Order for violation of Section 204 of the Companies Act, 2013 in the matter of ARVIND REMEDIES LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Arvind Remedies Limited for violating Section 204 of the Companies Act, 2013, for failing to file the Secretarial Audit Report of the company for the FY 2014-15, 2015-16 and 2016-17. The Adjudicating Authority imposed a penalty of ₹2,00,000 each upon two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=XL3qWMa6CpvrSlrjKYTYQ%3D%3D&-type=open>

**40. Adjudication Order for violation of Section 138 of the Companies Act, 2013 in the matter of ARVIND REMEDIES LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Arvind Remedies Limited for violating Section 138 of the Companies Act, 2013, for failing to appoint an Internal Auditor for FY 2014-15, 2015-16 and 2016-17. The Adjudicating Authority imposed a penalty of ₹50,000 upon two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=cnK2IWmPo4D5EJJ9XVVmtw%3D%3D&-type=open>

**41. Adjudication Order for violation of Section 121 of the Companies Act, 2013 in the matter of ARVIND REMEDIES LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Arvind Remedies Limited for violating Section 121 of the Companies Act, 2013 for failing to file e-form MGT-15 regarding Annual General Meeting report for the FY 2015-16 and 2016-17. The Adjudicating Authority imposed a penalty of ₹1,00,000 each upon two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=A6eJn3PVtdXTOMlhiD5O7Q%3D%3D&-type=open>

**42. Adjudication Order for violation of Section 42 of the Companies Act, 2013 in the matter of SRI KARPAGA VINAYAGAR MUTUAL BENEFIT NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Sri Karpaga Vinayagar Mutual Benefit Nidhi Limited for violating Section 42 of the Companies Act, 2013, as the Permanent Account Number and Email Id of security holder are not mentioned in the list. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=uH063cwndnfoKQUBxECxUUA%3D%3D&-type=open>

**43. Adjudication Order for violation of Section 135 of the Companies Act, 2013 in the matter of AIRFLOA RAIL TECHNOLOGY LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Airfloa Rail Technology Limited for violating Section 135 of the Companies Act, 2013 for failing to transfer the unspent CSR amount to a fund specified in Schedule VII of the Companies Act, 2013 for the FY 2021-22. The Adjudicating Authority imposed a penalty of ₹19,64,272 upon the company and ₹1,96,427 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=gTLge5hf8S7aQktlC70zOQ%3D%3D&-type=open>

**44. Adjudication Order for violation of Section 135 of the Companies Act, 2013 in the matter of AIRFLOA RAIL TECHNOLOGY LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Airfloa Rail Technology Limited for violating Section 135 of the Companies Act, 2013 failing to transfer the unspent CSR amount to a fund specified in Schedule VII of the Companies Act, 2013 for the Financial year 2020-21. The Adjudicating Authority imposed a penalty of ₹27,12,722 upon the company and ₹2,00,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=ET2KkxhaWGNRXNcwYsa91g%3D%3D&-type=open>

**45. Adjudication Order for violation of Section 135 of the Companies Act, 2013 in the matter of AIRFLOA RAIL TECHNOLOGY LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Airfloa Rail Technology Limited for violating Section 135 of the Companies Act, 2013 for failing to spend the prescribed CSR amount for the financial year 2020-21. The Adjudicating Authority imposed a penalty of ₹25,99,631 upon the company and ₹2,00,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=vnkLKjS9ebgOKLtw3AcOLg%3D%3D&-type=open>

**46. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of THIRUMALAI NAICKER BENEFIT FUND NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Thirumalai Naicker Benefit Fund Nidhi Limited for violating Section 450 of the Companies Act, 2013, for failing to file complete details in e-Form PAS-3 filed by the company. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=d%2Fnjn%2FX6OjZC3HauGIUGCA%3D%3D&-type=open>

<https://www.mca.gov.in/bin/dms/getdocument?mids=m8pH3vuYC3K6DA4L5nFpmA%3D%3D&-type=open>

**47. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of MULAGUMOODU VICARIATE CATHOLIC NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Mulagumoodu Vicariate Catholic Nidhi Limited for violating Section 450 of the Companies Act, 2013, for failing to file Form MGT-14 for the FY 2022-23. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=RzVuPLbOfRBUIaYwAN4dBQ%3D%3D&-type=open>

**48. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of MULAGUMOODU VICARIATE CATHOLIC NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Mulagumoodu Vicariate Catholic Nidhi Limited for violating Section 450 of the Companies Act, 2013 for failing to file

Form MGT-14 for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=r9T3t8PyoI1SybRWmRrIvA%3D%3D&-type=open>

**49. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of VALAR GOKULAM NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 08<sup>th</sup> January 2026 in the matter of Valar Gokulam Nidhi Limited for violating Section 450 of the Companies Act, 2013, for failing to mention the complete details of the list of allottees for the FY 2021-22. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=iMSTZbHxV81upgDSIY8O8Q%3D%3D&-type=open>

**50. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of KARPAGAMOORTHY BENEFIT FUND NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Karpagamoorthy Benefit Fund Nidhi Limited for violating Section 450 of the Companies Act, 2013 for failing to disclose the complete information of allottees with Form PAS-3 filed by the company. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=zpySKHxNvCC9pFY2nNGpMA%3D%3D&-type=open>

**51. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of KARPAGAMOORTHY BENEFIT FUND NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Karpagamoorthy Benefit Fund Nidhi Limited for violating Section 450 of the Companies Act, 2013 for failing to disclose the complete information of allottees with Form PAS-3 filed by the company. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=w2M0164BbGO4btXoIgnSKQ%3D%3D&-type=open>

**52. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of KARPAGAMOORTHY BENEFIT FUND NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 08<sup>th</sup> January 2026 in the matter of Karpagamoorthy

Benefit Fund Nidhi Limited for violating Section 450 of the Companies Act, 2013 for failing to file Form MGT-14 with the Registrar of Companies for the Board Resolution approving the accounts for the FY 2021-22. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=WbP9B0LWxoX6nrhicXQUA%3D%3D&-type=open>

**53. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of VALAR GOKULAM NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 08<sup>th</sup> January 2026 in the matter of Valar Gokulam Nidhi Limited for violating Section 450 of the Companies Act, 2013 for failing to disclose the complete information of allottees with Form PAS-3 for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=mtsn77zLdK%2F2nKPsUfbscg%3D%3D&-type=open>

**54. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of THE MYLAPORE HINDU PERMANENT FUND NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 12<sup>th</sup> January 2026 in the matter of The Mylapore Hindu Permanent Fund Nidhi Limited for violating Section 134 of the Companies Act, 2013 for failing to file complete Board report for the FY 2015-16 to 2017-18. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹50,000 each on three of the directors

<https://www.mca.gov.in/bin/dms/getdocument?mids=1CXc3EvWCC3BehLmxSAGXw%3D%3D&-type=open>

**55. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of THE MYLAPORE HINDU PERMANENT FUND NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 12<sup>th</sup> January 2026 in the matter of The Mylapore Hindu Permanent Fund Nidhi Limited for violating Section 134 of the Companies Act, 2013 for failing to disclose whether the company has complied with the requirements of constituting an ICC under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the FY 2018-19 and 2019-20. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹50,000 on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=yOcjzzVyNiR5%2FBRLNhcQ%3D%3D&-type=open>

**56. Adjudication Order for violation of Section 135 of the Companies Act, 2013 in the matter of AIRFLOA RAIL TECHNOLOGY LIMITED**

ROC Chennai issued an adjudication order dated 20<sup>th</sup> January 2026 in the matter of Airfloa Rail Technology Limited for violating Section 135 of the Companies Act, 2013 for failing to transfer the unspent Corporate Social Responsibility (CSR) amount to a fund specified in Schedule VII of the Companies Act, 2013, for the FY 2019-20. The Adjudicating Authority imposed a penalty of ₹17,27,343 upon the company and ₹1,72,734 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=mR3PYNDf1V9R82EjVn6wEg%3D%3D&-type=open>

**57. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of J.K.S. CONSTRUCTION PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 20<sup>th</sup> January 2026 in the matter of J.K.S. Construction Private Limited for violating Section 137 of the Companies Act, 2013 for failing to file the Financial Statements with the Registrar of Companies for the Financial Year 2017-18. The Adjudicating Authority imposed a penalty of ₹50,000 each upon three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=7k6F3QcnMQZtKY3AiWkdlQ%3D%3D&-type=open>

**58. Adjudication Order for violation of Section 62 of the Companies Act, 2013 in the matter of BON FRESH FOODS PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 21<sup>st</sup> January 2026 in the matter of Bon Fresh Foods Private Limited for failing to obtain a valuation report from a Registered Valuer for the issuance of the CCDs as mandated under Section 62(1)(c) of the Companies Act, 2013 for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹5,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=iElMrXMEPqrsPekvqGFQag%3D%3D&-type=open>

**59. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of BON FRESH FOODS PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 21<sup>st</sup> January 2026 in the matter of Bon Fresh Foods Private Limited, for violating the Rule 13(d) of the Companies (Share Capital and Debentures) Rules, 2014 as it failed to provide proper notice of extraordinary general meeting convened on 02.07.2020. The Adjudicating Authority imposed a penalty of ₹5,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=jC5hNUeypb4%2F4IQJ%2FsXQQQ%3D%3D&-type=open>

**60. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of BON FRESH FOODS PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 21<sup>st</sup> January 2026 in the matter of Bon Fresh Foods Private Limited, Rule 13(d) of the Companies (Share Capital and Debentures) Rules, 2014 as it failed to provide proper notice of extraordinary general meeting convened on 15.10.2019. The Adjudicating Authority imposed a penalty of ₹5,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=7Iv1BoiiULoYmx18VyKNNQ%3D%3D&-type=open>

**61. Adjudication Order for violation of Section 42 of the Companies Act, 2013 in the matter of BON FRESH FOODS PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 21<sup>st</sup> January 2026 in the matter of Bon Fresh Foods Private Limited, for violating the provisions of Section 42 of the Companies Act, 2013 as it utilised the debenture application monies before filing e-form PAS-3 for allotment of the said CCDs. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹1,00,000 each upon two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=vax7mr2ZjaphtDhmbeULgw%3D%3D&-type=open>

**62. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of BON FRESH FOODS PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 21<sup>st</sup> January 2026 in the matter of Bon Fresh Foods Private Limited for violating Section 92 of the Companies Act, 2013 for failing to disclose correct information in Form MGT-7A for the FY 2022-2023. The Adjudicating Authority imposed a penalty of ₹5,000 each upon the company and three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=T1272742uW XQgdjIXkxfHg%3D%3D&-type=open>

**63. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of BON FRESH FOODS PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 21<sup>st</sup> January 2026 in the matter of Bon Fresh Foods Private Limited for violating Section 450 of the Companies Act, 2013 as it filed Form INC-22 which is not in conformity with the requirements of Rule 25 and 27 of the Companies (Incorporation) Rules, 2014.. The Adjudicating Authority imposed a penalty of ₹5,000 each upon the company and three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=FBw36bgpZT2y2NAk8p%2FFMA%3D%3D&-type=open>

