

CHARTERED SECRETARY

THE JOURNAL FOR GOVERNANCE PROFESSIONALS



UNION BUDGET 2025



CS Dhananjay Shukla
President, ICSI



CS Pawan G. Chandak
Vice-President, ICSI



**Embracing Ethical Responsibility and
Sustainable Leadership**



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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EDITORIAL

Embracing the change, the Institute, heralds the announcement of its newly elected **President, CS Dhananjay Shukla**, and **Vice-President, CS Pawan G. Chandak**. Under their able leadership, the Institute is set to navigate through its core objectives and responsibilities with a renewed focus on **good Corporate Governance**, a principle that has long been at the heart of the Institute's mission and be in forefront of achieving new horizons of excellence and innovation.

Ethical responsibility and sustainable leadership are the cornerstones of ethical conduct for professionals who have to take morally acceptable decisions, in the best interests of all stakeholders. The focus is to bring an equilibrium between the needs of the present without compromising the ability of future generations to meet their own needs. By crafting a clear vision that encompasses both ethical and sustainable goals, leaders can guide their organizations towards achieving a sustainable future while also promoting business success.

In continuation of these initiatives, this month's issue of Chartered Secretary Journal, lays emphasis on the theme **"Embracing Ethical Responsibility and Sustainable Leadership."**

The articles titled **'The 2030 Agenda for Sustainable Development: A Roadmap for Company Secretaries in India'**, **'CSR and Sustainable Leadership with emphasis on Public Sector Undertaking'**, **'The 2030 agenda for Sustainable Development'**, **'CSR and Sustainable Leadership: Shaping the future'**, and **'CSR and Sustainability Leadership'** aptly cover the various elements of CSR for sustainable growth with focus on applications of concepts such as Triple Bottom Line and the role of Company Secretary professional in augmenting the reputation of companies as leaders in implementing sustainability initiatives.

Further the articles on **'Employee well-being Linchpin of Ethical Leadership'**, **'Integrating Corporate Social Responsibility in the Corporate Governance Framework: A Pathway to Economic Sustainability'**, **'Sustainable Leadership in the Modern Era: Pioneering Ethical Governance and SDG Integration for Lasting Impact'**, elaborate on the well-being approach for postulating ethical leadership in corporates. The article titled, **'Law and Procedure relating to Significant Beneficial Ownership of shares under Section 90 of the Companies Act, 2013'**, analyses the section and lays down two criteria for consideration of an individual as an SBO.

The Research Corner section of the Journal on **'Surrogacy in India: Legal Landscape-Regulations, Rules including procedural aspects for Compliance'** analyses the developments and legal landscape of Surrogacy law in India.

The Global Connect section of the Journal aptly covers article on **'Greenwashing vis-à-vis Greenhushing: Governance through the lens of Sustainability'**, enumerating the global best practices, measures taken and guidelines.

Continuing with its tradition, the ICSI is organising its 7th Leadership Summit in this month. The Summit is a platform for the new leaders including Central and Regional Council Members, Chapter Chairmen/Persons, Head of the Departments, Head of CCGRTs, Regional Directors and Chapter In Charges, to meet, brainstorm, exchange ideas, and strategise for the future growth of the profession benefitting students and members.

Happy Reading!

CS Asish Mohan
(Editor - Chartered Secretary)

CHARTERED SECRETARY GREETINGS AND CONGRATULATES

**CS DHANANJAY SHUKLA AND CS PAWAN G. CHANDAK ON THEIR ELECTION AS PRESIDENT
AND VICE-PRESIDENT RESPECTIVELY OF THE INSTITUTE FOR THE YEAR 2025-26**



CS Dhananjay Shukla, President, The ICSI

CS Dhananjay Shukla, a Commerce and Law graduate, is a Fellow Member of the Institute of Company Secretaries of India (ICSI). He is a Practising Company Secretary based out of Gurugram and has expertise in the areas of Corporate Law, Securities Law and Taxation.

CS Dhananjay Shukla has been serving the ICSI in different capacities for last many years. He served as the Vice President of the ICSI for the year 2024. Prior to that, he was elected to the Northern India Regional Council (NIRC) of the ICSI for the term 2011-14 and then re-elected again for the term 2015-18. He was the Chairman of the Northern Region in the year 2017 and served in various other capacities during his tenure at NIRC. He also served as the Chapter Chairman of the Gurugram Chapter for two consecutive years during 2009 and 2010. His contributions as a member of the Secretarial Standards Board (SSB) of the ICSI during 2019 & 2020 were highly appreciated.

In his overall experience of more than 21 years as a Corporate Professional, he has worked as Company Secretary in large Corporate Groups before switching to the practice side in the year 2009. He has been instrumental in various Start-Up ventures set up in India by Foreign Promoters.



CS Pawan G. Chandak, Vice - 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 with varied experience in the fields of Corporate Laws, Foreign Exchange laws, Industrial laws, Legal Metrology, Secretarial Audits, 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.

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.

ELECTION OF PRESIDENT AND VICE-PRESIDENT, THE ICSI FOR THE YEAR 2025-26







- 1-4. ICSI delegation led by CS Dhananjay Shukla, President, The ICSI met with Ms. Deepti Gaur Mukerjee (IAS), Secretary, MCA, GoI, Shri Inder Deep Singh Dhariwal, Ms Anita Shah Akella, Shri Balamurugan D., Joint Secretaries, Ministry of Corporate Affairs.
- 5-6. Gurugram Chapter of NIRC of ICSI organized Seminar on the theme 'SME IPO & FEMA' on January 17, 2025 at Gurugram. CS Dhananjay Shukla, President, The ICSI was the Chief Guest and CS Pawan G. Chandak, Vice-President, The ICSI, CS Ashish Karodiya, Central Council Member, The ICSI, CS Ram Sahay, Chairman, Gurugram Chapter of The ICSI and other dignitaries also graced the occasion.
7. ICSI delegation led by CS B. Narasimhan, Immediate Former President, The ICSI met with Shri Sanjay Shorey, DG, DGCOA, MCA on being appointed as Govt. Nominee to The Council of The ICSI.
8. WIRC of ICSI and Bhayandar Chapter of WIRC of ICSI organized Joint Seminar on the theme "Governance for Growth" on January 4, 2025 at Bhayandar. CS B. Narasimhan, Immediate Former President, The ICSI was the Guest of Honour.
9. Noida Chapter of NIRC of ICSI witnessed the esteemed presence of CS Ranjeet Pandey, Former President, The ICSI and CS Vineet K Choudhary, Former Central Council Member, The ICSI on the very significant celebration of 32nd Foundation Day of Noida Chapter of NIRC of ICSI on January 17, 2025 at Noida.



10. The NIRC of ICSI organized the Annual Regional Conference for the year 2024-25, on January 18, 2025 at New Delhi. The conference was themed "Compliance Reimagined: Leading through Regulatory Changes," focusing on the evolving landscape of compliance and its impact on professionals. CS B. Narasimhan, Immediate Former President, The ICSI graced the occasion.
11. The NIRC of ICSI successfully organized the Rajasthan State Conference 2025 on January 12, 2025 at Jaipur. The conference was centred on the theme, "Navigating Regulatory Changes: The New Age of Compliance." The deliberation covered the Regulatory Updates under the new age of compliance. This conference was jointly hosted by Jaipur, Bhilwara & Ajmer Chapters.
12. NIRC of The ICSI organized Seminar on the theme Union Budget, 2025 on February 2, 2025 at New Delhi. CS Suresh Pandey, Central Council Member, The ICSI graced the occasion. Dr. Girish Ahuja, Eminent Tax Expert and CS Bimal Jain, Founder, A2Z Taxcorp LLP were the Guest Speakers at the seminar.
13. Noida Chapter of NIRC of ICSI in association with ICMAI Noida Chapter organised a technical session on "Analysis of Union Budget- 2025" for Members & Students on February 2, 2025. CS Suresh Pandey, Central Council Member, The ICSI graced the occasion as Guest of Honour along with CMA Vijendra Sharma, Former President, ICMAI as Special Guest and CMA Anil Kumar Jain, Chief General Manager, Indian Oil Corporation Ltd. and CA Jayendra Kumar Tiwary, RCM, CIRC of ICAI as speakers for the session. The Welcome address was delivered by CS Gaurav Keswani, Chairman Noida Chapter and CMA Pawan Dixit, Chairman, ICMAI, Noida Chapter.
14. A delegation led by CS Mohan Kumar A, Central Council Member, The ICSI along with CS Damodaran M. and CS Ashok Kumar Dixit, Regional Director, SIRC of The ICSI, met with Smt. Preeti Garg (IT), Principal Commissioner of Income Tax, Chennai on December 28, 2024.
15. Bhubaneswar Chapter of EIRC of ICSI organized- Evening Talk on Union Budget-2025 on February 3, 2025.
- 16-18. ICSI Long Service Awards bestowed upon employees for their long standing commitment with the Institute.

Glimpses from ICSI CCGRTs



1. CCGRT Kolkata organised its 6th batch of RCLDP from January 2 - 16, 2025. CS Dhananjay Shukla, the then Vice - President, The ICSI and Chairman, CCGRT. CS Sandip Kejriwal, Central Council Member and Convenor CCGRT Kolkata and CS Rupanjana De, Central Council Member, The ICSI also addressed the young professionals on this occasion.
2. A physical meeting of Debating Society of ICSI CCGRT Kolkata was held on January 5, 2025 at Kolkata. CS Dhananjay Shukla, the then Vice – President, The ICSI and Chairman, ICSI CCGRT Kolkata; CS Sandip Kejriwal, Central Council Member, The ICSI and Convenor, CCGRT Kolkata; CS Rupanjana De, Central Council Member, The ICSI interacted with the participants on this occasion.
3. 28th Residential Corporate Leadership Development Program (RCLDP) was organised from January 3-18, 2025 at ICSI-CCGRT, Mumbai. CS B. Narasimhan, the then President, The ICSI interacted with the participants.
4. The ICSI-CCGRT, Hyderabad organized its 6th batch of Three Days Residential / Non-Residential 'Advanced Simulation Training Program on Commercial Arbitration' from January 10-12, 2025. CS Venkata Ramana R., Central Council Member, The ICSI & Convenor, Managing Committee, CCGRT, Hyderabad addressed during the inaugural session. Besides, CS Noorul Hassan, Advocate, Partner, Corporate and M&A Lakshmikumaran & Sridharan, Hyderabad and CS (Dr.) Pundla Bhaskara Mohan, Former Judicial Member and H.O.D, Jaipur Bench, NCLT, Advocate of High Court of Telangana, Arbitrator and Mediator, Hyderabad, covered the technical aspects of the program.



सरस्वत्यै नमो नित्यं भद्रकाल्यै नमो नमः।
वेदवेदान्तवेदाङ्गविद्यास्थानेभ्य एव च ॥

(Innumerable salutations to Devi Saraswati and salutations to Devi Bhadrakali.
Humble obeisance to the seats (sources) of the Vedas, Vedanta, Vedangas and all
knowledge and learning.)



Dear Professional Colleagues,

The Chair and the Office of the President, accord the person manning it with a host of opportunities. Where on one hand, they are allowed to manifest their visions envisaged for the profession; on the other, they find themselves in the position of a conduit between various stakeholders. Of the multifarious prospects of communication offered, the Chartered Secretary Journal, is the most unique of them all. The President Page as is this Message called is a stupendous chance to be pen-friends with more than 76,000 members, 2.5 lakh students and a million more count of stakeholders.

Akin to the Institute, which has a historic legacy of close to six decades, the Chartered Secretary Journal, too, has with its long-standing commitment of spreading knowledge, been around for more than 5 decades, bringing academia and the profession closer to share opinions, thoughts, perspectives and possibilities.

If my own journey of more than 2 decades, which I might add, would include my stints as Chapter Chairman, Regional Council Chairman, Central Council Member and Vice-President, too; has taught something, it is that, 'you cannot serve the people if you don't know the people'. And for a person who has always taken great pride in his connection to the roots, what better way would it be to foster ties and connections with each one of you !

ONSET OF SPRING : SEEKING BLESSINGS OF INTELLECT

हे निरंजना ! मुझे सरस सुगम विचार दे !
तूलिका चले सतत अहो ! अकुंठ धार दे !
बुद्धि दे विवेक दे शिवानुजा सरस्वती !
शब्द व्यंजना व शिल्प को नया निखार दे !

The celebration of Vasant Panchami, is a moment to not only seek the blessings of Maa Saraswati, but also to acknowledge the blessings already endowed with, in the form of professional education, and the ability to utilize the same in national development. It is with the knowledge accumulated over years, that we, to the best of our intentions extend our professional opinions and advice – advice that shapes the governance culture of corporations and sometimes even alters their fate as well.

With the above verse of *Saraswati vandana* by a young poetess Ms. Ankita Singh, seeking blessings of commitment, diligent thought and an active contribution to the societal development, I bow before *Maa Saraswati* – the bestower of divine wisdom, pure intellect and the power of virtuous voice.

May our professional endeavours find alignment with the national goals and aspirations !!!

INCLUSIVITY, COHESIVENESS, TRANSFORMATION: SETTING THE TONE FOR 2025

The year 2025 is particularly unique on account of the fact that it marks the completion of the first quarter of this Century. It is a moment for us, as a nation first and as a profession in particular, to take lessons from the past and chalk out the dimensions for the future.

As a profession which takes great pride in continually shaping, reshaping, strengthening and solidifying the governance structures within the Indian corporations, it is imperative that each of our step and move ahead is well thought of and planned to the hilt.

It is with this contemplation, that a theme is chosen to guide the way ahead, as we lay our deeper focus on serving the national goals of Viksit Bharat. 'Inclusiveness', 'Cohesiveness', 'Transformation' or ICT as we are going to refer to, for the rest of the year is the tripod of ICSI decision making – the beacon of perspective planning – the inspiration for our newfangled steps... And as we intend to pursue our vision '*to be a global leader in promoting good corporate governance*', I would request all our stakeholders – our members, students, Regulatory Authorities, members of Trade and Industry and even our Overseas Governance companions to share this journey with us in full fervour and spirit...

THE INDIAN CONSTITUTION : TRUE EMBODIMENT OF INCLUSIVITY

*"We, THE PEOPLE OF INDIA,
..... In Our Constituent Assembly, this 26th day of November
1949, do HEREBY ADOPT, ENACT, and GIVE TO
OURSELVES THIS CONSTITUTION."*

It is indeed a matter of great joy, one that words might fail, to fully express. Within a week of taking to the Chair, the nation-wide celebration of the longest written Constitution of the world – the Constitution of India, and its adoption brings to us a very special moment – to unfurl the national flag, sing the national anthem, and with that feel blessed to be born in this magnanimous country and call India our motherland.

This year, as we celebrated the 76th Republic Day at ICSI Headquarters, similar celebrations took place across all CCGRTs, Regional Offices and Chapters of ICSI, many of them also presided over by distinguished dignitaries. I extend my heartiest gratitude towards Mr. Justice M. M. Kumar, Former President, NCLT for sharing this celebratory moment with us and joining us in honouring the legacies of those who charted the course of journey of this nation...

Truly proud to be born an Indian !!! Jai Hind !!!

ICSI LONG SERVICE AWARDS : HONOURING COMMITMENT AND COHESIVENESS

As the nation joins in the celebration of Republic Day, there is a celebration unique to ICSI. It is during the Unfurling of Flag, that the ICSI also honours and congratulates its employees who have been around with us in this journey and with their commitment and dedication shaped the lives of many a students, resolved member queries as a matter of family and thus led the Institute and the profession forward.

Not only do I feel a sense of deep pride to be able to serve besides such a dedicated Team of employees, I feel honoured to know that their loyalties with the profession run deep into their very being – it is these men and women who have with their conduct defined true professionalism.

My salute to all of them and hearty congratulations to the recipients of Long Service Awards !!!

UNION BUDGET : NATIONAL TOOLKIT FOR GLOBAL TRANSFORMATION

*'Desamante Matti Kaadoi, Desamante Manushuloi';
'A country is not just its soil, a country is its people.'*

The above words as quoted by Smt. Nirmala Sitharaman, Hon'ble Minister of Finance and Corporate Affairs, as she delivered the Union Budget 2025-26 to the nation, fully portrayed the five-pronged approach of the government – to accelerate growth, secure inclusive development, invigorate private sector investments, uplift household sentiments, and enhance spending power of India's rising middle class.

The fact that the intent is to embark on a journey to unlock our nation's tremendous potential for greater prosperity and global positioning has been well accounted for in all the aspects covered therein. And as an institution which takes great pride in taking the national goals and agenda forward, we are and will be delighted to participate in the national ventures of growth and development.

As has been outlined in the speech of the Hon'ble Finance Minister, the destination of Viksit Bharat can only be achieved with an Inclusive spirit which is definitely required to be fuelled by reforms – ones that the Government intends to initiate in plenty. The demarcated four engines of development – Agriculture, MSMEs, Investment and Exports are bound by one common factor – governance. Good governance stands at the cornerstone of all initiatives – be it those intended towards IFSCs or the Maritime Industry, be it MSMEs Schemes or agriculture and manufacturing stimulating ones.

What is most deeply heartening is the fact that all these schemes and initiatives touch upon and focus on all areas of growth and development from the 'PoV' of Inclusivity, Cohesiveness and Transformation. For it is these focal points which will be driving our initiatives at the Institute of Company Secretaries of India, in the year ahead...

To quote the Hon'ble Minister once again, "Reforms, however, are not a destination. They are a means to achieve good governance for our people and economy. Providing good governance primarily involves being responsive."

As the Government commits to understanding the pulse of the nation and responding while balancing our nation-building efforts, the ICSI commits to strengthening the roots of governance in all forms of entities with its diversified actions. And to further embody this emotion, we released a dedicated 'Info Capsule' giving Highlights of the Union Budget 2025-26 and with that the ICSI's views on the same.

Our heartiest congratulations to the Hon'ble Finance Minister and the entire Team of Policy makers at the Ministry for such a comprehensive budget symbolizing Inclusiveness, Cohesiveness and Transformation.