**64. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of BON FRESH FOODS PRIVATE LIMITED**

ROC Chennai issued an adjudication order dated 21<sup>st</sup> January 2026 in the matter of Bon Fresh Foods Private Limited for violating Section 117 of the Companies Act, 2013 for obtaining debenture application monies from the investor before passing Special resolution and before filing E-Form MGT-14 for the FY 2026-26. The Adjudicating Authority imposed a penalty of ₹5,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=8%2FS%2FcMCuCaA%2FITgGt4Ymo-Q%3D%3D&type=open>

**65. Adjudication Order for violation of Section 64 of the Companies Act, 2013 in the matter of KNS NIDHI LIMITED**

ROC Chennai issued an adjudication order dated 23<sup>rd</sup> January 2026 in the matter of KNS Nidhi Limited, for violating Section 64 of the Companies Act, 2013 for failing to file Form SH-7 for increase in Authorized capital. The Adjudicating Authority imposed a penalty ₹2,80,500 upon the company and ₹1,00,000 on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=w5rrczNsbjUvBjIUB63GBg%3D%3D&type=open>

**66. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of SMR JEWELS LIMITED**

ROC Ahmedabad issued an adjudication order dated 08<sup>th</sup> January 2026 in the matter of SMR Jewels Limited, for violating Section 117 of the Companies Act, 2013 for failing to file MGT-14 with ROC within prescribed timelines. The Adjudicating Authority imposed a penalty ₹54,500 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=b81zJsSqUJj1zxkAbeqq6Q%3D%3D&type=open>

**67. Adjudication Order for violation of Section 152 of the Companies Act, 2013 in the matter of SAEL INDUSTRIES LIMITED**

ROC Chandigarh issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Sael Industries Limited, for violating Section 152 of the Companies Act, 2013 as it failed to have the required two-thirds of non-independent directors retire by rotation. The Adjudicating Authority imposed a penalty of ₹50,000 on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=vzhDiFRlhZocFPjwriaGrA%3D%3D&type=open>

**68. Adjudication Order for violation of Section 149 of the Companies Act, 2013 in the matter of SAEL INDUSTRIES LIMITED**

ROC Chandigarh issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Sael Industries Limited, for violating Section 149 of the Companies Act, 2013 for failing to appoint a woman director for the FY 2024-25. The Adjudicating Authority imposed a penalty ₹50,000 each upon the company and three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=dVG%2FSpvDyCXConIRhEqtyQ%3D%3D&type=open>

**69. Adjudication Order for violation of Section 203 of the Companies Act, 2013 in the matter of SAEL INDUSTRIES LIMITED**

ROC Chandigarh issued an adjudication order dated 07<sup>th</sup> January 2026 in the matter of Sael Industries Limited, for violating Section 203 of the Companies Act, 2013 for failing to appoint a Chief Financial Officer for a period starting from 04.01.2023 to 03.07.2023. The Adjudicating Authority imposed a penalty ₹5,00,000 upon the company and ₹50,000 on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=pdNluHrceo5qdHd6OLba7w%3D%3D&type=open>

**70. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of NANJ SOLAR PRIVATE LIMITED**

ROC Delhi issued an adjudication order dated 08<sup>th</sup> January 2026 in the matter of Nanj Solar Private Limited, for violating Section 117 of the Companies Act, 2013 for failing to file Form MGT-14 within prescribed timeline. The Adjudicating Authority imposed a penalty ₹31,100 each upon the company and four of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=EiiG6JwN6NF1ovTZ%2FBm7jw%3D%3D&type=open>

**71. Adjudication Order for violation of Section 172 of the Companies Act, 2013 in the matter of LAVA INTERNATIONAL LIMITED**

ROC Delhi issued an adjudication order dated 09<sup>th</sup> January 2026 in the matter of Lava International Limited, for violating Section 172 of the Companies Act, 2013 for failing to file the Board Report to maintain the necessary disclosures under Corporate Governance. The Adjudicating Authority imposed a penalty ₹1,39,500 upon the company and 1,00,000 each on six of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mDs=a33yMyOUTwDoGU1xVUIxcg%3D%3D&type=open>

**72. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of PANACEA LIFE SCIENCES LIMITED**

ROC Delhi issued an adjudication order dated 09<sup>th</sup> January 2026 in the matter of Panacea Life Sciences Limited, for violating Section 92 of the Companies Act, 2013 for failing to file Form MGT-14 within prescribed timelines. The Adjudicating Authority imposed a penalty ₹5,000 each upon the company and seven of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=KmJGAwNTqbT%2FvMwcTEmFX-Q%3D%3D&type=open>

**73. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of VERA SOLUTIONS PRIVATE LIMITED**

ROC Mumbai issued an adjudication order dated 03<sup>rd</sup> January 2026 in the matter of Vera Solutions Private Limited, for violating Section 450 of the Companies Act, 2013 for filing incorrect E-form AOC-4 for Financial Year 2024-25. The Adjudicating Authority imposed a penalty ₹10,000 upon one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=9mL53JnWrigI1%2Fz8UjxPYg%3D%3D&type=open>

**74. Adjudication Order for violation of Section 203 of the Companies Act, 2013 in the matter of ZEO FIN TECHNOLOGY PRIVATE LIMITED**

ROC Mumbai issued an adjudication order dated 03<sup>rd</sup> January 2026 in the matter of ZEO FIN Technology Private Limited, for violating Section 203 of the Companies Act, 2013 as it failed to appoint Company Secretary within the prescribed period for the FY 2023-24. The Adjudicating Authority imposed a penalty ₹5,00,000 upon the company and ₹2,17,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=3uBA886P4y%2FGxvnmE7SQTQ%3D%3D&type=open>

**75. Adjudication Order for violation of Section 203 of the Companies Act, 2013 in the matter of SST SUSTAINABLE TRANSPORT SOLUTIONS INDIA PRIVATE LIMITED**

ROC Mumbai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of SST Sustainable Transport Solutions India Private Limited, for violating Section 203 of the Companies Act, 2013 for failing to appoint Company Secretary within the prescribed period for the FY 2024-25. The Adjudicating Authority imposed a penalty ₹5,00,000 upon the company and ₹3,53,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=FkM3Dw4qQyW2Bzoc52u7ZA%3D%3D&type=open>

**76. Adjudication Order for violation of Section 173 of the Companies Act, 2013 in the matter of SOLAIREDIRECT PROJECTS INDIA PRIVATE LIMITED**

ROC Mumbai issued an adjudication order dated 06<sup>th</sup> January 2026 in the matter of Solairedirect Projects India Private Limited, for violating of Section 173 of the Companies Act, 2013 as it failed to conduct minimum number of Board Meetings for the Calendar Year 2024. The Adjudicating Authority imposed a penalty ₹10,000 each upon the company and on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=Bj29M70AL7177ehZTD9zYQ%3D%3D&type=open>

**77. Adjudication Order for violation of Section 42 of the Companies Act, 2013 in the matter of MUMBAI FURNITURE UDUOG PRIVATE LIMITED**

ROC Mumbai issued an adjudication order dated 23<sup>rd</sup> January 2026 in the matter of Mumbai Furniture Uduog Private Limited for the violation of Section 42 of the Companies Act, 2013 (pertaining to private placement of securities) for the Financial Year 2025-26. The Adjudicating Authority imposed the penalty of ₹2,00,000 upon the company and ₹1,00,000 each upon two of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=65g40YiE%2FomTF8mU7oiKug%3D%3D&type=open>

**78. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of SOLAIREDIRECT PROJECTS INDIA PRIVATE LIMITED**

ROC Mumbai issued an adjudication order dated 23<sup>rd</sup> January 2026 in the matter of Solairedirect Projects India Private Limited, for violation of Section 450 of the Companies Act, 2013 for failing to file correct information in E-form AOC-4 for the Financial Year 2024-25. The Adjudicating Authority imposed a penalty ₹10,000 upon the one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=TBTbJc5VQ2WjR1nydnCltg%3D%3D&type=open>

**79. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of MOUNTSOFT MUTUAL BENEFIT INDIA NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 16<sup>th</sup> January 2026 in the matter of Mountsoft Mutual Benefit India Nidhi Limited, for violating Section 134 of the Companies Act, 2013 for failing to provide, in the Board's report, explanations for the auditors' observations regarding Nidhi Rules violations for the

financial year ending 31.03.2017. The Adjudicating Authority imposed a penalty ₹3,00,000 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=pckQoEheomvEFdULTyYc5w%3D%3D&-type=open>

**80. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of MOUNTSOFT MUTUAL BENEFIT INDIA NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 16<sup>th</sup> January 2026 in the matter of Mountsoft Mutual Benefit India Nidhi Limited, for violating Section 134 of the Companies Act, 2013 for failing to provide, in the Board's report, explanations for the auditors' observations regarding Nidhi Rules violations for the financial year ending 31.03.2020. The Adjudicating Authority imposed a penalty ₹3,00,000 upon the company and ₹50,000 each on three of the directors for default

<https://www.mca.gov.in/bin/dms/getdocument?mds=jaB0b8yRQtulj2Wuculo9Q%3D%3D&-type=open>

**81. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of AMRUL INDIA NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 16<sup>th</sup> January 2026 in the matter of Mountsoft Mutual Benefit India Nidhi Limited, for violating Section 12 of the Companies Act, 2013 for failing to file INC-22A for the FY 2022-23. The Adjudicating Authority imposed a penalty ₹1,00,000 each upon the company and three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=3yQP5rrB3wPgJmTFXc1xSw%3D%3D&-type=open>

**82. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of PRANAM INDIA NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Pranam India Nidhi Limited, for violating Section 117 of the Companies Act, 2013 for failing to file Form MGT- 14 for FY 2017-18. The Adjudicating Authority imposed a penalty ₹2,00,000 upon the company and a penalty of ₹50,000 each on three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=3WTjwC0cFvLxzjh4Lvc17Q%3D%3D&-type=open>

**83. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of PRANAM INDIA NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Pranam India Nidhi Limited, for violating Section 117 of the Companies

Act, 2013 for failing to file e-Form MGT-14 for FY 2018-19. The Adjudicating Authority imposed a penalty ₹2,00,000 upon the company and a penalty of ₹50,000 on three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=oz5FyuHX4WX3YCI6coKkrQ%3D%3D&-type=open>

**84. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of PILLARS MUTUAL NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Pillars Mutual Nidhi Limited for violating Section 117 of the Companies Act, 2013 for failing to file e-Form MGT-14 in respect of Annual Reports for the FY 2016-17. The Adjudicating Authority imposed a penalty ₹2,00,000 upon the company and ₹50,000 each on four of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=kemSEMJL5t%2FOiDJAN3DniA%3D%3D&-type=open>

**85. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of PRANAM INDIA NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Pranam India Nidhi Limited for violating Section 117 of the Companies Act, 2013 for failing to file MGT-14 in respect of Annual Reports for the FY 2020-21. The Adjudicating Authority imposed a penalty ₹1,48,600 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=C%2F3wL%2Fie6nyZcwNg9KI3Tw%3D%3D&-type=open>

**86. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of PILLARS MUTUAL NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Pillars Mutual Nidhi Limited for violating Section 117 of the Companies Act, 2013 for failing to file e-Form MGT-14 for the FY 2020-21. The Adjudicating Authority imposed a penalty ₹1,48,600 upon the company and ₹50,000 each on four of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=6gZLs4raxuE52JGTecQqiw%3D%3D&-type=open>

**87. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of GENONE OPTTECH PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 22<sup>nd</sup> January 2026 in the matter of Genone Optech Private Limited for violating Section 117 of the Companies

Act, 2013 for failure to furnish Board Meeting minutes for FY 2019-20. The Adjudicating Authority imposed a penalty ₹25,000 upon the company and ₹5,000 each on five of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=zJzv48UKleq90Er7jomOPQ%3D%3D&-type=open>

**88. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of GENONE OPTTECH PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 22<sup>nd</sup> January 2026 in the matter of Genone Optech Private Limited for violating Section 117 of the Companies Act, 2013 for failure to furnish Board Meeting minutes for FY 2020-21. The Adjudicating Authority imposed a penalty ₹25,000 upon the company and ₹5,000 each on five of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mids=k22EN7l8ImKSpSAwOMR2zw%3D%3D&-type=open>

**89. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of PRANAM INDIA NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 22<sup>nd</sup> January 2026 in the matter of Pranam India Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12(8) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,00,000 each on the company and on three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=YTrYuyNEZ2Zb39YMz2Cfow%3D%3D&-type=open>

**90. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of DEER SMART INDIA PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 22<sup>nd</sup> January 2026 in the matter of Deer Smart India Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12(8) of the Companies Act, 2013 for FY 2022-23. The Adjudicating Authority imposed a penalty of ₹1,00,000 each on the company and three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=Bz7y8qaKP9WNIMuugXMvTw%3D%3D&-type=open>

**91. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of DEER SMART INDIA PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 23<sup>rd</sup> January 2026 in the matter of Deer Smart India Private Limited for violating Section 450 of

the Companies Act, 2013 for failing to file DIR-3 KYC for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹50,000 each upon the company and two of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=0Wke77q7CG2a62lHkEy%2FWg%3D%3D&-type=open>

**92. Adjudication Order for violation of Section 7 of the Companies Act, 2013 in the matter of DEER SMART INDIA PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 23<sup>rd</sup> January 2026 in the matter of Deer Smart India Private Limited for the violation of Section 7(1)(b) of the Companies Act, 2013 as E-form INC-32 filed do not contain a declaration in prescribed form by an Advocate, Chartered Accountant who is engaged in the formation of the company for the FY 2019-20. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on two of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=q1NGc79oHbR5iREOaPOmiQ%3D%3D&-type=open>

**93. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of PRANAM INDIA NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 23<sup>rd</sup> January 2026 in the matter of Pranam India Nidhi Limited for violating Section 92 of the Companies Act, 2013 for failing to file Annual returns in Form MGT-7 for the FY 2020-21. The Adjudicating Authority imposed a penalty of ₹1,74,600 upon the company and ₹50,000 each on three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=GL4qvs2zTK6Gv9YMzXSDuw%3D%3D&-type=open>

**94. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of PRANAM INDIA NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 23<sup>rd</sup> January 2026 in the matter of Pranam India Nidhi Limited for violating Section 92 of the Companies Act, 2013 for failing to file Annual returns in Form MGT-7 for the FY 2019-20. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=sRFxQskEwaZNdi04sISG0A%3D%3D&-type=open>

**95. Adjudication Order for violation of Section 25 of the Companies Act, 2013 in the matter of KARBHOOMI INFRATECH REALITY LIMITED**

ROC Kanpur issued an adjudication order dated 23<sup>rd</sup> January 2026 in the matter of Karmbhoomi Infratech Reality Limited for violating Section 25A of the Companies Act, 2013 for failing to file e-form INC 22A for the FY 2022-23. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on four of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=9hW8gn4EeHSjUUbuUz4LiA%3D%3D&-type=open>

**96. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of SHIVGANGA NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 23<sup>rd</sup> January 2026 in the matter of Shivganga Nidhi Limited for violating Section 134 of the Companies Act, 2013 for failing to attach its Board of Directors report to the financial statements. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹50,000 each on six of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=oIiuQln3rfgkP6PAYzWf7Q%3D%3D&-type=open>

**97. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of JEEVAN JYOTI MUTUAL BENEFIT NIDHI LIMITED**

ROC Kanpur issued an adjudication order dated 23<sup>rd</sup> January 2026 in the matter of Jeevan Jyoti Mutual Benefit Nidhi Limited for violating Section 134 of the Companies Act, 2013 failing to file the financial statements with form AOC-4 for the year ended 31.03.2016. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹50,000 on six of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=OxnpP8h4gvbSzhftWERPLA%3D%3D&-type=open>

**98. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of NEU SCIENCE AND METALLURGICAL TECHNOLOGY PRIVATE LIMITED**

ROC Kanpur issued an adjudication order dated 23<sup>rd</sup> January 2026 in the matter of NEU Science and Metallurgical Technology Private Limited for violating Section 134 of the Companies Act, 2013 for failing to file DIR-3 KYC. The Adjudicating Authority imposed a penalty of ₹50,000 upon one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=FFgGNM0Vph0oZp6LJxxnFw%3D%3D&-type=open>

**99. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of BTL EPC LIMITED**

ROC Kolkata issued an adjudication order dated 01<sup>st</sup> January 2026 in the matter of BTL EPC Limited for violating Section 450 of the Companies Act, 2013 for failing to file correct details in e-Form AOC-4. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=wZ4YGPtX2ya7ZRtC84TgLA%3D%3D&-type=open>

**100. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of GAJVADAN INDUSTRIES PRIVATE LIMITED**

ROC Kolkata issued an adjudication order dated 16<sup>th</sup> January 2026 in the matter of Gajvadan Industries Private Limited for violating Section 450 of the Companies Act, 2013 for failing to file correct e-Form AOC-4 for the FY 2025-26. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=mOoOHIUBC%2FsUHLuC6fffSg%3D%3D&-type=open>

**101. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of METAL ENGINEERING AND TREATMENT CO. PRIVATE LIMITED**

ROC Kolkata issued an adjudication order dated 16<sup>th</sup> January 2026 in the matter of Metal Engineering and Treatment Co. Private Limited for violating Section 450 of the Companies Act, 2013 for failing to file correct e-Form AOC-4 for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹10,000 upon the company and one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=OkwBp2POv3JACiuUo%2F4vJw%3D%3D&-type=open>

**102. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of FLEXABILITY HR SOLUTIONS PRIVATE LIMITED**

ROC Kolkata issued an adjudication order dated 16<sup>th</sup> January 2026 in the matter of Flexability HR Solutions Private Limited for violating Section 450 of the Companies Act, 2013 for failing to file correct e-Form AOC-4 for the FY 2023-24. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=jna9kojKw43lRgUPWZrZg%3D%3D&-type=open>

**103. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of KRL INFRA TECH (INDIA) LIMITED**

ROC Kolkata issued an adjudication order dated 16<sup>th</sup> January 2026 in the matter of KRL Infratech (India) Limited for violating Section 450 of the Companies Act, 2013 for failing to file correct e-Form AOC-4 for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=QJVwlzVRB%2F8wMijF75TE1g%3D%3D&type=open>

**104. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of TRANSAFE SERVICES LIMITED**

ROC Kolkata issued an adjudication order dated 17<sup>th</sup> January 2026 in the matter of Transafe Services Limited for violating Section 450 of the Companies Act, 2013 for failing to file correct e-Form AOC-4 for the FY 2025-26. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=wNCfVokJwhA5NkfRXLLqA%3D%3D&type=open>

**105. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of MP SMART GRID PRIVATE LIMITED**

ROC Kolkata issued an adjudication order dated 17<sup>th</sup> January 2026 in the matter of MP Smart Grid Private Limited for violating Section 450 of the Companies Act, 2013 for failing to file correct e-Form AOC-4 for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=H%2FeW4QX5HuPcMyTk3HWE mw%3D%3D&type=open>

**106. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of R.P.G HOSPITALITY PRIVATE LIMITED**

ROC Kolkata issued an adjudication order dated 17<sup>th</sup> January 2026 in the matter of R.P.G Hospitality Private Limited for violating Section 450 of the Companies Act, 2013 for failing to file correct e-Form AOC-4 for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=bzZMxcyiChY6FGiIbuhAz w%3D%3D&type=open>

**107. Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of YAJUR FIBRES LIMITED**

ROC Kolkata issued an adjudication order dated 19<sup>th</sup> December 2026 in the matter of Yajur Fibres Limited for violating Section 88 of the Companies Act, 2013 for failing to produce Register of members for the period 1980 to 1990. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company for each year of default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=qNSUMVvZ4LWk%2Fk8Gv9RZmg%3D%3D&type=open>

**108. Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of YAJUR FIBRES LIMITED**

ROC Kolkata issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Yajur Fibres Limited for violation of Section 118(11) of the Companies Act, 2013 for failing to maintain Minutes of the Meetings of the Board of Directors and General Meetings for the FY 1987-1988. The Adjudicating Authority imposed a penalty of ₹25,000 upon the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=ikqwhK%2F9peXDJF7rA6ZX8Q%3D%3D&type=open>

**109. Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of YAJUR FIBRES LIMITED**

ROC Kolkata issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Yajur Fibres Limited for violation of Section 118(11) of the Companies Act, 2013 for failing to maintain Minutes of the Meetings of the Board of Directors and General Meetings for the FY 1986-1987. The Adjudicating Authority imposed a penalty of ₹25,000 upon the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=kot19umdcZ89XkPVpDIFCQ%3D%3D&type=open>

**110. Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of YAJUR FIBRES LIMITED**

ROC Kolkata issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Yajur Fibres Limited for violation of Section 118(11) of the Companies Act, 2013 for failing to maintain Minutes of the Meetings of the Board of Directors and General Meetings for the FY 1985-1986. The Adjudicating Authority imposed a penalty of ₹25,000 upon the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=Ne5T3ekhTOIU3hzWZCDVSw%3D%3D&type=open>

**111. Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of YAJUR FIBRES LIMITED**

ROC Kolkata issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Yajur Fibres Limited for violation of Section 118(11) of the Companies Act, 2013 for failing to maintain Minutes of the Meetings of the Board of Directors and General Meetings for the FY 1984-1985. The Adjudicating Authority imposed a penalty of ₹25,000 upon the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=WLTh1yrS%2F%2F1HNNQFsf35Q%3D%3D&-type=open>

**112. Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of YAJUR FIBRES LIMITED**

ROC Kolkata issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Yajur Fibres Limited for violation of Section 118(11) of the Companies Act, 2013 for failing to maintain Minutes of the Meetings of the Board of Directors and General Meetings for the FY 1983-1984. The Adjudicating Authority imposed a penalty of ₹25,000 upon the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=yRf6e91KsqCQfbxCRE6otA%3D%3D&-type=open>