Let us build a great Nation together !!!

WELCOMING NEW LEADERSHIP : WITH POWER ACCOMPANIES RESPONSIBILITY GALORE

कर्मण्येवाधिकारस्ते मा फलेषु कदाचन ।

मा कर्मफलहेतुर्भूर्मा ते संगोऽस्त्वकर्मणि ॥

(You only have a right to action (karma) and not to the fruits of your karma.)

- Shloka 2.47 Shrimad Bhagavad Gita

As we begin the journey with new leadership at all levels of the Institute's functioning, it is a common understanding, that having shared such deep ties with the Institute since our days as a student; the urge to serve the profession to the best of our abilities is felt strongly in all of our hearts. Each one of us has, in the back of our minds, listed a few goals that we wish to pursue, all with the intent of taking our alma mater to greater heights.

Although, I will be accorded a wonderful opportunity, to deliberate on the future of the Institute at the upcoming 'Leadership Summit 2025'; I would like to take this moment to share something that I have learnt over the years of serving this Institute through various designations.

Friends, what we can achieve from working as Team, as a family and in tandem with each other, supersedes what any one of us, howsoever visionary, could achieve alone. The synergies created in our togetherness, is what shall truly benefit, not just our fellow members in our near vicinity, but our members, students and a long list of stakeholders.

Call it the ripple effect, but an initiative launched and introduced at the ICSI Headquarters, decided upon by the Council; only finds its true results, when all of us work in harmony and with great solidarity.

In the days to follow, I expect to witness the highest level of comradeship being portrayed by all members of Regional Councils, Chapter Managing Committees, CCGRT Management Committees, and with them, their Teams working in sync with them.

MEETINGS AND GREETINGS : FAITH AND GRATITUDE WRAPPED IN ONE

"There are many who give advice, but great are those who offer to guide."

As an Institute laying our emphasis on corporate governance and the laws governing Indian companies, we take immense pride in writing on our masthead, that the Institute works under the jurisdiction of the Ministry of Corporate Affairs.

Beginning my tenure as the President, ICSI it only seemed befitting to seek guidance from the very Ministry of Corporate Affairs (MCA) and align our goals to reap maximum governance.

I feel deeply gratuitous towards Ms. Deepti Gaur Mukerjee (IAS), Secretary, MCA; Shri Inder Deep Singh Dhariwal, Shri Balamurugan D., and Ms. Anita Shah Akella, Joint Secretaries, MCA for portraying their faith

in the profession as the perfect handholds for Indian corporations and sharing their expectations for future action which we hope to live up to with utmost dedication under their able guidance.

THE FUTURE AHEAD : TIMES OF ENDLESS POSSIBILITIES AWAIT

Life doesn't require that we be the best, only that we try our best.

The above words of a great author, H. Jackson Brown Jr., would serve as the perfect 'Instruction Book' in the days ahead. If the Institute intends to hold on to the mantra of Inclusivity, Cohesiveness and Transformation, the same cannot be achieved by the acts, activities and actions of a single person alone. For the benefits of these initiatives to percolate to the last intended stakeholder, it would require an inclusive and cohesive approach on all our parts.

It is only then that we will be truly able to transform ourselves and the profession to be the global leaders in good corporate governance and the nation to become the second-largest global economy by its 100th year of independence – 2047.

With the intent of bringing the ICSI – closer to its stakeholders and to build and foster stronger ties between the two, the Institute is all set to provide speedy resolution to the issues, challenges and grievances which might be facing the members and students of ICSI. The QRRT or Quick Response and Resolution Team of ICSI, is the ICSI way of giving ease of response and resolution across all the functional domains of ICSI. The leading thought behind this initiative and this Team is the feeling of oneness with all our stakeholders. This is our way of saying 'Your problems are not yours alone'. Your issue may be trivial or substantial – no matter what, we are there for you !!!

As we look towards future, it cannot be forgotten, that this Institute as it stands today is the result of the hard work and toiling of a long list of leaders and Team members. Stepping in as the 51st President of the ICSI, I, no doubt, would always be looking upto our Former Presidents, Secretaries, Council Members, and members of Team ICSI for it is their years of experience and the best interest of the profession at heart which shall alight the way.

Moving ahead, I look forward to your ideas, suggestions and feedback, for strengthening the profession and this Institution. Our combined effort shall lead the governance of this nation.

तत्परिवर्तनं भव ॥

Be the change.

Warm regards,

Yours Sincerely



CS Dhananjay Shukla
President, ICSI

This Month That Year



Hon'ble Minister formally laying the foundation stone.

SIRC - Opening of office building: Shri K. Rajaram, Minister of Industries and Agriculture, Tamil Nadu addressing on the dais are (L to R) Sarvashri T.P. Subbaraman, K.V. Narasimhan, R.V. Nagarajan and R. Ramachandran.



Dombivli Chapter : Inauguration of Office premises - Shri R. Ramachandran speaking. Others seen on the dais are (L to R) Sarvashri P.N. Krishnan, V.S. Wadagbalkar, Madahav Joshi, S.P. Dave and V.R. Agnihotri.

Foundation Day celebrations - Dr. M.I. Savadathi (Vice-Chancellor of Mangalore University) addressing. Others seen are (L to R) M.V. Bhat, B.V. Kamath, S.V. Kudva (M.D., Canara Workshops Ltd.), P.T. Rangamani and A.S. Kadambar.





Institute of Governance Professionals of India

(An ICSI initiative for nurturing governance and sustainability)



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(Under the jurisdiction of Ministry of Corporate Affairs)

Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थं तेन लब्धं श्रेयते इयं तेन लब्धः

Mission

"To develop high calibre professionals
facilitating good corporate governance"

3rd ICSI BOARD MENTORSHIP PROGRAMME



2nd to 5th April, 2025



Srinagar, Jammu & Kashmir

Registration Link: <https://bit.ly/ICSI-III-BMP-2025>

Connect with ICSI

www.icsi.edu | | Online helpdesk : <http://support.icsi.edu>

Activity Highlights of January, 2025

ICSI ELECTS ITS NEW PRESIDENT AND VICE PRESIDENT FOR THE YEAR 2025

CS Dhananjay Shukla elected as the President and CS Pawan G. Chandak elected as the Vice-President of the Institute of Company Secretaries of India (ICSI) for the year 2025 w.e.f. January 19, 2025.

MEETINGS WITH DIGNITARIES

- Ms. Deepti Gaur Mukerjee (IAS), Secretary, Ministry of Corporate Affairs
- Ms. Anita Shah Akella, Joint Secretary, Ministry of Corporate Affairs
- Shri Balamurugan D., Joint Secretary, Ministry of Corporate Affairs
- Shri Inder Deep Singh Dhariwal, Joint Secretary, Ministry of Corporate Affairs

3RD ICSI BOARD MENTORSHIP PROGRAMME DURING APRIL 02-05, 2025 AT SRINAGAR, JAMMU & KASHMIR - REGISTRATIONS OPEN

In view of the success of the first two editions, the 3rd ICSI Board Mentorship Programme of the Institute of Governance Professionals of India is being organized during April 02-05, 2025 at Srinagar, Jammu & Kashmir. The 4-day Residential Programme is aimed at enhancing the skills and updating the knowledge of Industry Leaders, present and future directors, Senior Management, and strategic decision-makers. The Programme has been curated keeping in sight the altering dynamics of the Indian business ecosystem and ever growing and transforming role of directors on the Boards of Indian companies.

Registration Link : <https://bit.ly/ICSI-III-BMP-2025>

ICSI NATIONAL TAX CONFERENCE HELD ON JANUARY 02, 2025 AT CHENNAI

To create nationwide capacity building of members on tax matters, the ICSI has decided to organise National Tax Conference with an objective to sensitize the Company Secretary professionals on various tax aspects and professional opportunities therein. The maiden National Tax Conference was organised by the ICSI on 2nd January, 2025 at The Savera Hotel, Chennai with a gathering of over 250 participants. Dr. D. Sudhakara Rao, IRS, Chief Commissioner of Income Tax, Chennai and Shri K. Annamalai, Former IPS were Guests of Honour at the ICSI National Tax Conference.

2ND NATIONAL CONVENTION OF INSOLVENCY PROFESSIONALS & REGISTERED VALUERS

The 2nd National Convention of Insolvency Professionals & Registered Valuers conducted jointly by ICSI, ICSI Institute of Insolvency Professionals and ICSI Registered Valuers Organisation and hosted by ICSI-NIRC on the theme 'Insolvency and Valuation: Navigating Challenges and Future Pathways' was held on January 11, 2025 at The Park Hotel, Sansad Marg, New Delhi. Sh. Mahendra Khandelwal, Hon'ble Member (Judicial), National Company Law Tribunal, Smt. Anita Shah Akella, Hon'ble Joint Secretary, Ministry of Corporate Affairs, and Hon'ble Justice Sh. M M Kumar, Founder President of National Company Law Tribunal & Former Chief Justice of Jammu & Kashmir High Court, presided over as Special Guests.

CELEBRATION OF 76TH REPUBLIC DAY

Republic Day holds great significance to all of us, as it is the occasion when we honour the day on which the Constitution of India came into effect while replacing the Government of India Act, 1935. To rejoice the glory of India, the Institute celebrated 76th Republic Day on January 26, 2025 by unfurling the national at the ICSI Head Quarters, CCGRTs, Regional Offices and Chapters Pan India.

EEE4.0 – MASTER KNOWLEDGE SERIES

During the month following webinars were conducted under the EEE 4.0- Master Knowledge Series:

Date	Topic	Faculty	YouTube Link
January 08, 2025	Valuation of securities: Legal Requirements	CA Tarun Mahajan, Registered Valuer	youtube.com/live/J3LrhLeov5k
January 16, 2025	Loan To Directors and Loan & Investment by Companies	CS Nagendra D Rao CS Devendra V Deshpande Former Presidents, ICSI	youtube.com/live/8rabkdo6dIM

MOU WITH THE COCHIN CHAMBER OF COMMERCE AND INDUSTRY

The Institute has entered into an MoU with the Cochin Chamber of Commerce and Industry on January 08, 2025 in order to conduct the Joint Professional Development workshops, seminars, continuing education and training programmes for students, practicing professionals and corporate executives on themes of topical and professional interest and to hold several other activities/projects mutually and severally beneficial to the parties.

MOU WITH THE NSE IFSC LIMITED (NSE IX)

The Institute has inked an MoU with NSE IFSC LIMITED (NSE IX) on January 12, 2025 to collaborate and mutually work in good faith to meet areas of cooperation of this MoU and also to develop GIFT-IFSC as a Global Listing Center by creating awareness about the opportunities available in GIFT IFSC.

JOINT PROGRAMMES

Date	ICSI's Role	Event and Topic	Organising Entity
January 21, 2025	Associate Partner	13 th AIBI Annual Convention 2024-25 on the theme 'IPOs in Emerging Global Superpower'. Smt. Madhabi Puri Buch, Chairperson, SEBI was the Chief Guest.	Association of Investment Bankers of India at Jio World Convention Centre, BKC, Mumbai

SECOND BI-ANNUAL EASTERN REGION CONVOCAION FOR FY 2024-25

Date	Region	Venue	Number of Awardees
January 16, 2025	WIRC	Buntara Bhavan, Baner, Pune	FCS : 15 ACS : 444 PMQ Awardees : 10 Students Awardees : 10

CERTIFICATE COURSES

During the month, Online Classes were organized for the following Courses:

- Certificate Course on Forensic Audit- Batch 8
- Certificate Course on IFSCA- Batch 1
- Certificate Course on ESG- Batch 1
- Certificate Course on Independent Director- Batch 8
- Certificate Course on Mediation- Batch 1
- Certificate Course on CSR- Batch 11
- Certificate Course on POSH- Batch 8

CRASH COURSES

The Institute organised following batches of Crash Courses during the month:

- 2nd Batch of Crash Course on A to Z of IPO.
- 1st Batch of Crash Course on Artificial Intelligence and IT Tools.

Around 750 members registered for these Courses.

PEER REVIEW CERTIFICATES ISSUED

During the month January 2025, Peer Review of around 70 Practice Units was completed and accordingly Peer Review Certificate issued. The updated list of Peer Reviewed Units and can be accessed at www.icsi.edu/media/webmodules/List_Peer_Reviewed_Practice_Units.pdf

E-LEARNING FACILITY

The E-learning services have been configured to execute the switchover of Executive syllabus from 2017 to 2022. LMS has been utilised for offering Certificate Courses, Crash Courses, PMQ courses, PCS Orientation Program, Knowledge on Demand, ECPE Assessment in a completely automated environment including Registration, Fee Payment, Examination, Notifications and Certification etc.

FORMATION/RENEWAL OF ICSI STUDY CIRCLES

The ICSI has been promoting the Formation/Renewal of Study Circles for creating knowledge upgradation avenues through professional discussion and deliberation. Study Circle formed/renewed in January 2025 for the FY 2024-25 were as under:

Region	Name of the Study Circle	Formation/Renewal
WIRC	Aditya Birla Group (Corporate) Study Circle of ICSI	Formation

PLACEMENT OPPORTUNITIES FOR COMPANY SECRETARIES

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

(January 2025)

No. of Corporates/ MCA and other Government Bodies/ PSUs/ PCS Firms that Posted Jobs	301
No. of Openings available	510

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

STATUS OF REGISTRATIONS AND POSTINGS AT THE PLACEMENT PORTAL

(As on January 30, 2025)

Registered Users			Total no. of Vacancies
Members	Students	Corporates	Jobs / Trainings
20,154	29,255	7,181	31,116

ICSI-SECTION 8 COMPANIES

ICSI INSTITUTE OF INSOLVENCY PROFESSIONALS

• WORKSHOPS

Date	Subject	Speaker(s)	YouTube link
Jan 02, 2025 Jan 03, 2025 Jan 04, 2025 Jan 06, 2025 Jan 07, 2025	Perspectives on IBC - An Array (Series - XIV)	IP, CS and CMA Siva Rama Prasad Puvvala	youtube.com/watch?v=HobggmnpKG8&t=4s youtube.com/watch?v=VVFU7cWs9Yw youtube.com/watch?v=B0JSVhvnEYo youtube.com/watch?v=u9kodq0rFzM youtube.com/watch?v=XF8Hdek4rE
Jan 25, 2025	IBC Claim Handling and Judicial Pronouncements on Claims	IP and CS Amit Gupta IP and CS Suhasini Ashok B.	Workshop IBC Claim Handling and Judicial Pronouncements on Claims (Part I) Workshop IBC Claim Handling and Judicial Pronouncements on Claims (Part II)

• WEBINARS

Date	Subject	Speaker(s)	YouTube link
17/01/2025	Impact of IBC on Competitive Landscape of Banking Sector	IP John Vincent A.	youtube.com/watch?v=u7ICU4H1wXs
24/01/2025	Personal Guarantor Liabilities: Insights from Landmark Judgments	IP and CS Sucheta Gupta	youtube.com/watch?v=aovYelU9MMg

• Joint Programmes

Date	Joint collaboration with	Event
January 07, 2025	IBBI, IIIP ICAI and IPA ICAI	Workshop for Insolvency Professionals
January 11, 2025	ICSI and ICSI RVO	2 nd National Convention of Insolvency Professionals and Registered Valuers
January 17, 2025	IBBI, IIIP ICAI and IPA ICAI	Workshop for Insolvency Professionals
January 27, 2025	IBBI, IIIP ICAI and IPA ICAI	Insolvency Professionals' Conclave

ICSI REGISTERED VALUERS ORGANISATION

Date	Programme	Topic	Faculty
January 11, 2025	2 nd National Convention of Insolvency Professionals and Registered Valuers	-	
January 07-14, 2025	50 Hours Online Educational Course on "Valuation of Securities or Financial Assets"	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 Dhabda CS Rajiv Garodia CMA Murali Raman CA Tarun Mahajan CS Harish Chander Dhamija
January 28, 2025	Online Continuing Professional Education (CPE) (For FY 2024-2025)	Unlocking New Horizons: International Valuation Standards 2025	CS Harish Chander Dhamija

INSTITUTE OF GOVERNANCE PROFESSIONALS OF INDIA

• 2nd ICSI Board Mentorship Programme during January 06-09, 2025 at Sri Vijaya Puram (Port Blair), Andaman & Nicobar Islands

In view of the success of the 1st edition, the 2nd ICSI Board Mentorship Programme of the IGPI was organized during January 06-09, 2025 at Sri Vijaya Puram (Port Blair), Andaman & Nicobar Islands. The Programme witnessed the presence of 46 participants hailing from different parts of the country. The 4-day residential Programme aimed at enhancing the skills and updating the knowledge of Industry Leaders, present and future directors, Senior Management, and strategic decision-makers, keeping in sight the altering dynamics of the Indian business ecosystem and the ever growing and transforming role of directors on the Boards of Indian companies. The Inaugural Session was presided over by CS B. Narasimhan, CS Dhananjay Shukla, CS Manish Gupta, Directors, IGPI and CS Asish Mohan, Secretary, ICSI.

ICSI-CCGRTs

ICSI-CCGRT KOLKATA

• 6th RCLDP organised from January 02-16, 2025

CCGRT Kolkata organised its 6th batch of residential Corporate Leadership Development Programme from 2nd January 2025. 22 students from different parts of the country joined 15 days residential training programme. Students got an opportunity to interact with CS Dhananjay Shukla, the then Vice President, ICSI and Chairman, CCGRT. CS Sandip Kejriwal, Council Member and Convenor CCGRT Kolkata and CS Rupanjana De, Council Member, ICSI too addressed the young professionals on this occasion. The training programme concluded on 16th of January 2025.