**113. Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of YAJUR FIBRES LIMITED**

ROC Kolkata issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Yajur Fibres Limited for violation of Section 118(11) of the Companies Act, 2013 for failing to maintain Minutes of the Meetings of the Board of Directors and General Meetings for the FY 1980-1981. The Adjudicating Authority imposed a penalty of ₹25,000 upon the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=qkmmw9udUL7h6RPMWpbnSg%3D%3D&-type=open>

**114. Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of YAJUR FIBRES LIMITED**

ROC Kolkata issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Yajur Fibres Limited for violation of Section 118(11) of the Companies Act, 2013 for failing to maintain Minutes of the Meetings of the Board of Directors and General Meetings for the FY 1982-1983. The Adjudicating Authority imposed a penalty of ₹25,000 upon the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=x2PO61b4eHDOF4Ow%2FUdjWA%3D%3D&-type=open>

**115. Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of YAJUR FIBRES LIMITED**

ROC Kolkata issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Yajur Fibres Limited for violation of Section 118(11) of the Companies Act, 2013 for failing to maintain Minutes of the Meetings of the Board of Directors and General Meetings for the FY 1980-1981. The Adjudicating Authority imposed a penalty of ₹25,000 upon the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=7a2YkU7hpL4ATCuIbo60aQ%3D%3D&-type=open>

**116. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of IKDOR TECH PRIVATE LIMITED**

ROC Kolkata issued an adjudication order dated 19<sup>th</sup> January 2026 in the matter of Ikdor Tech Private Limited for violating Section 450 of the Companies Act, 2013 for failing to file correct data for the FY 2025-26. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=9lqQcYrqV7zaWPby3TWmyg%3D%3D&-type=open>

**117. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of LOGHORN INDUSTRIES PRIVATE LIMITED**

ROC Kolkata issued an adjudication order dated 28<sup>th</sup> January 2026 in the matter of Loghorn Industries Private Limited for violating Section 450 of the Companies Act, 2013, for failing to file correct data for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=RJJBfVOfxjE0UNvjQ%2FWx7A%3D%3D&-type=open>

**118. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of KRISHNA HI-TECH INFRASTRUCTURE PRIVATE LIMITED**

ROC Kolkata issued an adjudication order dated 29<sup>th</sup> January 2026 in the matter of Krishna Hi-Tech Infrastructure Private Limited for violating Section 450 of the Companies Act, 2013, for failing to file correct statutory e-form for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=3sWCprq9S1oGA6tUAjAptQ%3D%3D&-type=open>

**119. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of LALBABA NF RAIL ENGG PRIVATE LIMITED**

ROC Kolkata issued an adjudication order dated 29<sup>th</sup> January 2026 in the matter of Lalbaba NF Rail Engg Private Limited for violating Section 450 of the Companies Act, 2013 for failing to file correct statutory e-form for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=srbTIC2IFHt0dS9mBXA1VQ%3D%3D&-type=open>

**120. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of PATSONS HARVEST GOLD PRIVATE LIMITED**

ROC Kolkata issued an adjudication order dated 29<sup>th</sup> January 2026 in the matter of Patsons Harvest Gold Private Limited for violating Section 450 of the Companies Act, 2013, for filing incorrect statutory e-form for the FY 2024-25. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=CvAG2Jqtt3H39AEW0HPH1Q%3D%3D&-type=open>

**121. Adjudication Order for violation of Section 90 of the Companies Act, 2013 in the matter of IHHR HOSPITALITY ANANDA PRIVATE LIMITED**

ROC Pune issued an adjudication order dated 01<sup>st</sup> January 2026 in the matter of IHHR Hospitality Ananda Private Limited for violation of Section 90 of the Companies Act, 2013 for failing to issue notice in BEN-4. The Adjudicating Authority imposed a penalty of ₹5,00,000 upon the company and ₹1,00,000 each on three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=QrJUfpMBEyogS6duhPfWaQ%3D%3D&-type=open>

**122. Adjudication Order for violation of Section 10A (2) of the Companies Act, 2013 in the matter of STALWART GLOBAL FREIGHT PRIVATE LIMITED**

ROC Pune issued an adjudication order dated 16<sup>th</sup> January 2026, in the matter of Stalwart Global Freight Private Limited for violating Section 10A (2) of the Companies Act, 2013 as the Company inadvertently did not file the required declaration under Section 10A(2) in form INC-20A. The Adjudicating Authority imposed a penalty of ₹50,000 upon the company and ₹1,00,000 each on two of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=OMC1p3DXTL6PzSxURvxXqA%3D%3D&-type=open>

**123. Adjudication Order for violation of Section 62 of the Companies Act, 2013 in the matter of ARCATRON MOBILITY PRIVATE LIMITED**

ROC Pune issued an adjudication order dated 16<sup>th</sup> January 2026, in the matter of Arcatron Mobility Private Limited for violating Section 62 of the Companies Act, 2013 for failing to disclose mandatory information under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, in e-Form MGT-14. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and ₹25,000 on one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=EkA15IZDwt8JsUUsMpiBjw%3D%3D&-type=open>

**124. Adjudication Order for violation of Section 62 of the Companies Act, 2013 in the matter of ARCATRON MOBILITY PRIVATE LIMITED**

ROC Pune issued an adjudication order dated 23<sup>rd</sup> January 2026, in the matter of Arcatron Mobility Private Limited for violating Section 62 of the Companies Act, 2013 for failing to disclose mandatory information under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, in e-Form MGT-14. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and ₹25,000 on one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=BMYSr1pJgi9EUzIHPmNQ%3D%3D&-type=open>

**125. Adjudication Order for violation of Section 62 of the Companies Act, 2013 in the matter of ARCATRON MOBILITY PRIVATE LIMITED**

ROC Pune issued an adjudication order dated 23<sup>rd</sup> January 2026, in the matter of Arcatron Mobility Private Limited for violating Section 62 of the Companies Act, 2013 for failing to disclose mandatory information under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, in e-Form MGT-14. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and ₹25,000 on one of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=ch%2FxaMmuOzLds%2Fk3kc3l8g%3D%3D&-type=open>

**126. Adjudication Order for violation of Section 62 of the Companies Act, 2013 in the matter of ARCATRON MOBILITY PRIVATE LIMITED**

ROC Pune issued an adjudication order dated 28<sup>th</sup> January 2026, in the matter of Arcatron Mobility Private Limited for violating Section 62 of the Companies Act, 2013 for failing to disclose mandatory information under Rule 13 of the Companies (Share

Capital and Debentures) Rules, 2014, in e-Form MGT-14. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and ₹25,000 on one of the directors for default

<https://www.mca.gov.in/bin/dms/getdocument?mids=q8TpZM2yiUfDHtfMctEcjw%3D%3D&-type=open>

**127. Adjudication Order for violation of Section 62 of the Companies Act, 2013 in the matter of ARCATRON MOBILITY PRIVATE LIMITED**

ROC Pune issued an adjudication order dated 28<sup>th</sup> January 2026, in the matter of Arcatron Mobility Private Limited for violating Section 62 of the Companies Act, 2013 for failing to disclose mandatory information under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, in e-Form MGT-14. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and ₹25,000 on one of the directors for default

<https://www.mca.gov.in/bin/dms/getdocument?mids=5GMwYEisHvryeSXmQcSiI%3D%3D&-type=open>

**128. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of BRIGHTON INTERNATIONAL SCHOOL FOUNDATION**

ROC Chhattisgarh issued an adjudication order dated 24<sup>th</sup> January 2026, in the matter of Brighton International School Foundation for violating Section 137 (1) of the Companies Act, 2013 for failing to file financial statements for the FY 2020-21. The Adjudicating Authority imposed a penalty of ₹1,64,500 upon the company and ₹50,000 each on two of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=DqZc7Ob017IyZ3QoanNxFQ%3D%3D&-type=open>

**129. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of BRIGHTON INTERNATIONAL SCHOOL FOUNDATION**

ROC Chhattisgarh issued an adjudication order dated 24<sup>th</sup> January 2026, in the matter of Brighton International School Foundation for violating Section 92 of the Companies Act, 2013 for non-filing of Annual Return for the FY 2020-21. The Adjudicating Authority imposed a penalty of ₹1,64,500 upon the company and ₹50,000 each on two of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=lwz246gH31F1ZcQPpPHFEg%3D%3D&-type=open>

**130. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of BRIGHTON INTERNATIONAL SCHOOL FOUNDATION**

ROC Chhattisgarh issued an adjudication order dated 24<sup>th</sup> January 2026, in the matter of Brighton

International School Foundation for violating Section 92 of the Companies Act, 2013 for non-filing of its annual return for the financial year 2021-22. The Adjudicating Authority imposed a penalty of ₹1,25,000 upon the company and ₹50,000 each on two of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=7aIuWCK1Bi8c0paW WsWigA%3D%3D&-type=open>

**131. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of SHREE BANKE BIHARI POWER & STEEL LIMITED**

ROC Chhattisgarh issued an adjudication order dated 24<sup>th</sup> January 2026, in the matter of Shree Banke Bihari Power & Steel Limited for violating Section 137 (3) of the Companies Act, 2013 for failing to file financial statements for the financial year 2023-24. The Adjudicating Authority imposed penalties of ₹54,900 on the company, along with individual penalties on the directors: ₹50,000 each on two directors, ₹42,700 on one director, ₹16,300 each on three directors, and ₹13,500 each on another three directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=LkXUvQIgGhO6BAX2aYQfyg%3D%3D&-type=open>

**132. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of SHREE BANKE BIHARI POWER & STEEL LIMITED**

ROC Chhattisgarh issued an adjudication order dated 24<sup>th</sup> January 2026, in the matter of Shree Banke Bihari Power & Steel Limited for violating Section 92 of the Companies Act, 2013 for the failing to file annual return in form MGT-7/7A for the FY 2023-24 till date. The Adjudicating Authority imposed a penalty of ₹51,900 upon the company and ₹50,000 each on two of the directors, ₹39,700 on one of the directors, ₹16,300 and ₹13,500 each on three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=HqKWZ3T3oTVXTaTclfGG4Q%3D%3D&-type=open>

**133. Adjudication Order for violation of Section 405 of the Companies Act, 2013 in the matter of NATRINAI VENTURES LIMITED**

ROC Coimbatore issued an adjudication order dated 06<sup>th</sup> January 2026, in the matter of Natrinai Ventures Limited for violating Section 405 (1) of the Companies Act, 2013 for filing the MSME-1 form with a delay of 828 days and 647 days for the period ending 30/09/2022 and 31/03/2023 respectively. The Adjudicating Authority imposed a penalty of ₹3,00,000 each upon the company and three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mids=K4ukD22Y0p6r0%2FkmZXsqTw%3D%3D&-type=open>

**134. Adjudication Order for violation of Section 405 of the Companies Act, 2013 in the matter of NATRINAI VENTURES LIMITED**

ROC Coimbatore issued an adjudication order dated 06<sup>th</sup> January 2026, in the matter of Natrinai Ventures Limited for violating Section 405 (1) of the Companies Act, 2013 for filing the MSME-1 form with a delay of 463 days and 281 days for the period ending 30/09/2023 and 31/03/2024 respectively. The Adjudicating Authority imposed a penalty of ₹3,00,000 each upon the company and three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=OiSktJdLeXK3XPXUj9lyvA%3D%3D&type=open>