• 2 Days Conference on January 04-05, 2025

2 Days Conference on the topic “Role of CS in Drafting and Analysis of Financial Statements and Opportunities for CS in Direct Taxes” was organised on 4th and 5th January 2025 at CS Deepak Kumar Khaitan Auditorium of CCGRT Kolkata. On Day-1 i.e. on 4th January 2025, CS Sandip Kejriwal, Council Member, ICSI and Convenor, CCGRT Kolkata welcomed all the delegates. CS Rupanjana De, Council Member, ICSI also addressed the participants on this occasion. Shri Chandan Ji, Deputy RoC, West Bengal addressed the delegates and shared the expectations of regulator from the professionals along with other speakers. CS Dhananjay Shukla graced the occasion on Day-2 i.e. on 5th January 2025 wherein he deliberated about the various significant roles that a Company Secretary has to perform as a Key Managerial Person.

• Debating Society Meeting on January 05, 2025:

A physical meeting of Debating Society of CCGRT Kolkata was held on 5th January 2025 at CCGRT Kolkata. All Mentors and Mentees present at the meeting got a chance to interact with CS Dhananjay Shukla, the then Vice President and Chairman, CCGRT. CS Sandip Kejriwal, Council Member, ICSI and Convenor, CCGRT Kolkata; CS Rupanjana De, Council Member, ICSI also addressed the participants on this occasion. Mentors - CS Rajesh Chura, Past Chairman, EIRC of ICSI, CS Hansraj Jaria, CS Arani Guha and CS Pritha Chaudhary along with their mentees were present on this occasion.

ICSI-CCGRT MUMBAI

• 28th RCLDP organised during January 03-18, 2025

The 28th batch of the Residential Company Secretary Leadership Development Program (RCLDP) was successfully conducted during January 03-18, 2025 at ICSI-CCGRT, Mumbai, with 28 participants hailing from various states across the country. The program was inaugurated by CS Devrajan Raman, PCS from Mumbai, who graced the ceremony as the Chief Guest. The valedictory ceremony held on January 18, 2025, was honored by the presence of CS Akanksha Rathi, PCS from Navi Mumbai & CS Ajay Aggarwal, Co-coordinator, ICSI-CCGRT, Mumbai.

• Seminar on ‘FEMA’ on January 05, 2025

ICSI-CCGRT, Mumbai, organized seminar on “FEMA” on 05th January 2025, conducted by CA Harshal Bhuta, PCA, Mumbai & CS (CA) Ranganayaki Rangachari, PCS, Mumbai. The seminar focused on prominent routes of Foreign Investment into India & Setting up of BO/PO/LO & Compounding of Offence under FEMA.

• Seminar on ‘AI IN CORPORATE GOVERNANCE’ on January 18, 2025

ICSI-CCGRT, Mumbai, organized seminar on “AI IN CORPORATE GOVERNANCE” on 18th January 2025. The workshop featured sessions by distinguished professionals Advocate Yogesh Pandit, Cyber Expert, State Legal Consultant - Madhya Pradesh Computer Emergency Response Team – MPCERT and CS Anshuman Chaturvedi, PCS, Mumbai. Around 39 members attended the seminar.

• Debating Society Session on 4th & 18th January 2025

The ICSI-CCGRT, Mumbai Debating Society conducted its second debate session on January 04, 2025, on the topic ‘CSR Regulation - Impact on Corporate Governance,’ providing insightful perspectives on how evolving regulations are shaping corporate strategies and practices. The third debate session took place on January 18, 2025 in a hybrid format (both online and offline) on the topic, “Artificial Intelligence (AI): Challenges vis-à-vis Boom for the

CS Profession,”. CS K. Venkataraman shared valuable feedback on the motion, emphasizing the importance of knowledge-sharing and fostering growth through the Debating Society platform.

ICSI-CCGRT HYDERABAD

- 6th batch of 3-Days “Advanced Simulation Training Program on Commercial Arbitration” organized during January 10-12, 2025

The ICSI-CCGRT, Hyderabad organized its 6th batch of 3-Day Residential / Non-Residential “Advanced Simulation Training Program on Commercial Arbitration” during January 10-12, 2025. CS Venkata Ramana R., Council Member, the ICSI & Convenor, Managing Committee, CCGRT, Hyderabad addressed during the inaugural session. Besides, CS Noorul Hassan, Advocate, Partner, Corporate and M&A Lakshmikumaran & Sridharan, Hyderabad and CS (Dr.) Pundla Bhaskara Mohan, Former Judicial Member and H.O.D, Jaipur Bench, NCLT, Advocate of High Court of Telangana, Arbitrator and Mediator, Hyderabad, covered the technical aspects of the program.

- 7th batch of Online 3-days Basic Certificate Program on Commercial Arbitration organised during January 17-19, 2025

The ICSI-CCGRT, Hyderabad organized its 7th batch Online 3 days Basic Certificate Program on Commercial Arbitration from Jan 17-19, 2025. A total of 28 participants attended the program from across the country. Shri Veera Brahma Rao Arekapudi, Former Member (Technical), NCLT & General Manager (Retd), SBI, Hyderabad, graced the inaugural ceremony as the Chief Guest and addressed the participants in presence of CS R Venkataramana, Council Member, the ICSI & Convenor, Managing Committee, CCGRT, Hyderabad.

Technical sessions:

Important aspects of Indian Contract Act, 1872	Dr. Sridhar Mothe, Chairman, Indian Institution of Technical Arbitrators
Contract Administration and Performance of Contracts	CS (Dr.) S V Rama Krishna, Advocate, High Court of Telangana & Corporate Legal Advisor
Technical Arbitration in India	Dr. Risham Garg, Associate Professor, National Law University, New Delhi
ADR – Origin and History of Arbitration, Arbitration Vs. Judicial Adjudication	CS (Dr.) Pundla Bhaskara Mohan, Advocate, Telangana High Court & Arbitrator, Former Judicial Member, NCLT, Jaipur Bench

ICSI-REGIONAL OFFICES

ICSI-EIRO

- 1st Bengal State Conference of EIRC organised jointly with Hooghly & Siliguri Chapters on January 18, 2025
- Celebration of 76th Republic Day of EIRC jointly with CCGRT, Kolkata on January 26, 2025.
- STUDENT PROGRAMS
 - 5th Webinar mode CLDP (75) organized during January 07-23, 2025.
 - 33rd Regional Students Conference of EIRC organized at CCGRT, Kolkata on January 16, 2025.
 - 98th & 99th ODOP conducted on January 16, 2025. A total of 91 students participated therein.
 - Valedictory of 26th EDP batch organised on January 18, 2025.
 - 100th ODOP conducted on January 31, 2025. A total of 106 students participated therein.
 - 27th EDP batch commenced on January 31, 2025 with 25 students.

ICSI-SIRO

- Southern India Regional Conference of CS in Employment conducted on January 10-11, 2025 at Hotel Ramada Chennai.
- ICSI SIRC commemorated the 76th Republic Day on January 26, 2025 at SIRC premises. Wing Commander R Raja (Retd.) Indian Air Force (IAF), Senior Manager-Engg Training at Blue Dart Aviation Ltd, Chennai graced the event as Chief Guest.
- Meetings with dignitaries:
 - Smt. Preeti Garg (IT), Principal Commissioner of Income tax and Shri. Rajasekhar Reddy Lakkadi, IRS, Chief Commissioner of Income Tax on December 28, 2024
 - Prof (Dr.) N. S. Santhosh Kumar -Vice Chancellor, and Prof. (Dr.) Gowri Ramesh, Registrar of The Tamilnadu Dr. Ambedkar Law University, Chennai on January 21, 2025
- STUDENT PROGRAMS
 - 19th Batch of 15 Days EDP commenced from January 20, 2025.
 - 112th, 113th and 114th Batches of ODOP conducted on January 22-23-24, 2025.
 - Study Circle Meeting for Students on “Deposits under the Companies Act, 2013” held on January 24, 2025 at SIRC.

- 9th Batch of 15 Days Non-Residential CLDP commenced from January 27, 2025.
- 1st Session of ICSI Debating Society organised on January 31, 2025. The topics include Introduction to Debating and Internal Mooting Competitions. The session will be led by CS Aarthi, Company Secretary, Chennai.
- Rajasthan State Conference 2025 (jointly hosted by Jaipur, Bhilwara & Ajmer Chapters) organized on January 12, 2025, at Jaipur on "Navigating Regulatory Changes: The New Age of Compliance."
- Annual Regional Conference organized for the year 2024-25, on January 18, 2025, at New Delhi on the theme "Compliance Reimagined: Leading through Regulatory Changes".

ICSI WIRO

- Program on Latest Amendments to SEBI LODR Regulations on January 4, 2025
- KMP Summit organised on the theme "Navigating Leadership - नेतृत्व मार्गदर्शन कुर्वन्" followed by Foundation Day Celebration on January 17, 2025.
- ICSI-WIRC jointly with The National Stock Exchange of India organised Joint Program on the theme "Effective Board Governance, Strategies for Success" on January 21, 2025 at NSE, Bandra-Kurla Complex, Mumbai.
- JOINT PROGRAMS WITH CHAPTERS OF WIRC OF ICSI

January 03, 2025	Ahmedabad Chapter	Program on "Board Room Governance and Role of Independent Directors"
January 04, 2025	Bhayandar Chapter	Seminar on "Governance for Growth"
January 04, 2025	Navi Mumbai Chapter	Program on "SME Listing and evolving LODR Landscape"
January 09, 2025	Raipur Chapter	Chhattisgarh State Conference on "Digital Shield for Securing Finance"
January 18, 2025	All Gujarat Chapters	Gujarat State Conference

- STUDENT PROGRAMS
 - 15 Days Classroom Mode Executive Development Program batch was organised for the student of ICSI enrolled for Executive level.
 - 4 batches of ODOP organized for Executive Students of ICSI.
 - 26th Batch of 15 Days Classroom Non-Residential Mode CLDP organized from January 28, 2025 to February 14, 2025
 - 6th Batch of 15 Days Webinar Mode CLDP organized from January 28, 2025 to February 11, 2025

ICSI-NIRO

- New Year Get-Together organized for members and their families on January 03, 2025, at Masonic Club Janpath, New Delhi, providing an excellent opportunity for networking, camaraderie, and ringing in the New Year 2025 with cheer and enthusiasm.

- 76th Republic Day of India celebrated on January 26, 2025, with the Unfurling of Flag Ceremony at the NIRC premises, Prasad Nagar, Delhi. Mr. Justice M.M. Kumar, Former President of the NCLT presided over as Chief Guest for the event.

STUDENT PROGRAMS

- 28th Batch of 15 Days Classroom Mode Non-Residential CLDP organized during January 05-19, 2025.
- 29th Batch of 15 Days Classroom Mode Non-Residential CLDP commenced from January 28, 2025.
- 10th online CLDP conducted from January 01, 2025 to January 17, 2025.
- 11th online CLDP commenced on January 21, 2025.
- Total 6 batches of ODOP conducted during the month of January 2025.
- Online quiz competition on the Constitution of India organized for students on January 24, 2025.

INITIATIVES FOR EMPLOYEES

- General Healthcare Checkup Camp at Noida

A general healthcare checkup camp was organized at Noida Office in collaboration with Venkateshwar Hospital on January 08, 2025 for the wellbeing of employees, as a part of continuous employee welfare programme.

A team of 10 medical staff including an Orthopaedic and General Physician doctor visited the Institute. All employees posted at Noida office participated in the camp.

- Health Talk on the topic "Balancing Professional and Personal Life"

A Health talk on the topic "Balancing Professional and Personal Life" was organized on January 09-10, 2025 respectively for the employees posted at Noida and HQ, Lodi Road. The session was presented by Dr. Shakuntala Dawesar. All the employees posted at Noida and HQ, Lodi Road participated in the session.

- *Webinar on “Cervical Cancer” by Apollo Hospital*

A webinar was organized on January 24, 2025 on the topic “Cervical Cancer” by Apollo Hospital for the benefit of ICSI employees and pensioners. All employees and pensioners participated in the webinar presented by Dr. Shreevidya, MD, Apollo ProHealth and Dr. Pakhee Aggarwal, MS (OBS & GYN), Senior Consultant- Gynecology Oncology & Robotic Surgery, Indraprastha Apollo Hospitals, Delhi.

- *Long Service Award Function on the occasion of Republic Day Celebrations*

On the occasion of 76th 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, 10 employees received the Award at the hands of CS Dhananjay Shukla, President, ICSI, under different categories of awards, which was aired live across locations.

INITIATIVES FOR STUDENTS

EVENTS

- *Yuvotsav-2025 organised during January 11-12, 2025 at Ahmedabad*

Yuvotsav-2025, National Conference of Student Company Secretaries was organised on 11th - 12th January 2025 in Ahmedabad. More than 1300 students from across the country participated in various competitions in Yuvotsav-2025 through their Regional/Chapter Offices. Around 23 competitions were organised during Yuvotsav-2025 including Legal Puzzle, Elocution Competition, Debate Competition and Fashion show. The zeal and enthusiasm of the participants during Yuvotsav-2025 was unparalleled.

- *The ICSI Debating Society*

The "ICSI Debating Society", has been introduced as a platform designed to empower Executive and Professional students with public speaking abilities through an expert guiding them through the process of debating, presentation and delivery skills. The Debating Society will provide a framework for formal communication, sharpening impromptu 'think and speak' skills which is vital for success in the corporate world and also in the practising sphere.

The ICSI Debating Society is now active at the Regional Offices (**Kolkata, Delhi, Chennai, and Mumbai**) and in the ICSI Chapters at **Jaipur, Noida, Hyderabad, Ahmedabad, Bhopal, Indore, Nagpur, Thane, Gurugram, Bengaluru, Pune, and Kochi**.

FACILITATION AND RELAXATION

- *CS Mittr Scheme*

ICSI has introduced CS Mittr incentive Scheme wherein any person who is above 18 years of age is eligible to become CS Mittr under the scheme. Incentive @ ₹500 will be paid per student to the CS Mittr for each student registered in Executive Programme (subject to applicable tax deduction). Further, the above incentive will only be valid for the registration categories wherein concession in fees is not applicable. Persons willing to become CS Mittr will be required to apply through online process. After their credentials are verified and they are registered with ICSI as CS Mittr, they will be allotted a code number. Students will be required to mention the code as a referral code, while registering themselves for the Executive Programme.

To register visit: smash.icsi.edu/Scripts/Registration/Mitr_Registration.aspx?rmode=1#

- *ICSI Students Education Fund Trust (SEFT)*

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

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

The Institute is pleased to introduce a special scheme for students who:

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

Key Benefits:

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

As a result, 635 students registered in Professional Programme since May 2014. The detailed information is available at:

icsi.edu/docs/Webmodules/REREGISTRATION.pdf

- **Centralized Free Online Classes for Executive and Professional Programme**

ICSI is conducting free online Centralized classes for the students of Executive Programme (New Syllabus) and Professional Programme (New Syllabus) from 16th December 2024 onwards. These Classes are being conducted free of cost for the students. The classes are being conducted for the students eligible to appear in June 2025 examination and the duration of the classes will be 4-5 months. Students registered for these classes will be eligible to get exemption from pre-exam test subject to clearing of tests of respective group/s. Further, students registered for these classes will also be given free access to online doubt clearing classes conducted by the Institute.

- **Extension of compulsory switchover to Professional Programme students Old Syllabus (2017)**

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

- **Dedicated Helpline Number for Student Queries**

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

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

Many students started their CS Course with enthusiasm and ambition, but due to some personal reasons, the students discontinued their studies after passing the Executive. However, completing CS Course can be one of the best decisions they will ever make for their future. Considering this we are regularly communicating with the students via bulk mail/bulk sms who have passed Executive but not registered for Professional to complete their CS Course. As a result, more than 9266 students registered in Professional Programme up to January 2025.

- **ICSI Waiver/ Concession Scheme For Indian Armed Forces, Paramilitary Forces, Agniveers And Families Of Martyrs**

The Institute in alignment with the various initiatives of Govt. of India has launched ICSI Waiver/ Concession scheme for Indian armed forces, paramilitary forces, Agniveers and families

of Martyrs. Under the scheme, 100% concession will be given to the following categories in full Fee payable at the time of Registration in CS Executive programme. While all other fees, including those for trainings be applicable in full as per their respective category:

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

- **ICSI Samadhan Diwas**

ICSI successfully conducted the 51st Samadhan Diwas, on Wednesday, January 08, 2025. Samadhan Diwas is a unique initiative of the ICSI wherein “on-the-spot” resolution is provided on issues/ grievances of trainees and trainers. The purpose of the Samadhan Diwas is to facilitate the stakeholders to resolve their queries on the spot. In the Samadhan Diwas students get opportunity to present their cases and directly interact with the ICSI officials.

- **Activation of Switchover Option Along With Pre-Examination Fee for Professional Programme Old Syllabus (2017) Students**

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

- **Compulsory Switchover for Executive Programme from (Old Syllabus-2017) to (New Syllabus – 2022)**

The last examination under Executive Programme (Old Syllabus) has been conducted during December, 2024

Session. From June, 2025 Session onwards, all students under Executive Programme (Old Syllabus) shall be compulsorily required to switchover to Executive Programme (New Syllabus). No further extensions will be granted for the Executive Programme under the 2017 (Old) Syllabus. Announcement hosted at website at:

www.icsi.edu/media/webmodules/CumpolsorySwitchOver454241472154414584.pdf

- **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, **04** Education Verification requests of CS students were processed.

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

Institute has facilitated Executive Programme students to register directly for the Executive Programme classes at the time of Executive registration. Executive Programme students can now register directly for the Executive Programme classes conducted by the Regional/Chapter Offices at the time of Executive Programme registration. This will help the students to join classes at their nearest Regional/ chapter Office.

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

The Institute has decided that the students enrolling into the Company Secretary Course under New Syllabus, 2022 shall be eligible for paper-wise exemption (s) based on the higher qualifications acquired by them. Accordingly, necessary announcement including process of claiming paper-wise exemption has been shared for information to all concerned:

www.icsi.edu/media/webmodules/ATTENTION_STUDENTS_RECIPROCAL_EXEMPTION_NEW_SYLLABUS_2022_Updated.pdf

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

The Institute decided to issue Professional Programme Pass Certificate online via DIGILOCKER. The same initiative was Launched at 50th National Convention of ICSI at Kolkata with the support

of the National e-Governance Division (NeGD), Ministry of Electronics and Information Technology (MeitY), Govt of India. The students who passed on or after June 2021 Session of Examination can download Professional Pass Certificate from DIGI Locker.