**135. Adjudication Order for violation of Section 405 of the Companies Act, 2013 in the matter of NATRINAI VENTURES LIMITED**

ROC Coimbatore issued an adjudication order dated 06<sup>th</sup> January 2026, in the matter of Natrinai Ventures Limited for violating Section 405 (1) of the Companies Act, 2013 for filing the MSME-1 Form with a delay of 97 days and 94 days for the period ending 30/09/2024 and 31/03/2025 respectively. The Adjudicating Authority imposed a penalty of ₹3,00,000 each upon the company and three of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=YHQAIITKKOSmU5rNQ6ZnHQ%3D%3D&type=open>

**136. Adjudication Order for violation of Section 121 of the Companies Act, 2013 in the matter of MOUNT HOUSING AND INFRASTRUCTURE LIMITED**

ROC Coimbatore issued an adjudication order dated 06<sup>th</sup> January 2026, in the matter of Mount Housing and Infrastructure Limited for violating Section 121(2) of the Companies Act, 2013 for failing to file e-form MGT 15 on due date 30.10.2024. The Adjudicating Authority imposed a penalty of ₹1,06,500 upon the company and ₹31,500 each on four of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=aniTMhx1ZfECf4UdluJHmA%3D%3D&type=open>

**137. Adjudication Order for violation of Section 405 of the Companies Act, 2013 in the matter of NATRINAI VENTURES LIMITED**

ROC Coimbatore issued an adjudication order dated 06<sup>th</sup> January 2026, in the matter of Natrinai Ventures Limited for violating Section 405 (1) of the Companies Act, 2013 for filing the MSME-1 form with a delay of 1192 days and 1011 days for the period ending 30/09/2021 and 31/03/2022 respectively. The Adjudicating Authority imposed a penalty of ₹3,00,000 each upon the company and two of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=nHJvjzCvebCzTDfitpEwmw%3D%3D&type=open>

**138. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED**

ROC Coimbatore issued an adjudication order dated 12<sup>th</sup> January 2026, in the matter of Sri Ramakrishna Mills (Coimbatore) Limited for violating Section 134(3)h of the Companies Act, 2013 for failing to provide adequate disclosure regarding transactions with the related entity JGOM in the financial statements for the FY 2016-17. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹50,000 each on four of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=bHuSf9Rcne60H7WPlpnPA%3D%3D&type=open>

**139. Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED**

ROC Coimbatore issued an adjudication order dated 12<sup>th</sup> January 2026, in the matter of Sri Ramakrishna Mills (Coimbatore) Limited for not publishing CIN number in its Annual Reports for the FY 2013-14 to 2022-23 and thus violating the provisions of Section 12(3) of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,00,000 each on the company and five of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=0n-ja2fFWbVNBRTBL6YwTmQ%3D%3D&type=open>

**140. Adjudication Order for violation of Section 203 of the Companies Act, 2013 in the matter of HI-TECH UNIVERSAL PRINTERS AND PUBLISHERS INDIA PRIVATE LIMITED**

ROC Coimbatore issued an adjudication order dated 21<sup>st</sup> January 2026, in the matter of Hi-Tech Universal Printers and Publishers India Private Limited for violating Section 203 of the Companies Act, 2013 by failing to appoint a whole-time Company Secretary since 2014-2015. The Adjudicating Authority imposed a penalty of ₹5,00,000 on the company and each on four of the directors for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=wEZT4Cqkj7t6kz2qfKBxg%3D%3D&type=open>

**141. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of RIGHT TIME COMMERCIALS PRIVATE LIMITED**

ROC Coimbatore issued an adjudication order dated 21<sup>st</sup> January 2026, in the matter of Right Time Commercials Private Limited for violating Section 450 of the Companies Act, 2013. The auditor of company has not reported the non-compliance of AS-18 for the financial years 2016-17 and 2017-18. The Adjudicating Authority imposed a penalty of ₹20,000 on the auditor of the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=1BABDhi4vGt3SRJW7nA3HA%3D%3D&type=open>

**142. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of CHRISTY FOODS PRIVATE LIMITED**

ROC Coimbatore issued an adjudication order dated 22<sup>nd</sup> January 2026, in the matter of Christy Foods Private

Limited for violating Section 450 of the Companies Act, 2013. The auditor of the company has not reported the non-compliance of AS-18 for the financial years 2016-17 and 2017-18. The Adjudicating Authority imposed a penalty of ₹20,000 on the auditor of the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=7KtkIEygzAlIIOzaxjdNdQ%3D%3D&type=open>

**143. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of DEAR PLAZA PRIVATE LIMITED**

ROC Coimbatore issued an adjudication order dated 22<sup>nd</sup> January 2026, in the matter of Dear Plaza Private Limited for violating Section 450 of the Companies Act, 2013. The auditor of the company has not reported the non-compliance of AS-18 for the financial years 2016-17 and 2017-18. The Adjudicating Authority imposed a penalty of ₹20,000 on the auditor of the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=H-g569F9NYmONjC8Zg9IHQ%3D%3D&type=open>

**144. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of LITERACY FRAMEWORK PRIVATE LIMITED**

ROC Coimbatore issued an adjudication order dated 22<sup>nd</sup> January 2026, in the matter of Literacy Framework Private Limited for violating Section 450 of the Companies Act, 2013. The auditor of the company has not reported the non-compliance of AS-18 for the financial years 2016-17 and 2017-18. The Adjudicating Authority imposed a penalty of ₹20,000 on the auditor of the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=N-v6R9c7KeGkOBBXfcP8NUA%3D%3D&type=open>

**145. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of EVER GREEN FABRIC PROCESS PRIVATE LIMITED**

ROC Coimbatore issued an adjudication order dated 22<sup>nd</sup> January 2026, in the matter of Ever Green Fabric Process Private Limited for violating Section 450 of the Companies Act, 2013. The auditor of the company has not reported the non-compliance of AS-18 for the financial years 2016-17 and 2017-18. The Adjudicating Authority imposed a penalty of ₹20,000 on the auditor of the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=t-6V4MaA9XZx%2F0SVfFPhXAQ%3D%3D&type=open>

**146. Adjudication Order for violation of Section 450 of the Companies Act, 2013 in the matter of CHRISTY AGRO TECH PRIVATE LIMITED**

ROC Coimbatore issued an adjudication order dated 22<sup>nd</sup> January 2026, in the matter of Christy Agro Tech Private Limited for violating Section 450 of the Companies Act, 2013. The auditor of the company has not reported the non-compliance of AS-18 for the financial years 2016-17 and 2017-18. The Adjudicating Authority imposed a penalty of ₹20,000 on the auditor of the company for default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=L-WbSsY6x%2FCgSyBgsMDPnUg%3D%3D&type=open>

## Gist of RD Adjudication orders

**1. Adjudication Order for violation of Section 454 of the Companies Act, 2013 in the matter of V. L. INFRAPROJECTS LIMITED**

In the matter of *V.L. Infraprojects Limited*, the RD (Ahmedabad) vide order dated 09<sup>th</sup> January 2026, after considering the facts of the case *dismissed* the appeal against ROC order and directed ROC Ahmedabad to initiate action in accordance with the provisions of Section 454(8) of the Companies Act, 2013.

<https://www.mca.gov.in/bin/dms/getdocument?mds=H-Q41cNYbXNuGB7OelRQnXQ%3D%3D&type=open>

**2. Adjudication Order for violation of Section 454 of the Companies Act, 2013 in the matter of BCL HOMES LIMITED**

In the matter of *BCL Homes Limited*, the RD (Noida) vide order dated 19<sup>th</sup> January 2026, after considering the facts of the case *dismissed* the appeal against ROC order and directed ROC Chandigarh to initiate action in accordance with the provisions of Section 454(8) of the Companies Act, 2013.

<https://www.mca.gov.in/bin/dms/getdocument?mds=sn-2n0JGXkOxesgRKs9rEXw%3D%3D&type=open>

**3. Adjudication Order for violation of Section 454 of the Companies Act, 2013 in the matter of BCL HOMES LIMITED**

In the matter of *BCL Homes Limited*, the RD (Noida) vide order dated 19<sup>th</sup> January 2026, after considering the facts of the case *dismissed* the appeal against ROC order and directed ROC Chandigarh to initiate action in accordance with the provisions of Section 454(8) of the Companies Act, 2013.

<https://www.mca.gov.in/bin/dms/getdocument?mds=klgZkfjyoG5sDcGy9dbQaw%3D%3D&type=open>

**4. Adjudication Order for violation of Section 454 of the Companies Act, 2013 in the matter of BCL HOMES LIMITED**

In the matter of *BCL Homes Limited*, the RD (Noida) vide order dated 19<sup>th</sup> January 2026, after considering the facts of the case *dismissed* the appeal against ROC order and directed ROC Chandigarh to initiate action in accordance with the provisions of Section 454(8) of the Companies Act, 2013.

<https://www.mca.gov.in/bin/dms/getdocument?mds=Op-8Gxi07iEptZd9Am%2FABuQ%3D%3D&type=open>

**5. Adjudication Order for violation of Section 454 of the Companies Act, 2013 in the matter of BCL HOMES LIMITED**

In the matter of *BCL Homes Limited*, the RD (Noida) vide order dated 19<sup>th</sup> January 2026, after considering the facts of the case *dismissed* the appeal against ROC order and directed ROC Chandigarh to initiate action in accordance with the provisions of Section 454(8) of the Companies Act, 2013.

<https://www.mca.gov.in/bin/dms/getdocument?mds=pgshlBMItsSKXJ5CoEwR6Q%3D%3D&type=open>

# 8

# BEYOND GOVERNANCE

## Case Study

The Case Study section is inserted to make Chartered Secretary Journal (CSJ) more interactive for the members and students. The Case Study is followed by question(s) which are to be solved by member(s)/ student/s. The answer(s) are to be sent to [cs.journal@icsi.edu](mailto:cs.journal@icsi.edu) latest by the 25<sup>th</sup> of each month.

The answer(s) will be reviewed by a Panel of reviewer(s). The winner will be given:

- (i) Certificate of Appreciation.
- (ii) His/Her name will be published in the next issue of the Journal.
- (iii) He/She will be awarded cash award of ₹ 2,500.

## Crossword

'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](mailto:cs.journal@icsi.edu) latest by 25<sup>th</sup> of each month.

- The answer(s) will be published in the next issue of CSJ.
- The winners will be selected randomly.
- The name of three winners will be published in the next issue of CSJ.

## National/International Reports: Analysis

A Section on 'National/International Reports: Analysis' from 2025 covering reports on the recent policy initiatives and insights at National and International level is introduced. The purpose is to communicate information amongst professionals on various reports released by National/ International organisations, having an impact on the profession.

## Book Review

A Section on 'Book Review' is inserted from 2025 issue onwards of Chartered Secretary Journal for creating awareness on books of latest titles related to profession. This section will cover a brief summary on the contents and central theme of the book.