- **Real Time Guidance for Students**

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

- **Executive Switchover :**

icsi.edu/media/webmodules/ExecutiveFAQ_SW_24082023.pdf

- **Professional Switchover to New Syllabus:**

www.icsi.edu/media/webmodules/Executive_FAQ_SW_23022023.pdf

TRAINING OPPORTUNITIES

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

No. of Corporates/ MCA and other Government Bodies/ PSUs/ PCS Firms that Posted Training and Semi qualified Job Opportunities	369
No. of Training Opportunities available	1123

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

COMPANY SECRETARY EXECUTIVE ENTRANCE TEST (CSEET)

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

- **Centralized online Classes of CSEET – January 2025 Session**

ICSI conducted online Centralized classes for the students registered for January 2025 Session of CSEET. Faculties with vast experience took these classes.

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

CSEET students can register directly for CSEET classes conducted by Regional/Chapter Offices at the time of CSEET registration. This will help the students to join classes hassle free at their nearest location.

Link to register smash.icsi.edu/Scripts/CSEET/Instructions_CSEET.aspx

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

The Institute has decided to grant exemption to Graduates or Post Graduates (without any criteria of minimum % of marks) in any discipline of any recognized University or any other Institution in India or abroad recognized as equivalent thereto by the Council from appearing in CSEET enabling them to take direct admission in CS Executive Programme. To get exemption from CSEET on the basis of above qualification, such students shall be required to pay applicable exemption fees along with the requisite registration fees for the Executive Programme. For more details, please click

www.icsi.edu/media/webmodules/granting_exemption_230621.pdf

- **CSEET Guide – I and CSEET Guide – II to be provided mandatorily to all students**

The Institute has decided that the **CSEET Guide – I** and **CSEET Guide – II** will be sent to all the students registering for CSEET by post, for which ₹500 will be taken at the time of registration from the students registering for CSEET in addition to ₹1500 (CSEET Registration fee).

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

CSEET Reference Reading Material (I and II) will be provided optionally to all the students at the time of CSEET registration. Students are required to remit ₹1000 in addition to ₹2000. The same is available at: www.icsi.edu/reference-reading-material/

KNOWLEDGE UPGRADATION

- **Student Company Secretary and CSEET Communique**

The Student Company Secretary e-journal for Executive/ Professional Programme students of ICSI and CSEET Communique covering latest updates on CSEET subjects have been released for the month of **January, 2025**. The journals are available on the Academic corner of the Institute's website at the link: www.icsi.edu/e-journals/

- **Research Tab under Academic Portal for students**

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

- **Recorded Video Lectures**

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

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

- **Info Capsule**

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

CAREER AWARENESS

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

S. No.	Region	Name of Institution	Date	Venue
1.	SIRC	SIET College	08-01-2025	Chennai
2.	NIRC	New Bal Vaishali Public School	10-01-2025	Delhi
3.	EIRC	St. Xavier's College (Autonomous)	11-01-2025	Kolkata
4.	EIRC	Burdwan Institute of Management & Computer Science	13-01-2025	Burdwan
5.	EIRC	Burdwan Town School	13-01-2025	Burdwan
6.	EIRC	Department of Business Administration, BU	13-01-2025	Burdwan
7.	NIRC	SBV Brahampuri	17-01-2025	Delhi
8.	EIRC	Goenka College of Commerce & Business Administration	17-01-2025	Kolkata
9.	WIRC	N. G. Acharya College	23-01-2025	Chembur
10.	NIRC	G.D Goenka Public School	23-01-2025	Delhi

S. No.	Region	Name of Institution	Date	Venue
11.	SIRC	Sindhi College	23-01-2025	Chennai
12.	EIRC	Loreto Convent Entally	25-01-2025	Kolkata
13.	SIRC	PSBB Millennium School	25-01-2025	Chennai
14.	NIRC	Dr. Radhakrishnan International School	27-01-2025	Delhi
15.	NIRC	SKV Rani Garden	28-01-2025	Delhi
16.	NIRC	Shyama Prasad Vidyalaya	28-01-2025	Delhi
17.	EIRC	Indus Valey World School	29-01-2025	Kolkata

• Academic Collaboration

Region	Name of Institution	Date	Venue
WIRC	Gujarat Maritime University	12.01.2025	Gandhinagar

• Career Guidance Sessions conducted

Career guidance programme involves providing comprehensive information about the admission criteria, application procedures, and the wide array of professional opportunities awaiting those who successfully complete the CS Course. The same helps the students, their families, teachers, and peer groups make informed decisions regarding their career paths. Invites were received from the following for conducting Career Guidance Sessions:

- Navodaya Vidyalaya Samiti for conducting Career guidance sessions across their schools
- NESTS, Ministry of Tribal Affairs for conducting Career guidance sessions across EMRS schools in the country Based on the circular, ICSI is conducting Career Guidance sessions across their schools.

• Career Guidance Programme at Cooch Behar

The ICSI and Paschim Banga Samagra Shiksha Mission (PBSSM), Govt of West Bengal, jointly organized, "Career Guidance Programme" for Heads of Institutions (HoI) and Nodal Teachers (NT) of all the Higher Secondary Schools (209) under PBSSM Cooch Behar District on January 29-30, 2025 at Utsav Auditorium, Cooch Behar, West Bengal.

The Programme was inaugurated by Smt. Sumita Barman, Sabhadhipati, Cooch Behar District. Shri Mahadev Saiba, District Education Officer, Cooch Behar and all other District Inspector and Sub Inspectors of Schools, officials of the Education Department were present in this programme and address the participants on need of Career Guidance for School Students. Shri Ravi Ranjan, IAS, Additional District Magistrate (Development) was present on the second day of the event and addressed the participants. CS Rupanjana De, Practising Company Secretary & Council Member, the ICSI, Dr. Tapas Kumar Roy,

Deputy Director, Dte of Student Services, the ICSI and Dr. Dhananjay Chakraborty, Trainer & Career Psychologist addressed the participants on the topics, Opportunities in Company Secretary Profession, Ease of Doing Career Counselling and Techniques for Exploring Career Avenues respectively. Around 550 teachers and education administrators attended the programme who will conduct Career Guidance of Students on a regular basis in their schools.

DIGITAL ICSI

- Automation of Generation of Single Roll number under Exam Enrolment Portal.
- Acquired Security Audit Compliance Certificate for ERP system, Stimulate Portal and Disciplinary Portal.
- Network Routers upgraded for Multiprotocol Label Switching (MPLS) connectivity at ICSI-Noida, NIRO of ICSI, SIRO of ICSI, WIRO of ICSI and ICSI-CCGRT, Mumbai.
- Migration of network from Multiprotocol Label Switching (MPLS) to Internet Lease Line (ILL) for VC systems at ICSI-HQ, New Delhi and Noida Offices, ICSI-CCGRT Mumbai, EIRO, WIRO and SIRO. Process of migration is in progress at NIRO.
- Replacement of all obsolete desktops/laptops with new desktops/laptops having latest WOS at ICSI-HQ, New Delhi & Noida offices for security compliance & effective performance.
- Acquired complete data center IT Infrastructure Audit Compliance Report.
- Issued Sanction orders to procure new hardware & latest software for security compliance and effective performance to
 - All the Chapter Offices at one go.
 - ROs and CCGRTs based on their requisitions.
- Upgradation of ILL bandwidth for ICSI data center from 100 MBPS to 200 MBPS and upgradation of network router.

76th REPUBLIC DAY PAN INDIA CELEBRATIONS HELD ON JANUARY 26, 2025

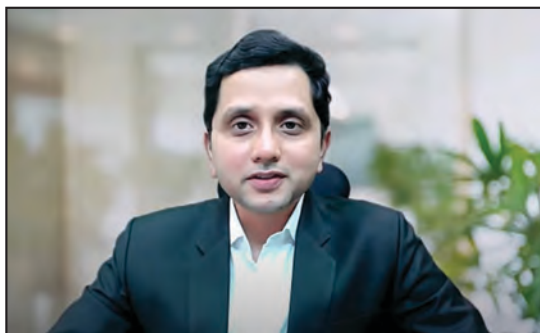




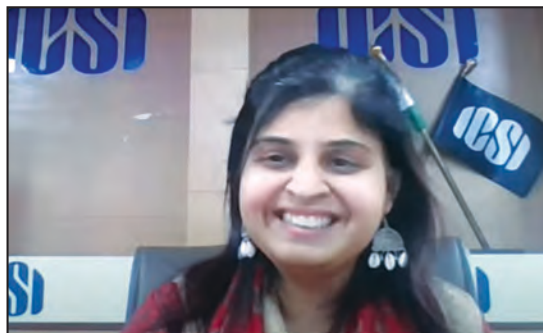
EEE 4.0 - MASTER KNOWLEDGE SERIES

WEBINAR ON

Valuation of Securities: Legal Requirements
held on January 8, 2025



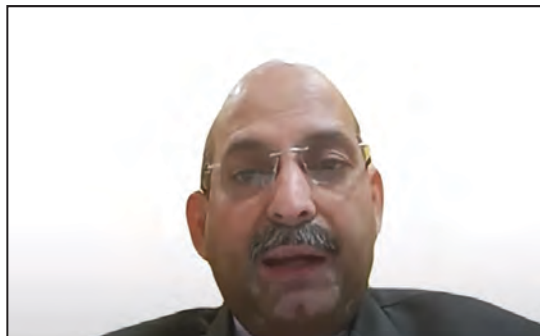
Faculty :
CA Tarun Mahajan
Registered Valuer



Moderator :
CS (Dr.) Pooja Rahi
The ICSI

WEBINAR ON

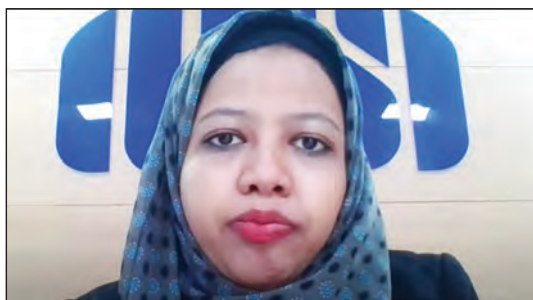
Loan To Directors and Loan & Investment by Companies
held on January 16, 2025



Faculty :
CS Nagendra D. Rao
Former President, The ICSI



Faculty :
CS Devendra V Deshpande
Former President, The ICSI



Moderator :
CS Iqra Jabin Ansari, The ICSI

Proceedings of the ICSI National Tax Conference held on January 2, 2025 at Chennai



To create nationwide capacity building of members on tax matters, the ICSI has decided to organise National Tax Conference with an objective to sensitize the company secretary professionals on various tax aspects and professional opportunities therein. The maiden National Tax Conference was organised by the ICSI on 2nd January, 2025 at The Savera Hotel, Chennai with a gathering of over 250 participants.

ICSI National Tax Conference witnessed overwhelming response from the professionals, regulators as well as eminent personalities from political diaspora. The presence of distinguished guests, invitees, speakers and professionals made the conference a great success.

INAUGURAL SESSION

Dr. D. Sudhakara Rao, IRS, Chief Commissioner of Income Tax, Chennai and Shri K. Annamalai, Former IPS were Guests of Honour at the ICSI National Tax Conference. Their motivating address inspired the company secretary professionals to explore untapped areas and professional opportunities in tax domain. The inaugural session commenced with ICSI motto song and concluded with the National Anthem.

CS B. Narasimhan, Immediate Former President, The ICSI, welcomed the Guests of Honour by presenting ICSI planters. Thereafter, CS Mohan Kumar A, Programme Director & Council Member, The ICSI introduced the Guests of Honour and other dignitaries on the dais followed by his welcome address wherein he briefed about the objective and expected outcome of the conference.

During his address, CS B. Narasimhan, Immediate Former President, The ICSI apprised the Guests and participants about the recent initiatives taken by the ICSI in promoting good corporate governance and the key recognition

conferred by Regulators on the profession of company secretaries. He also stated about the substantial increase in direct tax collections due to Government's commitment towards promoting a fair and efficient tax system with equal participation from professional fraternity in guiding the corporates and individuals in fulfilling their tax liabilities in accordance with the legal provisions.

He also praised the Government's initiatives towards bringing in much awaited tax reforms by way of direct tax code which aims to simplify and modernize tax laws in India. He anticipated the inclusion of Company Secretaries as eligible professionals to conduct tax audits in the near future, which not only expand the horizon for the professionals but also brings diverse expertise into the audit process, enhancing the overall efficiency and effectiveness of tax audits. He also assured the participants that the ICSI being a premier professional institute shall continuously and deeply focus on building the capacities of company secretary professionals, so that they all can contribute in the journey towards Viksit Bharat by 2047 which requires unwavering commitment and shared responsibility from all.

Guest of Honour, Dr. D. Sudhakara Rao, IRS, Chief Commissioner of Income Tax, Chennai during his address highlighted the various tax reforms initiatives taken by the Government of India including "Vivad se Vishwas" scheme which was launched in 2020 to address tax disputes. He stated that the Direct Tax Code (DTC), which is much anticipated tax reform may soon become a reality as the Government is very proactive to overhaul India's tax framework by simplifying direct taxation laws and with their expertise in corporate governance, legal compliance and taxation, the Company Secretaries professionals are rightly placed to play a pivotal role in helping taxpayers towards adoption of the DTC while optimizing tax liabilities in accordance with the given provisions. He also stated that the Company

Secretaries (CS) are going to play a critical role in navigating the various taxation aspects, advising the tax payers on the tax provisions and ensuring the implementation of the Direct Tax Code in letter and spirit.

Guest of Honour, Shri K. Annamalai, Former IPS, addressed the gathering with a data backed speech on tax reforms, economic growth and role of professionals therein. He also appreciated the role of company secretaries in shaping the Indian economy by rendering their services as governance professionals and upcoming opportunities which are anticipated through new Direct Tax Code.

He also explained the various tax reform initiatives taken by the Government of India and consequential growth in tax collection in the last 10 years which is necessary to glide India on a path of developed nation by 2047. He stated the examples of different economies which has successfully handled the economic challenges and currently are on the path of growth trajectory.

He emphasized that the role of professionals is critical in achieving the vision of developed nation in the next 23 years by bringing more MSMEs, entrepreneurship and big corporate investments to the Indian economy to increase the GDP as well as tax base in the times to come. He stated that by virtue of their corporate governance expertise, the company secretaries are rightly placed to give ethical advice to the Indian as well as foreign corporates who are willing to invest in India and bringing in much needed investment to boost the Indian economy.

Recognising the valuable contribution made by the Guests of Honour with their well-crafted speeches, the President ICSI presented mementos to the Guests of Honour on behalf of the ICSI. CS Pradeep B Kulkarni, Chairman, SIRC of ICSI proposed the vote of thanks and expressed his sincere gratitude to the Guests of Honour for gracing the ICSI National Tax Conference and adding immense value to the conference by sharing their insightful thoughts.

1st TECHNICAL SESSION ON CRITICAL ASPECTS OF TAX AUDIT

Session Co-ordinators: CS Damodaran M, Immediate Past Chairman and Regional Council Member, SIRC of ICSI and CS Jayashree S Iyer, Regional Council Member, SIRC of ICSI.

Speaker: CS Ranjit Kejriwal, Practising Company Secretary.

CS Damodaran M welcomed all the delegates and session speaker CS Ranjit Kejriwal, Practising Company Secretary. He introduced the speaker and gave his introductory remarks on the topic of technical session. Thereafter, CS Ranjit Kejriwal was invited to share his views on critical aspects of tax audit with the delegates.

In his presentation, CS Ranjit Kejriwal unveiled the legal and practical aspects of tax audit under section 44AB of the Income-tax Act, 1961. Starting from the background and introduction of tax audit, he extensively covered the various provisions governing the tax audit under the Income-tax Act, 1961 including the compliance requirement of filing of

tax audit forms No. 3CA/3CB/3CD, audit procedure, point to be kept in mind and common objection/qualification during tax audit, penal provisions on tax audit under the Income-tax Act, 1961. He also guided the delegates on clause-by-clause filing of tax audit forms and practical aspects thereof.

Thereafter, the session was opened for discussion wherein speaker answered suitably to various queries raised by the delegates.

CS Jayashree S Iyer summed up the discussions and proposed the Vote of Thanks.

2nd TECHNICAL SESSION ON REPRESENTATION BEFORE TAX AUTHORITIES

Session Co-ordinators: CS Mohan Kumar A, Programme Director & Council Member, The ICSI and CS Pradeep B Kulkarni, Chairman, SIRC of ICSI

Panelists:

- CS Babu Sankara Subramanian, Practising Company Secretary
- CS A. R. Somasundaram, Practising Company Secretary
- CS Ranjit Kejriwal, Practising Company Secretary

CS Mohan Kumar A, welcomed all the delegates and panellists at the 2nd technical session. He introduced the speakers and gave his introductory remarks on the topic of technical session. Thereafter, he invited the panellists to address the gathering.

During his presentation, CS Babu Sankara Subramanian explained about the opportunities available to Company Secretaries professionals to appear as authorised representative before the income tax authorities and to act as income tax practitioner under the Income-tax Act, 1961 and rules made thereunder. He also explained to the delegates about the skills required to represent before the income tax authorities as well as process of faceless assessment and appeals.

CS A. R. Somasundaram addressed the participants on objectives of tax audit, applicability thereof, important aspects of tax audit and various provisions governing the tax audit under the Income-tax Act, 1961. He also explained to the delegates about the chronology of audits, scrutiny cases and level of appeal, concept of true and fair value, turnover, gross receipt, tax audit and GST compliances etc.

Thereafter, the session was opened for questions and answers wherein all the three speakers present on the dais answered suitably to various queries raised by the delegates.