## CASE STUDY

### COMPETITION COMMISSION OF INDIA

Case No. ... of 2026

#### In Re:

SKG..... Informant Vs. 23..... Opposite Parties

The present Information has been filed by SKG ('Informant') under Section 19(1)(a) of the Competition Act, 2002 ('Act'), against 23 Opposite Parties *inter alia* alleging contravention of the provisions of Sections 3 and 4 of the Act.

#### Submission by the Informant: -

1. The Informant is engaged in legitimate business activities and invests considerable resources in marketing and client acquisition through online platforms. As per the Information, certain dominant players in the digital ecosystems including major technology companies and their associated Artificial Intelligence or ad-serving systems are allegedly engaging in practices that unfairly restrict the Informant's market access and divert its commercial opportunities to competitors.
2. The Informant's digital identifiers (such as email IDs, website accounts, or ad campaign data) are being manipulated or interfered with. Further, leads and customers who search for or interact with the Informant's brand are diverted to competitors, despite paid marketing efforts by the Informant and such diversion constitutes "market allocation" and denial of market access under Section 3(3) and Section 4(2)(c) of the Act, respectively.
3. The platforms with a dominant position in online advertising and search services are using their control to bias search results and ad placements, intentionally suppressing visibility of the Informant's business which amounts to imposing unfair or discriminatory conditions in the sale of services, in contravention of Section 4(2)(a) (i) of the Act.
4. There are attempts to influence international customers (including those in the USA) to boycott the Informant's brand. It is stated that if this involves collusion among competitors or coordinated platform behaviour, it represents a concerted refusal to deal.

5. The Informant is deprived of access to customers/clients and markets despite legitimate advertising expenditure, compounding the pre-existing harm to its funding and business stability.
6. The Informant further states that competitors gain an unfair advantage through manipulated visibility, therefore harming not only the Informant but also consumer choice and market transparency, leading to appreciable adverse effect on competition ('AAEC') in India's digital services market.
7. The Informant has sought the following interim relief under Section 33 of the Act from the Commission: to restrain ongoing hijacking, diversion of traffic and suppression of listings; order for restoration of fair access to digital marketing and ad-serving systems; and immediate cease-and-desist order (injunction) to stop all acts of defamation and malicious interference with the Informant's client acquisition and business relationships. Further, the Informant has requested the Commission to issue a direction to investigate abuse of dominance and collusive behaviour.

#### Points to be considered:

1. There are 23 OPs arrayed in the present matter; however, the specific role, conduct, and contribution of each OP have not been mentioned in the Information.

Decide the case under Section 33 of the Act for grant of relief to the Informant.

**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 – January 2026**

**CS Sampada Joshi - ACS - 72637**

# BEST ANSWER - CASE STUDY - JANUARY, 2026

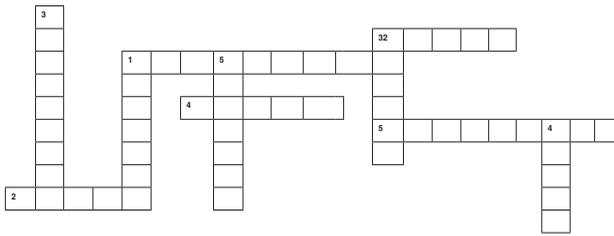
## Summary of the Case:

The petition sought NCLT approval of a scheme under Sections 230-232 to convert a company limited by shares into a company limited by guarantee without share capital. The RoC and RD objected, stating that the application was in fact a conversion under Section 18, for which no prescribed rules or forms exist, and that Section 230 or Section 66 cannot be used to bypass the statutory conversion mechanism. They further held that reduction of paid-up capital to zero is impermissible for a company limited by shares under Section 66 read with Section 4(1)(e). The petitioner argued that guarantee companies without share capital are permitted under the Act and that the scheme validly reorganized capital under Section 230(2)(b). It was also contended that post-conversion, shareholding requirements would not apply and the company would continue to have members as guarantee holders. The core dispute thus centered on whether Sections 230 and 66 could be invoked to achieve conversion in the absence of specific rules under Section 18.

Sr. No.	Question	Addressing of the Issues
1.	Whether a company limited by shares can be converted into a company limited by guarantee without share capital under the Companies Act, 2013, in absence of specific rules and prescribed forms?	<p><b>1. Provisions of the Law</b></p> <ul style="list-style-type: none"> <li>• <b>Section 18(1)</b> permits a company of any class to convert itself into a company of another class by alteration of Memorandum and Articles.</li> <li>• <b>Section 18(2)</b> provides that conversion takes effect upon registration by the Registrar of Companies.</li> <li>• <b>Sections 2(21)</b> and <b>4(1)(d)</b> recognize a <b>company limited by guarantee</b>, with or without share capital.</li> <li>• <b>Section 4(1)(e)</b> requires minimum one share only for a company <b>having share capital</b>.</li> <li>• <b>Companies (Incorporation) Rules, 2014</b> prescribe procedures for: <ul style="list-style-type: none"> <li>◆ Conversion of unlimited company into limited company (Rule 37)</li> <li>◆ Conversion of guarantee company into share company (Rule 39)</li> </ul> </li> </ul> <p><b>No rule or prescribed form exists for conversion of a company limited by shares into a company limited by guarantee</b>, creating a procedural gap.</p> <p><b>2. Application</b></p> <p>Although procedural rules for such conversion are absent, <b>Section 18 grants a substantive statutory right of conversion</b>. The absence of rules does not amount to a statutory prohibition. The Supreme Court has consistently held that:</p> <ul style="list-style-type: none"> <li>• <b>Rajendra Prasad Gupta v. Prakash Chandra Mishra (SLP No. 984/2006)</b> – <i>Procedure is presumed permissible unless expressly prohibited; prohibition cannot be presumed.</i></li> <li>• <b>Union of India v. Rakesh Kumar (2001) 4 SCC 309</b> – Executive instructions cannot amend statutory rules; they may only fill gaps where not inconsistent with law.</li> <li>• <b>Shikshan Prasarak Mandal v. Ramesh Narayan (2016)</b> and <b>Mohan Lal v. Principal Secretary (2014)</b> – Executive circulars or Office Memoranda do not bind courts in statutory interpretation.</li> <li>• <b>Bengal Iron Corporation (1993)</b> – Government clarifications are not binding on quasi-judicial authorities.</li> <li>• <b>Subhash Ramkumar Bind v. State of Maharashtra</b> – Administrative instructions cannot substitute statutory requirements.</li> </ul> <p>Therefore, MCA or ROC objections based solely on <b>absence of rules</b> or <b>administrative clarifications</b> cannot override the <b>substantive statutory right under Section 18</b>.</p> <p>Hence, conversion is <b>not prohibited by law</b>, only procedurally unprescribed — and such procedural silence cannot defeat a substantive statutory right.</p> <p><b>3. NCLT Case Law : Azim Premji Trust Services Pvt. Ltd.</b>  <i>C.P.(CAA) No.52/BB/2022, NCLT Bengaluru, Order dated 04.09.2024</i></p> <p><b>Held:</b></p> <ul style="list-style-type: none"> <li>• Section 18 expressly permits class conversion.</li> <li>• Absence of prescribed rules for share → guarantee conversion does not prohibit conversion.</li> </ul>

	<ul style="list-style-type: none"> <li>• Rule 39 providing reverse conversion does not bar opposite-direction conversion.</li> <li>• Tribunal sanctioned conversion through scheme and directed issue of fresh Certificate of Incorporation.</li> </ul> <p><b>Result:</b> Conversion from company limited by shares → company limited by guarantee without share capital is legally permissible, notwithstanding absence of procedural rules.</p>
2.	<p><b>Can Section 230 (Compromise/ Arrangement) be invoked as a mechanism to reorganize capital and effect conversion in this case?</b></p> <p><b>Is reduction of paid-up capital to zero permissible under Section 66 when the company is being converted into a guarantee company?</b></p> <p><b>1. Provisions of the Law</b></p> <ul style="list-style-type: none"> <li>• <b>Section 230(1)</b> empowers NCLT to sanction compromises or arrangements with members or creditors.</li> <li>• Explanation to Section 230 states that “<b>arrangement includes reorganisation of share capital</b>”.</li> <li>• <b>Section 18</b> governs conversion of company class.</li> <li>• <b>Section 66</b> permits reduction of share capital by a company having share capital.</li> <li>• <b>Section 4(1)(e)</b> mandates minimum one share only for companies having share capital.</li> <li>• <b>Section 2(21)</b> and <b>Section 4(1)(d)</b> recognize guarantee companies without share capital.</li> </ul> <p><b>2. Application</b></p> <p><b>(A) Use of Section 230</b></p> <p>Section 18 provides the substantive right of conversion but lacks procedural rules. Section 230, being a <b>complete code for corporate restructuring</b>, expressly includes <b>reorganisation of share capital</b>. Judicial principles confirm that:</p> <ul style="list-style-type: none"> <li>• <b>Vasant Investment Corporation Ltd. (CA 178/1978, Bombay HC)</b> – A scheme involving alteration of Memorandum or restructuring of capital, even if ultra vires under existing Articles, can validly be sanctioned under scheme jurisdiction.</li> <li>• <b>Q.H. Talbros Ltd. (P&amp;H HC) and Re Savoy Hotels Ltd. (Chancery Division)</b> – “Arrangement” has <b>wide amplitude</b>, covering composite corporate restructuring beyond mergers.</li> </ul> <p>Therefore, conversion accompanied by reorganisation of capital falls within Section 230’s ambit. Section 230 does <b>not bypass Section 18</b>, but <b>operationalises it where procedural machinery is absent</b>.</p> <p><b>(B) Reduction of paid-up capital to zero</b></p> <p>Section 66 prohibits reduction of capital only <b>while the company continues to be one having share capital</b>. Upon conversion into a <b>company limited by guarantee without share capital</b>, the company ceases to fall under Section 4(1)(e). Hence, reduction to zero as a <b>consequence of conversion</b> is legally permissible.</p> <p><b>NCLT Case Law</b></p> <p><b>Azim Premji Trust Services Pvt. Ltd. (2024)</b></p> <p><b>Held:</b></p> <ul style="list-style-type: none"> <li>• Conversion scheme falls within “arrangement” under Section 230.</li> <li>• Tribunal may sanction conversion through scheme where rules under Section 18 are absent.</li> <li>• Objection based on Section 66 and minimum shareholding rejected.</li> <li>• Reduction of paid-up capital to zero is permissible once company becomes guarantee company.</li> </ul> <p><b>Protrans Supply Chain Management Pvt. Ltd.</b></p> <p><i>C.P.(CAA) 996/MB-II/2020, NCLT Mumbai, Order dated 20.09.2021</i></p> <p><b>Held:</b></p> <ul style="list-style-type: none"> <li>• Conversion and reclassification of share capital constitute <b>reorganisation of capital</b>.</li> <li>• Such reorganisation validly forms part of a <b>Scheme of Arrangement under Section 230</b>.</li> <li>• Absence of express procedural provision does not bar Tribunal’s scheme jurisdiction.</li> </ul>

# CROSSWORD PUZZLE – COMPANY LAW - FEBRUARY 2026



## ACROSS

- Under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025, For considering the grant of certificate of registration to the applicant, The net worth requirement referred to in clause (g) of regulation 7 shall not be less than \_\_\_\_\_ rupees.
- Under the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, The liquidator shall convene the first meeting of the consultation committee within \_\_\_\_\_ days of the liquidation commencement date.
- Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 – The interim resolution professional or the resolution professional shall preserve a physical copy of records for a minimum period of \_\_\_\_\_ years.
- Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, A creditor shall submit its claim along with proof to the resolution professional in \_\_\_\_\_, on or before the last date mentioned in the public notice issued under sub-section (1) of section 102.
- Under Companies Act, 2013, no company referred to in sub-section (2) of section 73 and no eligible company shall accept or renew any deposit, whether secured or unsecured, which is repayable on demand or upon receiving a notice within a period of less than six months or more than \_\_\_\_\_ months from the date of acceptance or renewal of such deposit.