CS Pradeep B Kulkarni summed up the discussions and proposed the Vote of Thanks. He thanked President-the ICSI, Programme Director and Council Members of the ICSI for organizing the first National Tax Conference at Chennai. He also expressed his sincere thanks to eminent guest speakers, Regional Council Members, esteemed members, team ICSI from Headquarters and SIRO, media and other stakeholders for making this maiden National Tax Conference a grand success.



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

www.icsi.edu

ARTICLES INVITED FOR GLOBAL CONNECT IN CHARTERED SECRETARY JOURNAL

Dear Member,

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

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

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

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

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

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

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

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

Sincerely,

Team ICSI

Guidelines for Authors

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

Declaration-cum-Undertaking

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

(Signature)

Greenwashing vis-à-vis Greenhushing – Governance through the lens of Sustainability

The article throws light on the practices of Greenwashing and Greenhushing in various sectors and the regulatory measures adopted by various countries. Company Secretaries can play a crucial role in educating industries on the impact of such practices, monitoring the performance against the industry standards and identifying areas for improvements.



CS Shuchi Sharma, FCS

Company Secretary
Indian Immunologicals Limited, Hyderabad
shuchi.cs@gmail.com

INTRODUCTION

With Corporate Social Responsibility becoming mandatory for companies with prescribed threshold, corporates are coming up with different modes to pay back to the society such as focussing on the ways to reduce carbon emissions, adopting sustainable measures in operations and many more. In today's era, where not only organisations but every individual is becoming aware and focussed on environmental issues and the way we are dealing with it, it is needless to say that corporates will come up to represent or showcase the efforts they are putting in, to preserve the environment. Increasing awareness towards the society calls for standards to measure how much we are affecting the planet where we live. Many companies are preparing many sustainability reports like CSR (Corporate Social Responsibility) reports, ESG (Environmental Social Governance) reports, BRSR (Business Responsibility and Sustainability reporting). The question is how to distinguish the companies doing business in an environment friendly way and representing the same transparently from those with insignificant or no contribution towards sustainability but showcasing deceptively. The impact of these practices on the society and the ways to manage this growing concern.

These deceptive practices of concealing unpleasant facts or exaggerating the social or environmental benefits of the operations by a company is called greenwashing. Greenwashing is claiming a business more environment friendly than it actually is. A company can get involved in

greenwashing by making misleading labels/ claims from use of vague terms like “eco-friendly,” “natural,” “green,” or “sustainable” without any supporting evidence. Deceptive tactics like exaggerating the minimal initiative taken by a company or false certifications by creating its own logos resembling the legitimate certifications or focussing on one positive aspect of the product and intentionally ignoring the harmful aspects of their operations comes under the concept of greenwashing.

Greenwashing can lead to legal challenges and regulatory scrutiny. Misleading environmental claims may be considered as false advertising and leads to fines or legal action on the companies. It may lead to confusion to environmentally conscious people who are trying to make ethical purchasing decisions and prevents consumers from recognizing those that are truly sustainable.

As the consumers become more aware of greenwashing tactics, it is important to know how to spot such practices. With the increase in awareness of greenwashing, both consumers and companies must push for more transparency, accountability, and genuine sustainability practices. Some common practices used by companies and the way to detect those are highlighted here:

1. **Focus on Description:** Ambiguous phrases like “eco-friendly,” “cruelty-free,” “natural,” “green,” and “sustainable”, should be taken with caution unless they are backed by verifiable evidence or recognized certifications.
2. **Focus on One Aspect While Ignoring Others:** Pay attention if a company highlights one “green” feature while ignoring other significant negative impacts such as use of unsustainable manufacturing processes.
3. **Exaggerated Claims:** If a product or company claims to be completely sustainable or completely free of environmental impact, it is likely an exaggeration. There are very few companies which are entirely sustainable.
4. **Look for third-party certifications:** Third-party certifications such as the Fair Trade, Global Organic Textile Standard or Energy Star labels, can provide more credibility to environmental claims.



5. **Transparency in declaration:** Companies that are genuinely sustainable will often provide detailed information about their supply chain, sourcing, and environmental practices. Look for transparency in declaring the operations, such as sourcing materials or labour practices.

GLOBAL OVERVIEW OF REGULATORY MEASURES TO COMBAT GREENWASHING

Governments and organizations around the world have recognised the need to prevent companies from making misleading environmental claims through regulation and legal actions. There are multiple **guidelines** and **legal provisions** in place worldwide to prevent greenwashing. Regulatory bodies like the **FTC**, **CMA**, **EU** and **ACCC** have taken steps to ensure that environmental claims made by companies are truthful, transparent, and backed by evidence. These regulations are designed to promote sustainability, protect consumers, and hold companies accountable for deceptive marketing practices.

1. European Union (EU) Regulations

EU Green Claims Directive

The European Union with the aim to put an end to greenwashing has proposed new legislation, known as the Green Claims Directive. This directive is part of the EU's broader European Green Deal and aims to set clear rules about environmental claims and introduce mandatory certification for green products to prevent misleading information.

The Green Claims Directive will introduce mandatory rules for businesses making environmental claims about their products, ensuring that these claims are substantiated and verified independently. This is proposed by incorporating the following measures:

- i) **Mandatory Verification:** All environmental claims made by companies will need to be verified by independent third-party organizations.
- ii) **Specific Claims:** Companies must provide detailed and specific information about their sustainability efforts, rather than relying on vague terms like “eco-friendly” or “natural.”

- iii) **Penalties for Non-Compliance:** The directive will include penalties for companies that make false or misleading environmental claims.

EU Eco-Label and Environmental Voluntary Certification Schemes

The EU Eco-Label is a voluntary certification for products and services that meet certain environmental standards. It serves as a recognized and trustworthy indicator of sustainability. The basic requirement for the certification is that the product must meet specific environmental criteria related to resource use, waste, and toxicity, among other factors. The companies using this label must comply with stringent regulations, and misusing the label can lead to legal consequences.

Unfair Commercial Practices Directive (2005/29/EC)

This directive ensures that businesses do not mislead consumers through unfair marketing practices, including misleading environmental claims. Any false or exaggerated claims about a product's environmental impact can result in penalties for the company. The directive prohibits businesses from making false or misleading statements that would influence the behaviour of consumers. It ensures that consumers are not deceived into making purchasing decisions based on unsubstantiated environmental claims.

2. Guidelines and Legal Provisions in the United States

Federal Trade Commission (FTC) - Green Guides

The FTC Green Guides provide comprehensive guidance on how companies should make environmental claims in their advertising. They are intended to ensure that companies do not deceive consumers about the environmental benefits of their products or services. The Green Guides aim to prevent companies from making misleading claims related to products being “eco-friendly,” “green,” or “natural” through the following measures:

- i) **Specific Claims:** The FTC advises that companies must substantiate claims such as “recyclable,” “biodegradable,” or “energy-efficient” with evidence.

- ii) **Avoid Generalized Claims:** Claims such as “natural” or “eco-friendly” must be specific and verifiable, or else those may be termed as misleading.
- iii) **Endorsements and Certifications:** The Green Guides also cover the use of environmental certifications and seals. Companies must ensure that the third-party certifications must be credible and recognized.
- iv) **Recycling Claims:** If a product is claimed to be recyclable, it must actually be accepted for recycling in the majority of communities where it is sold.
- v) **Legal Enforcement:** The FTC has the authority to bring legal actions against companies that violate these guidelines under the Federal Trade Commission Act, which prohibits unfair or deceptive acts or practices in commerce.

3. United Kingdom (UK)

Competition and Markets Authority (CMA)

The CMA has taken a proactive stance in tackling greenwashing in the UK. In 2021, the CMA published a report on green claims and issued guidance for businesses on how to make environmental claims responsibly, based on the below points:

- i) **Substantiation:** Businesses must be able to substantiate all environmental claims with credible evidence.
- ii) **Transparency:** Claims should be specific and transparent. If a company claims its product to be “energy-efficient,” they should provide clear information on how this is achieved.
- iii) **Avoid Misleading Claims:** General claims like “green” or “natural” must not be used unless they are clearly defined and supported by evidence.

The CMA can take enforcement action against companies that breach consumer protection laws, including those that engage in greenwashing.

UK Advertising Standards Authority (ASA)

The ASA regulates advertising in the UK and takes appropriate action against companies making misleading environmental claims. The ASA monitors advertisements for misleading green claims and ensures that businesses provide transparent and substantiated environmental messaging.

4. Australian Competition and Consumer Commission (ACCC)

The ACCC enforces consumer protection laws in Australia and has issued guidance on environmental claims, covering the following:

- i) **Claims must be substantiated:** Any environmental claim made must be able to be substantiated with proof.
- ii) **No Vague Claims:** Claims like “green” or “natural” or “eco-friendly” are prohibited unless they can be backed up with specific details.
- iii) **Penalties for Misleading Claims:** If companies are found to be greenwashing, they may face fines and other legal penalties under Australian competition law.

5. Other Global Initiatives and Regulations

OECD Guidelines (Organisation for Economic Co-operation and Development)

The OECD has developed guidelines on consumer protection in the context of green claims. These guidelines promote accurate and truthful environmental information to help protect consumers and ensure fair market practices. It aims that Governments should ensure that environmental claims are substantiated with accurate and verifiable information, and companies should avoid misleading claims.

Global Reporting Initiative (GRI)

The GRI is an independent non-profit organization that focuses on corporate sustainability reporting. It provides frameworks and guidelines that help companies disclose environmental, social and governance (ESG) data in a transparent and standardized way, which can help reduce the potential for greenwashing.

Consumer Protection Laws

Many countries have consumer protection laws that address false advertising and deceptive marketing practices including misleading environmental claims.

NGO Initiatives

Various non-governmental organizations (NGOs) and watchdog groups, such as The Greenwashing Index or Environmental Working Group, help raise awareness and hold companies accountable for greenwashing.

To adopt a balanced approach, Companies need to communicate their environmental practices and sustainability achievements openly and honestly.

GREENHUSHING



Greenhushing, opposite of greenwashing, is the practice of companies deliberately downplaying or concealing their environmental efforts, sustainability achievements, or green initiatives. Unlike greenwashing, where businesses exaggerate or mislead about their environmental performance to appear more sustainable, greenhushing involves staying quiet about their positive environmental actions to avoid scrutiny or criticism.

There may be many reasons for greenhushing, few of them are:

1. **Fear of Greenwashing Allegations or Criticism:** Companies may avoid speaking about their environmental efforts because they fear that any claim might be scrutinized and found insufficient. They may prefer to keep quiet rather than risk being accused of exaggerating their sustainability. The rise of greenwashing scrutiny may make businesses worry that even minor missteps in how they present their efforts will be highlighted and criticized, so they avoid making any claims altogether.
2. **Lack of full Sustainability:** Some businesses may feel that their sustainability efforts are not yet at the level expected by consumers or environmental activists, so they hold back from showcasing what they have achieved.
3. **Concerns over Regulatory and Legal Risks:** The regulatory environment regarding environmental claims is tightening in many countries, and some companies opt to remain silent rather than risk being called out for the potential legal repercussions if their claims don't meet stringent standards.
4. **Uncertainty:** Some businesses prefer to remain cautious, avoiding publicizing their sustainability efforts until they are sure they meet or exceed industry benchmarks or certifications, as they are unsure about the full impact of their initiatives. Without clear data or third-party verification, they might worry that their efforts could be questioned.
5. **Competitive concerns:** Companies might be wary of publicizing their environmental efforts if competitors could potentially use that information to criticize them for not doing enough or for taking half-measures. They may prefer to focus on other areas of their business to maintain a competitive edge without drawing attention to their environmental practices.

IMPACT OF GREENHUSHING

1. **Lack of Accountability:** When companies do not share their sustainability efforts, it becomes harder for stakeholders (including consumers, investors, and regulators) to hold them accountable for their environmental performance.

2. **Lack of Transparency:** Transparency is key in ensuring progress in sustainability, and greenhushing undermines this. Lack of transparency can lead to distrust and lack of consumer confidence due to perceived secrecy or avoidance of accountability.
3. **Missed opportunities:** Companies that engage in greenhushing miss the opportunity to showcase their efforts, which could help attract eco-conscious consumers, improve brand image and align with current market trends that prioritize sustainability.
4. **Suppressed progress:** If more companies choose to hide their efforts, it can slow the progress of industry-wide changes towards more sustainable practices. Publicizing successful environmental initiatives can encourage other businesses to adopt similar measures and drive collective progress.
5. **Loss of Consumer Trust:** In an era where consumers are increasingly focused on sustainability, greenhushing can be seen as a lack of transparency, which might lead to a loss of trust in a company. Consumers may question what the company is trying to hide, or they might assume they are not doing enough.

By choosing not to disclose or celebrate their environmental achievements, companies miss the opportunity to lead by example and inspire others to adopt more sustainable practices. In a world where consumers are becoming more environmentally conscious, staying silent about sustainability efforts can make it harder for consumers to trust the company and feel confident about their products. Companies that are genuinely sustainable have a marketable advantage, but greenhushing prevents them from tapping into the growing demand for eco-friendly products.

While greenwashing is problematic because it misleads consumers, greenhushing can also be counterproductive. There needs to be a balance; companies should be transparent about their genuine sustainability efforts but also ensure that their claims are accurate and verified.

Authentic environmental reporting backed by **third-party certifications** and clear data is essential to building consumer trust. Companies can avoid greenhushing while still protecting themselves from greenwashing by:

- Providing **clear and transparent** information about their sustainability goals.
- Ensuring claims are backed by verifiable **data** and **third-party audits**.
- Being honest about **challenges** and **room for improvement**, rather than making inflated or misleading claims.



ROLE OF COMPANY SECRETARIES

Company Secretaries must go beyond their traditional role of ensuring regulatory compliance and shareholder communication. Being one of the Key Managerial Personnel, Company Secretary has the advantage in the organisation to approach the Board of Directors and thereby drive the change. Keeping in view the balanced approach of transparency, they can support companies enhancing its reputation, attract investors and reduce cost through sustainability measures. They need to educate the companies about the issues related to greenwashing and greenhushing, its negative impacts and the best practices to be followed; and ensure that company complies with all relevant laws and regulations. They can help in monitoring the performance against the industry standards and identify the areas for improvements. They should manage communication about company's initiatives by preparing ESG reports and responding to stakeholder inquiries in a transparent manner.

CONCLUSION

Greenwashing is a growing issue as more consumers demand environmentally sustainable products and services. While many companies are genuinely trying to reduce their environmental impact, others take advantage of the trend by making misleading claims. Consumers must be vigilant, do their research, and look for verified certifications to ensure that the products they purchase align with their environmental values.

While greenwashing is a deceptive practice that harms consumers by promoting false or exaggerated environmental claims, greenhushing is a more passive approach, where companies hide their legitimate sustainability efforts due to fear of backlash.

Both have negative consequences, but greenwashing can lead to legal and reputational risks while greenhushing results in missed opportunities for transparency, trust-building, and leadership in sustainability.

Ultimately, companies should aim for a balanced approach, where they openly and honestly communicate their environmental practices and sustainability achievements, but ensure they are backed by credible data and third-party certifications to avoid the pitfalls of both greenwashing and greenhushing.

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Articles Part - I

Union Budget 2025: A Progressive, Futuristic and Inclusive Budget towards Viksit Bharat 2047

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CS Asish Mohan

The Union Budget 2025 is one of the most progressive and futuristic budgets, which is aligned with the needs of the people. This year the budget has significantly rationalised the applicable tax slabs for middle class while keeping fiscal prudence in mind. Impetus is also given on the Defence sector, that has got the highest allocation under the budget while the second highest portion of the budget has been allocated towards rural development. i.e. agriculture; MSMEs, investment and exports by considering them as engines of development and fuelling those engines with reforms fuel to guide the Nation towards the goals of Viksit Bharat by 2047.

The 2030 Agenda for Sustainable Development: A Roadmap for Company Secretaries in India

50

CS Neha Seth, FCS, CS Priyanka Khandelwal, FCS

The Author in a lucid manner explicates on the 2030 Agenda for sustainable development and the role of Company Secretaries in embedding these goals within Corporate Governance Frameworks. The article further elaborates on the ESG criteria which has emerged as an essential metrics for sustainable development and highlights India's Journey towards achievement of these Goals.

CSR and Sustainable Leadership with emphasis on Public Sector Undertakings

55

CS Nayana Das, FCS

The article encapsulates the integration of SDGs in the CSR and Sustainable development policies framed by Public Sector Undertakings. Before even the introduction of Section 135 on CSR in the Companies Act, 2013 and its rules as amended from time to time, CSR initiatives have been prevalent in the PSUs through the DPE guidelines which signifies the strong foundation of principles of CSR and sustainable leadership in PSUs.

The 2030 Agenda for Sustainable Development

59

CS Ankit Singhi, FCS, Sukriti Kashyap, CS Shivam Singhal, ACS

Rooted in principles of inclusivity, equality and environmental protection, the 2030 Agenda for Sustainable Development represents a global commitment to addressing the most urgent challenges of our time, ranging from poverty eradication to environmental preservation. Building on the legacy of the Millennium Development Goals (MDGs), which focused on specific challenges such as poverty and education, the 2030 Agenda broadens the scope of global development to encompass environmental sustainability, gender equality and peace. The article highlights the role of Company Secretaries in implementing the 2030 Agenda for sustainable development.

CSR and Sustainable Leadership: Shaping the Future

65

CS Anjali Darshan Paliwal, ACS

The author emphasises on changing expectations of Indian Stakeholders such as consumers, employees, investors and public and the regulatory frameworks contributing to the growing demand for sustainable leadership in India. By integrating CSR and sustainable leadership into corporate strategy, Company Secretaries help ensure regulatory compliance and boost the company's reputation, attracting top talent, and driving long term profitability.

Employee well-being: Linchpin of Ethical Leadership

70

CS Iyappan Kannan, ACS

Work-life balance is essential for improving well-being of employees in personal and professional lives. Beginning with the overview on ethical leadership the article elaborates on importance of sustainability in business and strategies for ethical leaders. Ethical Leaders promote a culture of employee well-being within organisations thereby enhancing organizational performance.