## DOWNWARDS

- Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, The resolution professional shall, within \_\_\_\_\_ days of the order of the Adjudicating Authority approving a resolution plan, intimate each claimant, the principle or formulae, as the case may be, for payment of debts under such resolution plan.

- Under the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, the liquidator shall also verify the claims collated during the corporate insolvency resolution process but not submitted during the liquidation process, within \_\_\_\_\_ days from the last date for receipt of claims during liquidation process and may either admit or reject the claim, in whole or in part.
- Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, A creditor, who is entitled to vote at a meeting of creditors, shall be entitled to appoint an individual, who shall not be an \_\_\_\_\_ of the guarantor, as a proxy to attend and vote on its behalf.
- Under Companies Act, 2013, all or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within \_\_\_\_\_ days thereof, file with the Registrar a notice in writing giving the full address of that other place.
- Under the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, “retail individual investor” means an individual investor who applies or bids for debt securities for a value of not more than \_\_\_\_\_ rupees.

## Winners - Crossword January 2026

**1<sup>ST</sup>** CS Bhargavi N R, ACS - 64594

**2<sup>ND</sup>** CS Meenu Gupta, ACS - 34932

**3<sup>RD</sup>** CS Kamakshi Patidar, ACS - 73391

## Crossword Puzzle – January 2026 Answers

### ACROSS

- PAS-1
- THIRTY
- TEN
- TWO
- THIRTY

### DOWNWARDS

- SEVEN
- RESOLUTION PLAN
- THREE
- FIFTY
- ONE THOUSAND

# NATIONAL/INTERNATIONAL REPORTS: ANALYSIS

## ROADMAP FOR GREEN TRANSITION OF MSMEs

Organisation: **NITI Aayog**

Year: **January 2026**

Source: [https://niti.gov.in/sites/default/files/2026-01/Roadmap\\_for\\_Green\\_Transition\\_of\\_MSMEs.pdf](https://niti.gov.in/sites/default/files/2026-01/Roadmap_for_Green_Transition_of_MSMEs.pdf)

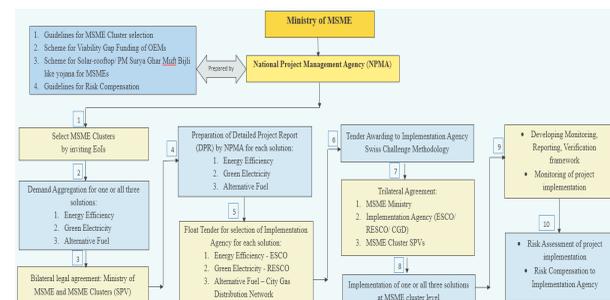
(Please refer the link for complete report)

### INTRODUCTION

MSMEs rely heavily on fossil fuels to meet their energy and process requirements, resulting in approximately 135 million tonnes of carbon emissions (MtCO<sub>2</sub>e) in 2022 alone. MSMEs face a range of challenges in terms of capacity to undertake green projects, access to reliable finance for the energy transition, lack of awareness on policies and schemes, absence of scalable models, and niche market dynamics that create uncertainty in investment decisions. Thus, they seek additional support from governments to cater to the sector's clean energy transition. This report proposes to create a dedicated institutional mechanism that prioritises areas of deployment by establishing incentives and funding opportunities. These interventions are tailored to accelerate an enabling ecosystem leading to a seamless transition of MSMEs towards sustainability. Upcoming regulations may necessitate changes to manufacturing processes or products and reshape long-term marketing strategies, affecting supply chains, insurance costs, and increasing financial and political risks.

The report provides for the implementation of the three levers identified for green transition through different approaches. Under the primary approach, the report recommends setting up a National Project Management Agency (NPMA) to implement the National Programme for Green Transition of MSMEs. Under the secondary approach, the different levers identified for the green transition roadmap will be implemented through the line ministries as detailed in the report under Energy Efficiency, Green Electricity and Alternative Fuels sub-sections.

**Figure 1: Operational flow of the National Project Management Agency**



### NEED FOR A GREEN TRANSITION

India presented its long-term plan to reach 500 GW of renewable energy (RE) capacity by 2030 and net-zero emissions

by 2070 at the 27<sup>th</sup> Conference of the Parties (COP27) to the United Nations Framework Convention on Climate Change (UNFCCC 2022). To meet these climate targets, emission reduction and renewable energy expansion will be necessary across all economic sectors, including MSMEs. Encouraging MSMEs to implement decarbonisation measures is critical for achieving the Sustainable Development Goals (SDGs), particularly SDG 9 (infrastructure, industry, and innovation), SDG 12 (responsible production and consumption), and SDG 13 (climate action). This climate transition risk is becoming evident for MSMEs and thus warrants the government's immediate attention. MSMEs stand to gain several advantages through the green transition.

### SCOPE OF THE REPORT

The report provides 10-year implementation strategies that aim to reduce GHG emissions in MSMEs through the enhancement of energy efficiency and adoption of alternative fuels and green electricity. The report also covers the institutional mechanism that will be required to support the transition. The roadmap details the three different levers in the green transition of the MSME sector, covering the technological aspects, implementation mechanism and the financial outlays required to enable this transition.

### OBJECTIVES OF THE STUDY

1. Adoption of measures towards clean energy in MSMEs.
2. Development of Institutional Framework for supporting green transition in MSMEs.

### METHODOLOGY

**Primary research:** The research involved conversations with different stakeholders to gather their opinions and suggestions around the core topics that this report has covered. This research focused only on a few specific issues to obtain solutions for them. The purpose of these consultations was to get information about the real-world difficulties associated with the green transition of MSMEs, the viability of suggested solutions, and the possible effects of different policy options. The stakeholders' feedback was crucial in helping narrow the study's scope and ensuring that the suggested recommendations are practical and in line with market demands.

**Secondary research:** Existing research published in renowned journals, meta-analyses, and databases and datasets from publicly available sources have been

considered and cited in this report. Academic studies, industry reports, government publications, and case studies on decarbonisation strategies, technological advancements, and policy interventions were all included in this review. The literature review served as a basis for identifying important trends, obstacles, and opportunities in the MSME sector, which shaped the study's structure.

### MONITORING, REPORTING AND VERIFICATION (MRV) MECHANISM

A comprehensive Monitoring, Reporting and Verification (MRV) mechanism is essential for understanding the impacts of the listed recommendations. The MRV's importance assumes greater significance considering that the risk removal mechanism depends on achieving specific KPIs. Hence, the MRV framework must be designed to capture data in an easy and transparent manner. The roadmap proposes creating a platform and a tool that enables the documentation of these emissions, the stipulated reduction targets, and achievements. This will enable measurement of the roadmap's reach and impact by directly linking the results in terms of emissions reduced, monetary savings achieved, energy saved etc. An effective MRV mechanism will play a critical role in reducing the risk perception among implementing agencies when engaging with MSME units. The MRV tool can track any payment defaults by MSMEs to implementing agencies, which will be compensated as per the stipulated terms and agreements. The proposed funding

mechanisms are - Climate Sister Impact Fund (CSIF), Alternate Investment Fund under Securities and Exchange Board of India regulations, 2012. Additionally, a hybrid debt fund is also proposed to be created at concessional terms by either investing in debt/ debt securities of existing entities or through a newly-incorporated Non-Banking Financial Companies (NBFC), as per the directives of SEBI and RBI.

### MSME TECHNICAL WORKING COMMITTEE

To access the global markets, MSMEs needs:

- To increase productivity and efficiency through adoption of modern machinery and green energy.
- To improve competitiveness.
- To comply with regulatory standards (CBAM, BRSR, Eco Mark) for avoiding penalties, retaining export eligibility and meeting ESG norms which are increasingly expected by regulators and buyers.

The report outlines terms of reference for the committee.

### ROADMAP FOR GREEN TRANSITION: INSIGHTS FROM THE CURRENT SCHEMES

The MSME sector currently benefits from several schemes and programs that address various operational challenges. A comparison of the proposed Roadmap with the different central schemes is provided briefly in Table 1 below:

**Table 1: Distinction between existing MSME schemes on green transition and the proposed Roadmap**

Scheme name	ADEETIE (Assistance for Deployment of Energy Efficient Technologies in Industries and Establishments) Scheme (Ministry of Power)	Green Investment and Financing for Transformation (GIFT) Scheme (Ministry of MSME)	Scheme for Promotion and Investment in Circular Economy (SPICE) (Ministry of MSME)	Roadmap for Green Transition of MSMEs
Focus areas	Aims to facilitate MSMEs to upgrade with energy-efficient technologies/ measures across 60 clusters spanning 14 sectors through financial instruments and handholding them in carrying out an investment-grade energy audit, a detailed project report, monitoring, and verification of the implementation.	Provides institutional finance at concessional costs to support green technologies, clean transportation, energy-efficient projects like green buildings, and waste management initiatives, including recycling, efficient disposal, and energy conversion.	Provides support to adopt circular economy practices in sectors like plastic, rubber, and electronics waste management.	Provides institutional, financial support and a robust framework for sector agnostic green transition in MSMEs, with specific focus on enhancement of energy efficiency, adoption of green electricity, and alternate fuels. <ul style="list-style-type: none"> <li>• Renewable Energy Service Company (RES-CO)/ Energy Service Company (ESCO) led green electricity adoption and energy efficiency enhancement in MSMEs.</li> <li>• PM Surya Ghar Yojana (PMSGY) like sub-scheme.</li> <li>• Financial Incentivization for alternate fuels adoption.</li> </ul>

<b>Beneficiaries</b>	All MSMEs	Micro and small enterprises (MSEs)	Micro and small enterprises (MSEs)	All MSMEs
<b>Benefits</b>	Interest subvention, Streamlined project implementation	Interest subvention, Risk-sharing facility	Credit-linked capital subsidy	Financial incentives for adoption of sector agnostic solutions, Risk sharing facility, Streamlined project implementation, Boost for indigenous manufacturing of relevant technologies, Monitoring, Reporting and Verification (MRV)
<b>Demand aggregation</b>	×	×	×	□

Earlier schemes by the Government of India have effectively used the cluster approach. The roadmap recommends demand aggregation, which combines several demands of a service/product in a specific region to drive the outreach of the initiative thereby addressing systemic barriers at scale.

### ANALYSIS

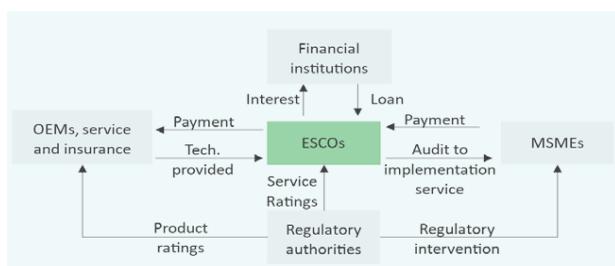
An in-depth data analysis was conducted using suitable mathematical models and industry data. The analysis revolved around calculating the potential impact of various interventions, evaluating the carbon footprint of Indian MSMEs, and determining the viability of various green transition strategies from a financial perspective. Data-driven insights helped identify the most efficient green transition levers, which were also crucial to creating a practical and attainable industry roadmap. In addition, this analysis compared India's performance to international standards in the areas of energy efficiency, carbon intensity and the uptake of cutting-edge technologies to assess the country's relative standing.

The green transition of MSMEs is a key area where a huge potential for energy reduction of GHG emissions is observed, providing several benefits for MSMEs. The report covers contents from published research pieces, reports, and other documents while framing the guidelines and methodology for the green transition of the MSME sector.

### RECOMMENDATIONS

The report covers primary and secondary approach adopted in implementation of the recommendations in the area of **Energy efficiency measures, uptake of Green Electricity, Alternative Fuels, and Monitoring, Reporting and Validation.**

**Figure 2: ESCO-MSME business model**



**Energy efficiency** in the primary approach is implemented for five key sub-sectors, namely textiles, paper, steel re-rolling, foundry, and forging. 10 MSME clusters from these sub-sectors have been identified to reduce around 12 MtCO<sub>2</sub>e (around 33% of the total reduction potential identified). The **Energy Service Companies (ESCOs)** provide a robust ecosystem for MSMEs to adopt energy efficiency. The report also elaborates on the **Viability Gap Funding (VGF)** mechanism. The measures for Small and Medium Enterprises are covered in the secondary approach.

The **Behind the Meter (BTM) RESCO model and/or Green Open Access and Behind the Meter (BTM) model** are various ways of adopting **Green electricity** in the Primary approach. The secondary approach follows the extension of **PM Suryaghar yojana to the micro units, or a new scheme that subsidizes the adoption of RTS plants by micro units.**

**Table 2: Takeaways for action and implementation from the alternate fuels lever adoption in MSMEs**

Actions	Responsible Entity
Evaluate the feasibility of providing connections to MSME clusters through CGDs based on technical parameters such as pressure requirements, demand balancing, etc.	Ministry of Petroleum and Natural Gas (MoPNG)/ PNGRB
Create national guidelines to enable CGDs in their allocated geographical areas to aggregate and assess demand in MSME clusters that require NG solutions.	MoPNG/PNGRB
Develop a list of MSME clusters (export-oriented clusters to begin with) to prioritise during the first phase of implementation.	Ministry of MSME

With increased global pressure on account of climate mitigation, there is a need for India to develop robust **Monitoring, Reporting and Validation (MRV)** frameworks, which can enable businesses to retain their economic competitiveness and thereby safeguard themselves against changing regulatory norms that can adversely impact their operations, while delivering on net-zero commitments and Nationally Determined Contributions (NDCs).

**Table 3: Roadmap for implementation of MRV in the MSME sector**

Task/Details	Simplified emissions reporting and target setting framework	Free user-friendly tool	Incentives to encourage adoption	Awareness and capacity building
Responsible agency	Ministry of Corporate Affairs Accounting, Standards Board (ASB)	Ministry of MSME/ NPMA/ tool builder	Ministry of MSME/ NPMA	Ministry of MSME through NPMA and MSME National Level Institute for Energy and Greening (under RAMP-S Programme)
Agencies to be consulted	Ministry of MSME, Bureau of India Standards (BIS), Quality Council of India (QCI). Bodies setting global frameworks and protocols: SBTi, ISSB, SASB, TCFD, TPT, GHG protocol	National Information Centre (NIC), BEE, Ministry of Electronics and Information Technology, Cluster associations, SME Climate Hub	Ministry of Finance, SIDBI, NABARD, CGTMSE, Line Ministries such as Ministry of Railways, Public Sector Undertakings (PSU) Sector Ministries (Textiles, Food Processing, Steel etc.)	Cluster Associations, MSME industry bodies CII, FICCI
Implementation timeline	6 months	3 months	3 months	Ongoing: After the launch of the reporting framework and tool, for 3-year period

## REGULATORY IMPACT ASSESSMENT

Keeping in mind the price sensitivity, climate litigation charges, changing policy landscape and their material impact on MSMEs, Regulatory Impact Assessment (RIA) will be essential before any demand-side regulatory mandates are imposed on MSMEs. Increased compliance burden on MSMEs could lead to net negative economic effects. RIAs can provide decision-makers with vital information about whether and how to regulate to accomplish public policy objectives. Moreover, RIA helps inform policymakers' choices to refrain from making changes in markets when doing so would be more expensive than advantageous. RIA further supports the decisions made by policymakers by proving the advantages of a regulation. RIA is specifically recommended since MSMEs have been kept out of several stringent mechanisms such as GST compliance, CSR obligations, and PAT Scheme. It is recommended to conduct a thorough RIA before introducing any specific mandates under the roadmap for MSMEs. In alignment with the Government's vision of promoting sustainable industrial development, a dedicated 'MSME National-Level Institute for Energy and Greening' will be required to be established under the aegis of the Ministry of MSME.

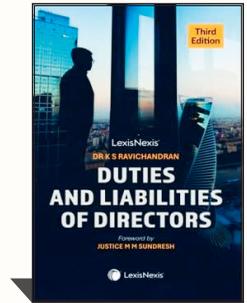
## CONCLUSION

The modern business environment is no longer static. Regulatory frameworks are tightening globally, with mechanisms like the Carbon Border Adjustment Mechanism (CBAM) penalize carbon-intensive exports. The green transition of India's MSMEs is not merely a moral or environmental obligation, it is a strategic imperative. Domestically, India is moving toward stricter environmental audits and product ratings that reflect a company's ecological footprint. For a small enterprise, keeping pace with these shifting dynamics requires more than just intent; it requires a structural overhaul of how they perceive value and risk. India has ambitious targets to reach Net Zero by 2070. Since MSMEs contribute nearly 30% of the country's GDP and a vast portion of industrial emissions, they are the ground zero for climate action. When a single MSME adopts a solar rooftop or a water-recycling plant, the impact is localised, however when clusters do that across geographies, it alters the national energy trajectory. This is inclusive growth in its truest form ensuring that the smallest players are not left behind in the race toward a modern, green economy. These initiatives are designed to make green transitioning both accessible and economically viable. By embracing sustainability, MSMEs not only contribute to India's climate commitments under India's Nationally Determined Contributions (NDC), the Paris Agreement and SDGs but also become more resilient, future-ready businesses that can thrive in a rapidly evolving global economy.



# Duties and Liabilities of Directors

<b>Author</b>	Dr. K. S. Ravichandran
<b>Publisher Name:</b>	LexisNexis
<b>Edition:</b>	Third Edition (2026)
<b>Price:</b>	INR 1795/-
<b>Pages:</b>	390



## INTRODUCTION

The evolving corporate environment in India necessitates robust governance and accountable leadership from the Board. The Board of Directors holds both legal and strategic duties to safeguard the interests of the company, its shareholders, and other stakeholders. Directors can encounter substantial risks and often carry personal liability that exceeds their legal responsibilities for the success of their companies. This situation is particularly relevant for small and medium enterprises, where directors, often being friends or family members, commit all their resources to the business.

Directors hold a crucial position as they drive the company's policies, programs, and strategies to achieve growth. Continuous technology advancements and upgradation, cultural shifts, digitisation and process automation has posed a challenge for directors to build an ecosystem of ethical conduct and transparency in disclosures. Hence the endeavour is to develop proactive solutions to comply with regulations and satisfy the aspirations of investors, shareholders and other stakeholders who are directly or indirectly involved in the company decisions.

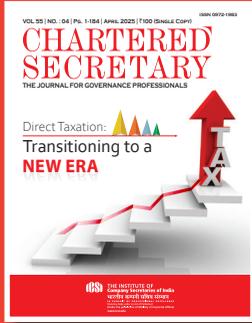
Directors need to enhance their competencies and skills by letting go of outdated practices and embracing new knowledge. For directors of listed companies, there is a greater obligation for compliance, transparency, disclosures, and adherence to elevated corporate governance standards in line with regulatory requirements. They strive diligently to meet the expectations of investors and shareholders while taking on the challenge of advancing their business in a fiercely competitive environment.

## DETAILED REVIEW

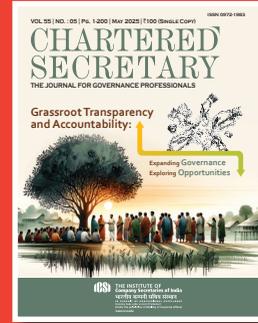
Beginning with the discussion on 'Duties of Directors' explicates statutory and fiduciary duties of Directors, in Chapter 1, the book goes on to provide practical insights on 'Independent Directors and their Special Duties' in Chapter 2. Chapter 3 deals with the 'Collective Responsibilities of the Board of Directors', majorly covering their corporate powers and analysis of Governance design constituents. 'Liabilities of Directors' is enumerated in Chapter 4. Categories of liabilities, arising from conduct, levy of monetary penalties, dishonour of cheques, criminal cases, winding up, corporate insolvency and contractual liabilities are discussed in detail. The legal provisions on frauds provide practical insights to readers. Chapter 5 on 'The lessons and learnings for Directors', especially serve as a useful learning for readers who are aspiring to become directors. The chapter 6 on, 'Types of Directors, Appointment and Cessation of Directors', explicates the corporate practices and the various provisions under The Companies Act, 2013 and SEBI (LODR) that recognises types of directors, manner of retirement of directors, and the appointment & qualification of independent directors. The chapter on 'Most Frequently Asked Questions', is meaningfully divided into four sub-topics covering 108 questions on Directorships and Remuneration, Composition of Board of Directors, Governance and Board Process and Liabilities fostering application oriented learning. The book concludes with a detailed subject index arranged alphabetically.

## CONCLUSION

In this book, selected case laws are examined to explore the legal provisions in greater depth, focusing on the practical aspects of the responsibilities and liabilities of Directors. The book provides a global perspective to highlight international issues related to the subject. This book is a thoughtfully curated contemplation, shaped by personal experience, interactions, and a deep gratitude for the fiduciary principles that nurture Corporate Stewardship. It aims to be both a practical resource and an academic reference for directors, professionals, scholars, educators, and students. Citing of some important words and expressions as they appear in the book gives ease of reference for readers.



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