Integrating Corporate Social Responsibility in the Corporate Governance Framework: A Pathway to Economic Sustainability

75

Dr. Purnima Singh, Dr. Madhukar Sharma

This paper brings out the information about the practical implementation of Corporate Social Responsibility by incorporating Triple Bottom Line approach under the umbrella of Corporate Governance and as a weapon for achieving sustainable tomorrow towards the development of the nation.

Sustainable Leadership in the Modern Era: Pioneering Ethical Governance and SDG Integration for Lasting Impact

79

Kannan Tiruvengadam, CS Shalini Iyengar, ACS

By weaving sustainability into their corporate DNA, companies can improve brand value and appeal to a growing market of consumers who prioritize environmental and social responsibility. The Authors' with actionable insights illustrate why commitment to ethical leadership and sustainability is both a moral imperative and a powerful value driver.

CSR and Sustainability Leadership

84

CS Neetu Agarwal, FCS

Sustainability leaders are responsible to integrate sustainable practices into decision-making processes, ensuring that growth and development align with ecological and ethical principles. The article explicates ways in which Company Secretaries as effective sustainability leaders demonstrate a commitment to innovation, collaboration, and ethical governance, by integrating sustainable practices into operations, policies, and strategies. They create resilient systems that balance profitability with environmental stewardship and social equity.

Articles Part - II

Law and Procedure Relating to Significant Beneficial Ownership of Shares under Section 90 of the Companies Act, 2013

88

CS (Dr.) K R Chandratte, FCS, CS K D Rane, FCS

The article elaborates on the key functions of Section 90 of the Companies Act, 2013; determination of an individual being a Significant Beneficial Owner (SBO) of shares in a Company. Section 90 (1) lays down two criteria to determine an SBO. If an individual falls within any of the two criteria, he shall be considered as an SBO. The author discusses these criteria in detail in the article.

Research Corner

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Surrogacy in India: Legal Landscape-Regulations, Rules including Procedural Aspects for Compliance

102

CS (Dr.) T A Srinivasen, FCS

The author aptly covers Surrogacy Law, Rules and Regulations in India. Supported with case laws the article focuses on the role of company secretaries while guiding on compliance requirements. In addition, they can provide their services on drafting of the surrogacy agreement, filling up of various forms, and preparation of various Affidavits for individuals and institutions.

Legal World

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- **LMJ 02:02:2025** Rule 3A of the Companies (Acceptance of Deposit) Rules, 1975 is constitutionally valid.[SC]
- **LW 09:02:2025** In view of the delay in approaching the High Court, particularly when respondent no.1 himself has initiated proceedings under the Code by filing interlocutory applications seeking similar relief, we are of the opinion that the High Court committed an error in entertaining the writ petition.[SC]
- **LW 10:02:2025** We, thus, do not find any error treating the claim of the Appellant as operational debt and operational creditor is entitled for payment as per Section 30(2)(b) and present is not a case where it is contended that the amount which is offered to the Appellant is less than the liquidation value to which the Appellant would have been entitled in event of liquidation under Section 53(1) according to waterfall mechanism.[NCLAT]
- **LW 11:02:2025** Since section 15(1) only confines to the suit or an application for the execution of a decree and 15(2) is confined to only suit which requires issuance of notice and the said period of notice has to be excluded whereas the present case it is only an application under Section 9 of the Code and not a suit and is not covered by Section 15(2) of the Act.[NCLAT]
- **LW 12:02:2025** If the Registering Officer is bona fide of the view that the sale consideration shown in the sale deed is not correct and the sale is undervalued, then it is obligatory on the part of the Registering Authority as well as the Special Deputy Collector (Stamps) to assign some reason for arriving at such a conclusion.[SC]
- **LW 13:02:2025** The application preferred by the appellant under Section 34 of the ACA stands dismissed as it was filed beyond the condonable period of 30 days.[SC]
- **LW 14:02:2025** Dumping of unpopular/offbeat models and unilateral termination of the agreement are allegations seem to be related to transactions which are commercial in nature, which ordinarily do not invite attention under the provisions of the Act.[CCI]
- **LW 15:02:2025** Though the OP is an enterprise and is found to be in a dominant position in the relevant market, no case of abuse of dominance is made out against the OP in the present matter.[CCI]

- **LW 16:01:2025** We, however, are of the view that the directions issued by the CCI under paragraph 247.2 and 247.3 need not be stayed and they need to be complied with. The only limited interim order which we are inclined to grant is to stay the direction in paragraph 247.1 by which five years' ban has been imposed. [NCLAT]

From The Government P-119

- Guidelines For Funding Research and Studies, Workshops and Conferences Etc. Under The Plan Scheme "Corporate Data Management" of The Ministry of Corporate Affairs
- Framework for Monitoring and Supervision of System Audit of Stock Brokers (SBs) through Technology based Measures
- (1) Parameters for external evaluation of Performance of Statutory Committees of Market Infrastructure Institutions (MIIs); and (2) Mechanism for internal evaluation of Performance of MIIs and its Statutory Committees
- Details/clarifications on provisions related to association of persons regulated by the Board, MIIs, and their agents with persons engaged in prohibited activities
- Format of Due Diligence Certificate to be given by the DTs
- Development of Web-based portal: iSPOT(Integrated SEBI Portal for Technical glitches) for reporting of technical glitches
- Disclosure of Risk adjusted Return - Information Ratio (IR) for Mutual Fund Schemes
- Timeline for Review of ESG Rating pursuant to occurrence of 'Material Events'
- Revise and Revamp Nomination Facilities in the Indian Securities Market
- Procedure for seeking waiver or reduction of interest in respect of recovery proceedings initiated for failure to pay penalty
- Guidelines for Research Analysts
- Guidelines for Investment Advisers
- Measures for Ease of Doing Business for Credit Rating Agencies (CRAs) – Timelines (Modification to Chapter II and Chapter III of the Master Circular for Credit Rating Agencies dated May 16, 2024)
- Measure for ease of doing business - Settlement of Account of Clients who have not traded in the last 30 days
- Framework for imposing monetary penalty and compounding of offences under the Payment and Settlement Systems Act, 2007
- Private Placement of Non-Convertible Debentures (NCDs) with maturity period of more than one year by HFCs – Review of guidelines
- Guidelines on Settlement of Dues of borrowers by ARCs
- Prevention of financial frauds perpetrated using voice calls and SMS – Regulatory prescriptions and Institutional Safeguards
- Coverage of customers under the nomination facility
- Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) (Third Amendment) Regulations, 2025
- Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Fifth Amendment) Regulations, 2025
- Foreign Exchange Management (Deposit) (Fifth Amendment) Regulations, 2025
- Master Direction - Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025
- Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025

Other Highlights

- ❖ NEWS FROM THE INSTITUTE
- ❖ GST CORNER
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- ❖ CG CORNER
- ❖ ESG CORNER
- ❖ GIST OF ROC ADJUDICATION ORDERS

Call For ARTICLES

Call For Articles in CS Journal – March 2025 Issue



Opportunities for Company Secretaries : Exploring the Unexplored

Company Secretaries (CS) typically serve as key Governance Professionals who play a vital role in ensuring compliance, advising boards, and assisting with legal matters for companies. However, with the evolving business landscape, there are several unexplored opportunities that a Company Secretary can explore beyond traditional roles.

While the intent of the next edition is to expand the opportunity verticals for Company Secretaries; we, simultaneously, aim to delve deeper into the present roles and strengthen our roots therein. We are pleased to inform you that the **March 2025** issue of Chartered Secretary Journal will be devoted to the theme **Opportunities for Company Secretaries : Exploring the Unexplored** covering *inter alia* the following aspects:

- ❖ Sustainability and ESG Consulting
- ❖ Maritime Laws : Strengthening governance of seas
- ❖ Cross-border Transactions: Solidifying international ties
- ❖ Data Privacy and Cybersecurity Advisory
- ❖ Legal and Regulatory Tech Solutions
- ❖ Fintech Solutions : Managing the governance corner
- ❖ Start-up Compliance Advisors: Handholding new ventures

And many more...

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.

As the world gears up for some quality action and deliberation on the occasion of International Women's Day; the Chartered Secretary Journal would be dedicating a segment to this year's IWD theme, connecting it with the Modern corporations: **New Age Indian Boards : Propagating Rights, Equality, Empowerment.**

Members and other readers desirous of contributing articles may send the same latest by Friday, February 21, 2025 at cs.journal@icsi.edu for March 2025 issue of Chartered Secretary Journal.

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

Regards,
Team ICSI

Articles in Chartered Secretary Guidelines for Authors

1. Articles on subjects of interest to the profession of company secretaries are published in the Journal.
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3. The article must be an exclusive contribution for the Journal.
4. The article must not have been published elsewhere, and must not have been or must not be sent elsewhere for publication, in the same or substantially the same form.
5. The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants.
6. The article must carry the name(s) of the author(s) on the title page only and nowhere else.
7. The articles go through blind review and are assessed on the parameters such as (a) relevance and usefulness of the article (from the point of view of company secretaries), (b) organization of the article (structuring, sequencing, construction, flow, etc.), (c) depth of the discussion, (d) persuasive strength of the article (idea/ argument/articulation), (e) does the article say something new and is it thought provoking, and (f) adequacy of reference, source acknowledgement and bibliography, etc.
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1

ARTICLES



Articles Part - I

- UNION BUDGET 2025: A PROGRESSIVE, FUTURISTIC AND INCLUSIVE BUDGET TOWARDS VIKSIT BHARAT 2047
- THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT: A ROADMAP FOR COMPANY SECRETARIES IN INDIA
- CSR AND SUSTAINABLE LEADERSHIP WITH EMPHASIS ON PUBLIC SECTOR UNDERTAKINGS
- THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT
- CSR AND SUSTAINABLE LEADERSHIP: SHAPING THE FUTURE
- EMPLOYEE WELL-BEING: LINCHPIN OF ETHICAL LEADERSHIP
- INTEGRATING CORPORATE SOCIAL RESPONSIBILITY IN THE CORPORATE GOVERNANCE FRAMEWORK: A PATHWAY TO ECONOMIC SUSTAINABILITY
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- CSR AND SUSTAINABILITY LEADERSHIP

Articles Part - II

- LAW AND PROCEDURE RELATING TO SIGNIFICANT BENEFICIAL OWNERSHIP OF SHARES UNDER SECTION 90 OF THE COMPANIES ACT, 2013

Union Budget 2025: A Progressive, Futuristic and Inclusive Budget towards Viksit Bharat 2047

The article succinctly captures the focus areas in the Union Budget 2025, laying emphasis on the allocated budget for Investment and Exports in Agriculture, Defence and MSME sector. It explicates the sector specific proposals to promote the growth in vital sectors of the economy.



CS Asish Mohan

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INTRODUCTION

This year the Union Budget delivered by the Hon'ble Finance Minister exemplifies the commitment of the Government towards making India a Viksit Bharat by focussing on investment in people, economy and innovation, strengthening of agriculture and MSMEs sector, promoting exports coupled with the much-needed reforms to fuel the Indian economy on a growth trajectory. In alignment with the needs of the people, this year the budget has significantly rationalised the applicable tax slabs for middle class while keeping fiscal prudence in mind. The Defence sector, being a very crucial sector, has got the highest allocation under the budget. Second highest portion of the budget has been allocated towards rural development wherein most of the Indian population resides. The Government of India being conscious of societal needs, allocated significant budget portion towards agriculture, education, health, urban development, social welfare etc.

India's growth saga has been prodigious and it is evident from the fact that Indian economy has grown at an astounding pace in the past ten years and structural reforms have wheedled global attention which led to increased confidence in India's capability and growth potential projected by domestic as well as international organisations.

KEY ANALYSIS OF BUDGET

The Union Budget 2025-26 induced sector specific proposals to promote the growth in vital sectors of the economy. A brief analysis of the same is given hereunder:

AGRICULTURE

Agriculture has always been the backbone of India's economy, providing livelihood to millions, especially in rural areas. Understanding the sector's immense potential, the Government has positioned agriculture as a critical driver of national growth. The proposed initiatives in the budget such as the Prime Minister Dhan-Dhaanya Krishi Yojana (PMDDKY) and several other sectoral programs, aim to modernize the agricultural landscape, increase productivity, and create sustainable livelihoods. The goal is to transform agriculture from a mere source of sustenance into a dynamic engine of economic growth and rural prosperity.

PMDDKY draws inspiration from the successful Aspirational Districts Programme and it aims to focus on 100 districts with low productivity, moderate crop intensity and below-average credit parameters. By leveraging existing schemes and implementing targeted interventions, the program is expected to directly benefit approximately 1.7 crore farmers by enhancing agricultural productivity through advanced technologies, promoting crop diversification and sustainable farming practices, improving post-harvest storage at the panchayat and block levels, strengthening irrigation systems, and facilitating easier access to both short-term and long-term credit for farmers.

Building upon this, the Rural Prosperity and Resilience Program is designed to address under-employment in agriculture by focusing on skilling, investment, and technology adoption. The program will aim to create job opportunities in rural areas, making migration to urban centres optional rather than necessary. It will also incorporate global best practices and provide financial and technical assistance from multilateral development banks. Special emphasis will be placed on vulnerable groups, such as rural women, young farmers, marginal and small farmers, and landless families, ensuring equitable growth. The budget has also set an ambitious target to minimize dependence on imported pulses by executing a 6-year Aatmanirbharta Mission in Pulses. By increasing domestic production, this mission will not only ensure nutritional security but also reduce the need for imports.

The Government is addressing the growing demand for vegetables, fruits, and millets through a Comprehensive Program for Vegetables & Fruits. The program aims at increasing production, strengthening supply chains, and developing farmers through FPOs and cooperatives

with better prices to farmers and accessing post-harvest infrastructure.

The Budget also proposes to set up Makhana Board to enhance production and marketability of Makhana (fox nuts), one of the biggest agricultural products in the state of Bihar. National Mission on High Yielding Seeds is another very crucial initiative by which the agricultural productivity will be enhanced.

The Government has proposed to introduce a framework for Sustainable Fisheries Development, with a special focus on the Andaman & Nicobar Islands and Lakshadweep Islands.

In an effort to ease financial access for farmers, the Government will enhance the loan limit for Kisan Credit Cards (KCC) from ₹3 lakh to ₹5 lakh under the Modified Interest Subvention Scheme. This will allow farmers to access more substantial credit for agricultural investments, enabling them to adopt modern technologies and sustainable practices.

Furthermore, with a network of 2.4 lakh Dak Sevaks, India Post will act as a catalyst for rural entrepreneurship, facilitating access to financial services, banking, insurance, and investment products for rural communities. In addition to that, the National Co-operative Development Corporation (NCDC) will receive additional support to enhance its lending operations within the cooperative sector, further bolstering the economic strength of rural enterprises.

The Government's initiatives, including PMDDKY, the Rural Prosperity and Resilience Program, and missions targeting pulses, vegetables, cotton, and fisheries, reflect a comprehensive effort to transform rural India into a dynamic and resilient economy. These programs aim to not only boost agricultural productivity but also create sustainable livelihoods, reduce rural-urban migration, and promote inclusive growth.

MSMEs

The Union Budget introduces a series of measures which are aimed at strengthening the Micro, Small, and Medium Enterprises (MSMEs) sector and recognising its role as one of the key engines in India's journey of development, alongside agriculture, investment, and exports. A summary of few such measures is given below:

a) Revision in MSME Classification Criteria

The investment and turnover thresholds for MSME classification have been increased by 2.5 and 2 times respectively. The increase in the investment and turnover threshold will help the MSME sector in facilitating scalability, technological advancement, improved access to capital, enhancement of credit availability and accessibility of better resources.

b) Strengthened Credit Guarantee Cover

In order to ensure greater access to credit by MSMEs, the budget proposes enhancement to the Credit Guarantee Scheme which will bring substantial changes in the way MSMEs are financed in the Country.

For Micro and Small Enterprises, the guaranteed cover has been increased from ₹5 Crore to ₹10 Crore, unlocking additional credit worth ₹1.5 Lakh Crore over five years. Similarly, for Start-ups, the Credit guarantee cover has been increased from ₹10 Crore to ₹20 Crore, with 1% guarantee fee for loans in 27 focus sectors vital for the Aatmanirbhar Bharat Initiative.

In order to enable growth of MSMEs in the overseas markets by promoting exports, the Term loans up to ₹20 Crore will be eligible to receive guaranteed support.

c) Introduction of Credit Cards for Micro Enterprises

The Government will introduce a customised financial product, the Credit Card with a ₹5 lakh limit for micro enterprises registered on Udyam portal.

In the first year, 10 Lakh cards shall be issued to ensure seamless access to working capital further complementing MSME tax benefits that are designed in a unique manner to ease the financial burden on the small businesses.

d) Expansion of the Fund of Funds for Start-ups

Alternative Investment Funds (AIFs) will be set by the Government, into which the Government has already committed Rs. 10,000 crores through a Fund of Funds (FoF) administered by SIDBI. AIFs have served as instruments for high-risk ambitious start-ups to gain investment from high-net-worth individuals.

A separate FoF for deep tech firms will also be explored. The applicability of the benefit provided u/s 80-IAC of the Income Tax Act, under which start-ups can claim 100% exemption from taxation of profits for three years, has been extended to another 5 years. This allows the start-ups to establish their business and avail the three-year tax exemption which is now available for a longer period.

e) Scheme for First-Time Entrepreneurs

There is a new scheme which aims to support 5 Lakh first-time women entrepreneurs, Scheduled Castes (SC) and Scheduled Tribes (ST). The scheme will provide term loans of up to ₹2 Crore for over five years, along with online capacity-building programs which will ultimately enhance the entrepreneurial and managerial skills of the first-time entrepreneurs.

By increasing disposable income and reducing the compliance burden on businesses, the budget sets the stage for a more robust economic environment.

f) **Focus on Labour-Intensive Sectors**

Special measures have been introduced for the labour-intensive industries which will play a crucial role in the generation of employment and the role of MSME therein. A National Institute of Food Technology, Entrepreneurship and Management is proposed to be established in Bihar to boost food processing in the Eastern region. This will create value addition opportunities for farmers and more employment for the youth.

The textile, apparel, footwear and leather sectors got a big boost in the Union Budget with the announcement of a mission on Cotton and a focus product scheme for the footwear and leather sector. The scheme would enhance the productivity, quality and competitiveness of the footwear and the leather sector.

One of the major announcements in the Union Budget was pertaining to toy industry by making India a global hub for toys. The Government will launch scheme to develop toy clusters, skills and manufacturing ecosystems that would promote production of “Made in India” sustainable and innovative toys.

g) **National Manufacturing Mission & Clean Tech Manufacturing**

In the budget, a National Manufacturing Mission has been introduced which aligns the small, medium and large enterprises along with the Make in India initiative. A special emphasis has been laid on Clean Tech Manufacturing and the mission aims to improve domestic value addition which will help in developing an ecosystem for solar PV cells, EV batteries etc and strengthening clean technology which supports India’s climate-friendly industrial transition.

EXPORTS

For providing stimulus to the exports, the following announcements have been made in the union budget-

a) **Export Promotion Mission**

The Union Budget announced an Export Promotion Mission with an outlay to facilitate easy access to export credit, cross-border factoring support and helping MSMEs tackle non-tariff measures in the overseas markets. The mission, with sectoral and ministerial targets, will be driven jointly by the Ministries of Commerce, MSMEs and Finance.

b) **Bharat-TradeNet (BTN)**

Another major announcement is to create a digital public infrastructure for international trade that will serve as a unified platform for trade documentation and financing solutions. This will complement the Unified Logistics Interface Platform.

c) **National Framework for Global Capacity Centres (GCCs):**

A national framework will be formulated to promote GCCs in tier-two cities, focusing on talent,

infrastructure and regulatory reforms. This will suggest measures for enhancing availability of talent and infrastructure, building byelaw reforms, and mechanisms for collaboration with industry.

INVESTMENT

Defining Investment as one of the engines of growth, the Government has prioritized investment in people, economy and innovation. The budget proposes multi-sectoral reforms encompassing Public Private Partnerships, support to States, Asset Monetisation Plan for 2025-2030, mining sector, and support to domestic manufacturing.

a) **Investment in People**

With a view to address various gaps and shortcomings in the on-going nutrition programme and to improve implementation as well as to accelerate improvement in nutrition and child development outcomes, the existing scheme components have been re-organized under Saksham Anganwadi and Poshan 2.0 which is an Integrated Nutrition Support Programme that seeks to address the challenges of malnutrition in children, adolescent girls, pregnant women and lactating mothers through a strategic shift in nutrition content and delivery and by creation of a convergent eco-system to develop and promote practices that nurture health, wellness and immunity.

The Union Budget proposes to set up Fifty thousand **Atal Tinkering Labs** in Government schools in the next 5 years to cultivate the spirit of curiosity and innovation, and foster a scientific temper among young minds as well as to provide Broadband connectivity to all Government secondary schools and primary health centres in rural areas under the Bharatnet project.

On higher education, additional infrastructure will be created in the 5 IITs started after 2014 to facilitate education of around 6,500 more students. Hostel and other infrastructure capacity at IIT, Patna will also be expanded. The Government has also announced that 10,000 additional seats will be added in medical colleges and hospitals in the next year with a target to add cumulatively 75000 seats in the next 5 years. This will provide extended opportunities in medical education.

Also, with an objective to help students understand their subjects better, Union Budget has proposed to implement a **Bharatiya Bhasha Pustak Scheme** to provide digital-form Indian language books for school and higher education.

The Union budget also proposes to set up five **National Centres of Excellence for skilling** with global expertise and partnerships to equip youth with the skills required for “Make for India, Make for the World” manufacturing. The partnerships will cover curriculum design, training of trainers, a skills certification framework, and periodic reviews.

For realizing the vision of “*Make AI in India and Make AI work for India*”, three **Centres of Excellence for Artificial Intelligence** have been proposed to be set-up in top educational institutions with an outlay of ₹ 500 crore. Leading industry players will partner in conducting interdisciplinary research, develop cutting-edge applications and scalable problem solutions in various fields such as agriculture, health, and sustainable cities, thereby galvanizing an effective AI ecosystem and nurture quality human resources.

On medical and health front, the Government will set up Day Care Cancer Centres in all district hospitals in the next 3 years and it aim to establish 200 Centres during 2025-26.

PM SVANidhi scheme has benefitted more than 68 lakh street vendors giving them respite from high-interest informal sector loans. Building on this success, the scheme will be revamped with enhanced loans from banks, UPI linked credit cards with ₹30,000 limit, and capacity building support. A scheme for socio-economic upliftment of urban workers has also been announced to help them improve their incomes and have sustainable livelihoods.

The Union Budget has made significant announcement for Gig Workers. The Government will arrange their identity cards and registration on the e-Shram portal as well as extend healthcare facilities under PM Jan Arogya Yojana. These measures are likely to assist nearly 1 crore gig-workers.

b) **Investment in the Economy**

Under the investment in Economy, the Union Budget has proposed that the infrastructure-related ministries will come up with a 3-year pipeline of projects in PPP mode. The budget also proposes an outlay of ₹ 1.5 lakh crore for 50-year interest free loans to support the State Governments for capital expenditure and incentives for reforms in economy. The Union Budget also announced the second Asset Monetization Plan 2025-30 to plough back capital of ₹ 10 lakh crore in new projects.

In a major development, the Jal Jeevan Mission has been extended till 2028 with a focus on the quality of infrastructure and Operation & Maintenance of rural piped water supply schemes through “Jan Bhagidhari”. The Government will also set up an Urban Challenge Fund of ₹1 lakh crore to implement the proposals for ‘Cities as Growth Hubs’, ‘Creative Redevelopment of Cities’ and ‘Water and Sanitation’.

The Union Budget highlighted that development of at least 100 GW of nuclear energy by 2047 is essential for energy transition efforts. For an active partnership with the private sector towards this goal, amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act will be taken up by the Government.

The Budget also proposes that states will be incentivized for electricity distribution reforms and

augmentation of intra-state transmission capacity. This will improve financial health and capacity of electricity companies.

The Union Budget has also extended the **Shipbuilding Financial Assistance Policy (SBFAP) 2.0**, aimed at providing direct financial subsidies to Indian shipyards. This initiative seeks to help in securing orders by offsetting operational cost disadvantages, thereby strengthening the domestic shipbuilding industry. The Union Budget also proposes to include Large Ships of certain size in to the Infrastructure Harmonised Master List (HML). This will make them eligible for benefits such as easier access to long-term financing and tax incentives. This will also attract private investment and enhance fleet modernisation.

A Maritime Development Fund with a corpus of ₹ 25,000 crore to be set up, with up to 49 per cent contribution from the Government, and the balance from ports and private sector. This Fund will directly benefit in financing for ship acquisition. It aims at boosting Indian flagged ships share in the global cargo volume upto 20% by 2047.

A modified UDAN scheme announced to enhance regional connectivity to 120 new destinations and carry 4 crore passengers in the next 10 years. Also, the scheme aims to support helipads and smaller airports in hilly, aspirational, and North East region districts.

Giving infrastructure fillip to the state of Bihar, it has been announced that Greenfield airports will be facilitated in Bihar to meet the future needs of the State. Financial support will also be provided for the Western Koshi Canal ERM Project benefitting a large number of farmers cultivating over 50,000 hectares of land in the Mithilanchal region of Bihar.

To encourage mining sector reforms in States, including those for minor minerals, sharing of best practices and the institution of a State Mining Index has been announced. Further, a policy for recovery of critical minerals from tailings has been announced. Good tailings management will increase domestic availability of critical minerals and also promote the domestic processing industry.

Under the Special Window for Affordable and Mid-Income Housing (SWAMIH) fifty thousand dwelling units in stressed housing projects have been completed, and keys handed over to home-buyer. Building on this success, A fund of ₹ 15,000 crore aimed at expeditious completion of another 1 lakh dwelling units, with contribution from the Government, banks and private investors announced.

The budget also announced that top 50 tourist destination sites in the country to be developed in partnership with states through a challenge mode.

c) **Investment in Innovation**

Under the investment in Innovation, an allocation of ₹20,000 crore is announced to implement private

sector driven Research, Development and Innovation initiative. The Budget has proposed that a National Geospatial Mission will be started to develop foundational geospatial infrastructure and data. Using PM Gati Shakti, this Mission will facilitate modernization of land records, urban planning, and design of infrastructure projects.

The National Deep Tech Startup Policy (NDTSP) strives to drive innovation, economic growth, and societal development through the utilization of advanced research-based deep tech inventions. NDTSP will support deep tech startups and secure India's financial future, progress towards a knowledge-driven economy, and bolster productivity. In the next five years, under the PM Research Fellowship scheme, provision of ten thousand fellowships for technological research in IITs and IISc with enhanced financial support is also proposed in the Budget.

The Budget also proposes Gyan Bharatam Mission, for survey, documentation and conservation of more than 1 crore manuscripts with academic institutions, museums, libraries and private collectors. A National Digital Repository of Indian knowledge systems for knowledge sharing is also proposed.

TAX PROPOSALS IN UNION BUDGET

The Union Budget marks a significant step towards stimulating economic growth and providing relief to various sectors, particularly benefiting lower and middle-class families. This budget introduces a comprehensive set of direct and indirect tax reforms designed to enhance disposable income, simplify compliance, and promote local industries, all of which are crucial for nurturing a more inclusive and resilient economy.

One of the most impactful changes suggested is to increase in the income tax exemption limit to ₹12 lakh under the new tax regime. This adjustment allows individuals to retain a larger portion of their earnings, effectively increasing their disposable income which will boost the demand in the economy.

For salaried individuals the proposed effective limit rises to ₹12.75 lakh due to a standard deduction of ₹75,000. This increase is expected to have a direct positive impact on consumer spending as families will have more financial resources to allocate towards essential goods and services. It will drive demand across various sectors such as retail, housing, and healthcare. Additionally, the budget has doubled the TDS limit on interest income for senior citizens from ₹50,000 to ₹1 lakh. It will provide significant relief to retirees who rely on interest income for their sustenance. This change will not only reduce the tax burden on senior citizens but also encourage them to save more which will contribute towards overall financial stability. Similarly, the increase in the annual TDS limit on rent from ₹2.4 lakh to ₹6 lakh will benefit landlords and tenants facilitating them with smoother financial transactions in the rental market.

Further in this direction the proposal to raise the threshold for TCS on remittances under the Liberalized Remittance Scheme (LRS) from ₹7 lakh to ₹10 lakh is another noteworthy reform. This change simplifies the process for individuals making overseas remittances, thus encouraging

international transactions and investments. Furthermore, the decriminalization of delayed TCS payments and the extension of the deadline for filing updated income tax returns from 2 to 4 years significantly reduce compliance burdens for taxpayers. These measures are expected to ease stress for individuals and businesses resulting in fostering a more favourable environment for economic activity.

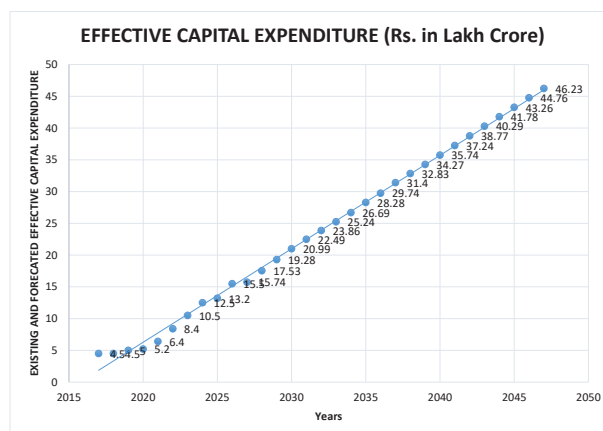
In terms of indirect tax reforms, the Budget has recommended crucial customs duty relief for healthcare by exempting 36 lifesaving drugs from Basic Customs Duty (BCD). This move is particularly significant for families dealing with chronic illnesses or rare diseases. This move will make essential medicines more affordable and accessible. Moreover, the reduction of customs duties on components for electronics and capital goods such as parts for TVs and lithium-ion batteries is anticipated to strengthen local manufacturing. By making Indian-made products cheaper and more accessible, the Government has shown its intent to enhance the competitiveness of domestic industries in the global market. The budget also extends the period for start-ups to avail tax incentives by 5 years. Allowing those incorporated before April 1, 2030 to get benefited from a 100% tax exemption on profits for three consecutive years. This extension is expected to encourage the entrepreneurship and innovation ecosystem which will lead towards job creation and economic diversification.

The Union Budget reflects a commitment towards supporting lower and middle-class families while fostering an environment conducive to economic growth. By addressing immediate financial concerns and laying the groundwork for sustainable long-term growth, these reforms will not only aim to improve living standards but also contribute towards a more resilient and inclusive economy.

CAPITAL EXPENDITURE

Capital expenditure plays a vital role in building infrastructure. It is heartening to note that this Union Budget has focused on providing support to states for infrastructure. In view of the paramount position capital expenditure holds in the infrastructure development of an economy, it is essential to explore the future capital expenditure scenario.

The diagrammatic depiction of the existing and projected capital expenditure is provided below:



The rising trend of capital expenditure in the above diagram demonstrates that the Government is committed to spending adequate capital expenditure for the development of infrastructure, thereby facilitating rapid industrial growth, as businesses thrive on robust infrastructure.

To find out the forecasted values of capital expenditure, parabolic trend equation has been applied and the prognosis for capital expenditure has been done till 2047, as India is all set to become a Viksit Bharat by 2047. The current and forecasted capital expenditure is provided below:

Current and Forecasted Effective Capital Expenditure

Years	Effective Capital Expenditure (₹ in lakh crore)
2017	4.5
2018	4.5
2019	5
2020	5.2
2021	6.4
2022	8.4
2023	10.5
2024	12.5
2025	13.2
2026	15.5
2027	15.74
2028	17.53
2029	19.28
2030	20.99
2031	22.49
2032	23.86
2033	25.24
2034	26.69
2035	28.28
2036	29.74
2037	31.4
2038	32.83
2039	34.27
2040	35.74
2041	37.24
2042	38.77
2043	40.29
2044	41.78
2045	43.26
2046	44.76
2047	46.23

REGULATORY REFORMS

The Union Budget has given emphasis on light-touch regulatory framework based on principles and trust to unleash productivity and employment. Key initiatives under regulatory reforms are as under:

- Setting up of High-Level Committee (HLC) for Regulatory Reforms to review all non-financial sector regulations, certifications, licenses, and permissions.

- Development of Investment Friendliness Index of States.
- Under the Financial Stability and Development Council (FSDC), a mechanism will be instituted to assess the impact of the current financial regulations and subsidiary instructions along with a framework to enhance their responsiveness and development of the financial sector.
- Decriminalization of more than 100 provisions in various laws through Jan Vishwas Bill 2.0.
- Simplified New Income Tax Bill is proposed to be placed soon in the parliament.

CONCLUSION

The Union Budget is one of the most progressive and futuristic budgets, and the same is manifested from its focus on crucial elements of the economy i.e. agriculture; MSMEs, investment and exports by considering them as engines of development and fuelling those engines with reforms fuel to guide the Nation towards the goal of Viksit Bharat by 2047.

Impact of these reforms on the economy is expected to be overwhelmingly positive. By increasing disposable income and reducing the compliance burden on businesses, the budget sets the stage for a more robust economic environment. Enhanced consumer spending can lead to increased demand for goods and services, stimulating production and potentially creating new job opportunities. Besides, the focus on local manufacturing and healthcare affordability aligns with the Government's broader goals of self-reliance and sustainable development. Moreover, it has given due emphasis to various sectors, policies and approaches which act as a catalyst in providing acceleration to the pace of economic development such as stepping up of expenditure i.e. ₹50,65,345 crore in 2025-26, 7.4% higher than the revised estimate of 2024-25; announcement of financial sector reforms and development like formulation of Grameen Credit Score, revamping of Central KYC Registry, enhancement in the FDI limit for the insurance sector etc.; focus on tax reforms; business friendly indirect tax proposals and easing BCD on textiles, electronic goods, shipping sector etc., encouragement to ease of doing business through regulatory reforms all are metaphor of vibrant India and ensuring upliftment of 'Garib', 'Youth', 'Annadata' and 'Nari'.

The government's proactive approach in this budget demonstrates its dedication towards circumnavigating the challenges of the current economic landscape along with positioning India's Economic Supremacy.

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The 2030 Agenda for Sustainable Development: A Roadmap for Company Secretaries in India

The article elaborates on the when, what and how of the agenda on Sustainable Development Goals. These goals form the core of the 2030 agenda for Sustainable Development, providing a universal framework to balance economic growth, environmental preservation and social well being.



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INTRODUCTION

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, is a global blueprint to achieve a better and more sustainable future for all. This historic agenda was born out of decades of international discussions, starting from the Earth Summit in 1992 to the Millennium Development Goals (MDGs) set in 2000. Recognizing the need for a more comprehensive and inclusive approach, the SDGs replaced the MDGs, expanding the focus to include environmental sustainability, social equity, and economic growth. With its 17 interconnected goals and 169 specific targets, the agenda aims to eradicate poverty, combat inequality, and address climate change, leaving no one behind. The “why” of this agenda lies in its vision for a world where economic development doesn’t come at the cost of environmental degradation or social injustice. The “what” encompasses

goals such as zero hunger, quality education, clean energy, and climate action. The “how” involves multi-stakeholder partnerships, innovative financing, and sustainable practices integrated across governance and business models.

As India strives to become a \$5 trillion economy, Company Secretaries and other professionals play a critical role in embedding these goals within corporate governance frameworks. Let us explore this transformative agenda, its relevance, and how CS professionals can drive sustainability in India.

Did you know that achieving the SDGs globally could unlock \$12 trillion in business opportunities annually and create 380 million jobs by 2030? For India, a country with over 1.4 billion people, embracing these goals isn’t just a responsibility—it’s an opportunity to lead the global sustainability movement.

As Company Secretaries, we are the custodians of governance, compliance, and ethical corporate practices. Our proactive involvement can significantly impact India’s journey toward achieving these ambitious goals.

UNDERSTANDING THE SDGs: A BRIEF OVERVIEW

The 17 SDGs are interconnected and address challenges such as poverty, inequality, climate change, environmental degradation, and justice. These goals form the core of the 2030 Agenda for Sustainable Development, providing a universal framework to balance economic growth, environmental preservation, and social well-being. The SDGs are not standalone objectives but are interlinked, meaning progress in one goal often catalyzes improvements in others. For instance, achieving quality education (Goal 4) empowers individuals to escape poverty (Goal 1) and fosters gender equality (Goal 5).

Why the SDGs? They aim to address the most pressing global challenges to create a world that is sustainable, equitable, and inclusive.

What do the SDGs focus on? Key areas include poverty eradication, clean energy, gender equality, and climate action.

How are they achieved? Through multi-stakeholder collaboration, resource mobilization, technology adoption, and integration into national policies and corporate strategies.

Key goals include:

- **No Poverty (Goal 1):** Ending poverty in all forms everywhere.
- **Quality Education (Goal 4):** Ensuring inclusive and equitable education.
- **Gender Equality (Goal 5):** Empowering women and girls.
- **Affordable and Clean Energy (Goal 7):** Promoting renewable energy solutions.
- **Climate Action (Goal 13):** Taking urgent action to combat climate change.

India ranks 121 out of 163 countries in the 2022 SDG Index. While there is progress, the pace needs to accelerate. With rising climate challenges, resource constraints, and inequality, achieving the SDGs requires an all-hands-on-deck approach.

ESG: THE BRIDGE TO SDG IMPLEMENTATION

Environmental, Social, and Governance (ESG) criteria have emerged as essential metrics for sustainable development. ESG goes hand-in-hand with SDGs, providing a framework for organizations to align their strategies with global goals.

Company Secretaries are actively involved in achieving SDGs by integrating ESG in corporate strategy and promoting transparency in reporting with collaborative efforts and ethical conduct.

2. **Gender Equality:** Initiatives like Beti Bachao Beti Padhao aim to bridge gender gaps in education and employment.
3. **Eradicating Poverty:** Schemes like PM Garib Kalyan Yojana have lifted millions out of poverty.
4. **Sustainable Cities:** The Smart Cities Mission promotes urban sustainability.
5. **Climate Action:** Under the Paris Agreement, India's Nationally Determined Contributions (NDCs) reflect its commitment to reducing greenhouse gas emissions and combating climate change. India has pledged to reduce the emissions intensity of its GDP by 45% by 2030, compared to 2005 levels. This ambitious target is part of a broader strategy to transition to a low-carbon economy, driven by renewable energy adoption and energy efficiency measures. By aiming to achieve 500 GW of non-fossil fuel capacity by 2030, India is setting an example for other developing nations. The NDCs emphasize sustainable development through climate-resilient practices, balancing economic growth with environmental preservation. Achieving this goal will require collaboration across sectors, significant investment in clean technologies, and active participation from all stakeholders, including Company Secretaries, who can integrate these objectives into corporate governance frameworks.

RELEVANCE OF ESG TO SDGs

- **Environmental (E):** Contributes to climate action, clean energy and sustainable cities.
- **Social (S):** Promotes gender equality, decent work and community development.
- **Governance (G):** Focuses on ethical business practices and transparency.

In India, ESG is no longer just a trend—it's a mandate. SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework, effective from FY 2022-23, requires the top 1,000 listed companies to disclose their ESG initiatives. This aligns corporate practices with the SDGs, making ESG a critical area of focus for Company Secretaries.

INDIA'S JOURNEY TOWARD THE 2030 AGENDA

India has launched several initiatives aligned with the SDGs:

1. **Clean Energy Transition:** India is the world's third-largest renewable energy producer, with a target of 500 GW of renewable capacity by 2030.

THE ROLE OF COMPANY SECRETARIES IN ACHIEVING SDGs

1. **Integrate ESG into Corporate Strategy:**
 - Advocate for board-level focus on sustainability.
 - Ensure alignment of corporate policies with SDGs.
 - Drive initiatives that reduce carbon footprints.
2. **Enhance Transparency and Reporting:**
 - Implement robust ESG reporting mechanisms.
 - Ensure compliance with BRSR and other regulatory requirements.
 - Promote stakeholder engagement through transparent disclosures.
3. **Educate and Advocate:**
 - Conduct workshops for board members and employees on SDGs.
 - Raise awareness about the long-term benefits of sustainable practices.

4. Foster Ethical Leadership:

- Encourage ethical decision-making in business operations.
- Embed sustainability into the company's DNA.

5. Collaborate for Impact:

- Partner with NGOs, government agencies, and industry bodies to drive sustainable projects.
- Leverage technology to scale sustainable solutions.

EXCERPT FROM THE WEF FUTURE OF JOBS REPORT 2025

Technological advancements and the green transition are driving transformations across industries globally. In particular, the demand for roles such as renewable energy engineers, environmental specialists, and sustainability experts is surging. According to the report, increased investments in carbon emission reductions and climate change adaptation are among the top trends reshaping businesses worldwide. For India, which is a global leader in green energy initiatives, this underscores the pivotal role of governance professionals, including Company Secretaries in integrating sustainability into corporate strategies. By aligning with these transformative trends, Indian organizations can strengthen their competitiveness and contribute to achieving the Sustainable Development Goals (SDGs).

CHALLENGES IN ACHIEVING SDGs IN INDIA

Did you know that achieving the Sustainable Development Goals (SDGs) in India could cost an estimated \$2.64 trillion?

This staggering figure underscores the magnitude of the challenge, but also highlights the immense opportunities for innovation, investment, and collaboration. While India has made strides in several areas, significant obstacles remain. Addressing these challenges requires concerted efforts across sectors, with Company Secretaries (CS) uniquely positioned to drive meaningful change.

- 1. Financial Inclusion:** CS professionals can play a pivotal role in facilitating, innovative financing mechanisms, such as green bonds, impact investing, and public-private partnerships. These mechanisms, ensure transparency and accountability in fund allocation and align corporate strategies with sustainable goals.
- 2. Awareness and Education:** Company Secretaries can act as educators within organizations, conducting workshops and training sessions to highlight the long-term benefits of sustainability and compliance with SDG-related frameworks.

- 3. Policy Implementation:** While India has several policies aligned with the SDGs, enforcement remains a challenge. CS professionals, as governance experts, can ensure that corporate policies are not only compliant but also proactive in addressing SDG objectives.

- 4. Data and Technology:** Accurate data collection and analysis are crucial for tracking progress on SDG targets. Technologies like artificial intelligence (AI) and blockchain can enhance transparency, efficiency and accountability in SDG reporting. Company Secretaries can advocate for the adoption of these technologies and oversee their integration into corporate reporting systems.

As a Company Secretary, you hold the power to be a catalyst for change. By leveraging your expertise in governance, compliance and strategic planning, you can help bridge the gaps in achieving India's SDGs. Let's commit to driving sustainable practices within our organizations, fostering awareness, and championing innovative solutions. Together, we can transform challenges into opportunities and make sustainability a reality for India by 2030.

THE RIPPLE EFFECT OF GOVERNANCE

Imagine a mid-sized manufacturing company that decides to align with the SDGs. With the guidance of its Company Secretary (CS), the company embarks on a transformative journey:

- **Waste Reduction:** By adopting circular economy practices, the company cuts waste by 30%, minimizing environmental impact while reducing operational costs.
- **Skill-Building Programs:** The organization introduces training initiatives for local workers, uplifting 500 individuals and fostering community development.
- **Renewable Energy Adoption:** Switching to solar energy, the company reduces annual emissions by 40%, contributing to cleaner air and sustainable energy goals.

WHY DO COMPANIES BENEFIT FROM ADOPTING SDGs?

- 1. Cost Efficiency:** Sustainable practices such as energy conservation and waste reduction, lower operational expenses in the long term.
- 2. Enhanced Brand Value:** Companies aligning with SDGs often enjoy a stronger reputation, attracting environmentally conscious consumers and investors.
- 3. Regulatory Compliance:** Adopting sustainable practices ensures compliance with evolving regulations, reducing legal risks.



4. **Innovation and Growth:** Sustainability fosters innovation, encouraging companies to explore new products and markets.
5. **Investor Confidence:** ESG-focused companies are more attractive to investors, leading to better access to capital.

Company Secretaries play a crucial role in these transformations by integrating SDG principles into governance frameworks, ensuring transparency and driving accountability. These professionals act as the bridge between management and stakeholders, enabling organizations to achieve both economic and sustainability goals effectively.

ACTION PLAN FOR COMPANY SECRETARIES

1. Training and Development

- Regularly attend workshops and courses on SDGs and ESG.
- Stay updated with global trends and local regulations.

2. Networking and Collaboration

- Join sustainability forums and networks to exchange ideas.
- Partner with organizations that drive sustainable projects.

3. Internal Advocacy

- Build a sustainability culture within the organization.
- Encourage teams to contribute ideas for sustainable practices.

4. Stakeholder Engagement

- Engage with investors and stakeholders on the importance of ESG and SDGs.
- Showcase the long-term benefits of sustainability in financial and non-financial terms.

THE FUTURE: INDIA'S ROLE IN GLOBAL SUSTAINABILITY

India's leadership in achieving SDGs can inspire other nations. With its vast human capital, technological advancements, and entrepreneurial spirit, the country is well-positioned to lead the global sustainability movement.

CALL TO ACTION FOR COMPANY SECRETARIES

The 2030 Agenda isn't just a global commitment; it's a call for action at every level. Company Secretaries (CS) have a unique position to influence policy, drive change, and ensure accountability. As key governance professionals, we have the opportunity to embed sustainable practices into the corporate DNA of organizations. Here's how CS professionals can champion the SDGs effectively:

1. Champion Sustainability in Boardrooms:

- Propose sustainability as a key agenda item in board meetings.
- Advocate for ESG (Environmental, Social, and Governance) goals to be incorporated into corporate strategies.
- Guide the board on compliance with global and local sustainability frameworks, such as SEBI's Business Responsibility and Sustainability Reporting (BRSR).

Practical Steps:

- Develop a sustainability roadmap aligned with the SDGs and present it to the board.
- Organize workshops to educate board members about the financial and reputational benefits of sustainability.
- Monitor the progress of sustainability initiatives and provide regular updates to stakeholders.

2. Lead by Example in Adopting Green Practices:

- Implement eco-friendly practices within the organization, such as reducing paper usage, conserving energy, and promoting recycling.
- Encourage the adoption of renewable energy sources and sustainable supply chains.
- Set measurable goals for reducing the company's carbon footprint.

Practical Steps:

- Initiate an internal audit to identify areas where resources can be conserved.
- Launch employee engagement programs to foster a culture of sustainability.
- Partner with vendors and suppliers who share the organization's commitment to green practices.

3. Collaborate Across Industries:

- Build alliances with industry bodies, NGOs, and government agencies to scale sustainable development efforts.
- Share best practices and innovations in sustainability through industry forums and networks.
- Participate in public-private partnerships to address pressing environmental and social challenges.

Practical Steps:

- Represent the organization in sustainability-focused forums and events.
- Establish a network of like-minded professionals to exchange ideas and resources.
- Collaborate on community development projects that align with the SDGs.

4. Focus on Transparency and Reporting:

- Ensure that sustainability initiatives are documented and communicated effectively to stakeholders.
- Embrace advanced reporting tools, such as AI and blockchain, to enhance the accuracy and reliability of ESG disclosures.

Practical Steps:

- Publish an annual sustainability report highlighting achievements and areas for improvement.
- Use digital platforms to engage with stakeholders and showcase the organization's commitment to SDGs.

- Benchmark the organization's performance against industry standards to identify gaps and opportunities.

5. Drive Innovation for Sustainability:

- Foster a culture of innovation within the organization to address sustainability challenges.
- Encourage R&D investments in sustainable technologies and processes.
- Leverage data analytics to optimize resource utilization and minimize waste.

Practical Steps:

- Launch innovation challenges to crowdsource ideas from employees and stakeholders.
- Collaborate with startups and research institutions to explore cutting-edge sustainable solutions.
- Invest in training programs to build internal expertise in sustainability-focused technologies.

CONCLUSION

The 2030 Agenda for Sustainable Development offers an unparalleled opportunity to redefine the role of businesses in society. For India to achieve its SDG commitments, the role of Company Secretaries is more critical than ever. By embedding sustainability into corporate governance, we can, not only meet global goals but also create a resilient and prosperous future for our nation.

Let's pledge to make sustainability a cornerstone of our professional journey and inspire others to do the same. Together, we can turn the 2030 Agenda into a reality for India and the world.

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CSR and Sustainable Leadership with emphasis on Public Sector Undertakings

This article focusses on how PSUs can be role models in the CSR era exemplifying sustainable leadership highlighting Triple Bottom Line concept. The CSR initiatives with sustainable leadership must aim at working towards these sacrosanct SDGs. CSR policies should be formulated keeping in mind these building blocks for sustainable development for greater good.



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INTRODUCTION

CSR and sustainable leadership go hand in hand for effective discharge of responsibilities for a Corporate Citizen. CSR not only includes the activities but also much more involving ethics, sustainable development of both the organizations and the economy. The Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change has gained importance for every constituent of civil society. The nations and their government have geared up to operationalize the interdependent 17 SDGs. Concerted actions of co-dependent Governments, Civil bodies, Businesses, Stakeholders must internalize these concepts in true spirit and foster them in their dealings. Peace and prosperity for people and the planet is the aim of these SDGs. They highlight the synergistic force of environment, society and economic goals for sustainable development while tackling climate change and conservation of the ecosystem. All sections of the society should be involved to bring in divergent skill set, creativity, innovation, invention, both human and physical resources, towards realization of these SDGs.

The CSR initiatives with sustainable leadership must aim at working towards these sacrosanct SDGs. CSR policies should be formulated keeping in mind these building blocks for sustainable development for greater good. No poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, reduced

inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on land, peace, justice and strong institutions, partnerships for the Goals are enumerated as the 17 SDGs. These co-dependent goals are of utmost importance for achieving sustainable development of each nation. As good corporate citizen, corporates are morally bound by these unassailable goals to flourish in the long run.

CORPORATE SOCIAL RESPONSIBILITY

CSR is a concept rooted in social accountability, responsibility to stakeholders and public at large. CSR also called Corporate Social Impact in the international parlance involves self-regulation. CSR aims to contribute to societal goals in the nature of philanthropy, charity, activism, stakeholders' welfare, engagement of community, ethical way of doing business, ethical sourcing, accountability to the planet and environment for their sustainability, etc. Before the introduction of the mandatory provisions on CSR in the Companies Act, 2013, these broad principles covered the CSR activities in the corporate sector. These still form the basis of CSR activities not limited to the compliance requirements, especially in the Public Sector Undertakings in India. Integrating CSR in business operations creates huge value for stakeholders across the spectrum and makes concrete positive impact not only on the society but also the planet at large.

SUSTAINABLE LEADERSHIP

It is a fluid concept depending on ethnicity, cultural diversity, individual traits, situational dynamism, political environment etc. Broadly, it involves, the capacity to lead at all levels irrespective of the title or formal authority. Yet it has strong inclination as a concept based on intelligence, image, integrity, charisma, communication skill, aura, positive vibe and power over the thought process of the prospective followers, to name a few of the determinants for leading. It may have formal power or authority or informal channels to motivate, influence and make people act. The psyche of the target group is to be analysed well to lead effectively, and to be fruitful in any action the leader desires to take. The gap analysis between what the actual situation is and where the leader wants to take to is a non-negotiable step for effective leadership.

The effects of leadership are not a one-off achievement. The process involves continuous involvement, dynamic

analysis, prompt decision making, an open minded approach and adaptability to meet the demands of changing environment that cannot be foreseen. Hence, sustainability in any leadership role is of utmost value. Long term impact of any action by the leader is to be well thought out as short-sightedness may cost a lot jeopardizing the whole activity both within and outside the organisation.

CSR AND SUSTAINABLE LEADERSHIP

Intersection between CSR and Sustainable Leadership has very interesting interplaying. An organizational leader's DNA must include CSR. Visionary leadership give hope, dream, make employees empowered, give impetus to sustainable practices throughout the organization. Business strategy is to be aligned with CSR vibe, a culture of socially responsible behaviour is to be built, nurtured and rewarded. Environment for identifying key social and environmental issues is to be encouraged. Targeted initiatives are to be developed. Resources are to be leveraged and used optimally to usher in a conducive environment of ethics, social commitments, patriotism, environmental concerns at each stage of operations. Carbon footprints are to be minimised at every decision. Natural resources are to be conserved, and exploring alternative to depleting natural resources are to be prioritized. Employees have a huge role in bringing about changes. As stakeholders, they are both ears and eyes for the organisation. They as members of the society can feel the expectations of other stakeholders, their needs and in turn contribute to the organization with their invaluable suggestions. Each employee irrespective of their level can be micro-leaders in their areas of influence both within and outside the organisation. Leaders with authority and power must be humble and approachable so that each member of the organization feels free to air their concern be it as a whistleblower, as a change agent, as an innovator or as advisors to sustainable practices. Empowered employees is a huge bonus for a CSR centric Leadership style. Each organization takes from the society to survive, and must be socially responsible. Sustainable growth can only be obtained when leaders act continuously with a heart and not only thinking in terms of the financial and regulatory perspective. The psychological well-being along with physical health of the employees is also a social obligation as each employee is a part of a family and a healthy family is a building block of a healthy society. In turn, a healthy society based on good habits, spirituality, peace, benevolence, rooted in the concept of **Vasudhaiva Kutumbakam** (the world is one family) survives and thrives through ages. Organizations cannot ignore this basic principle of co-dependency with various stakeholders. Hence, CSR Leadership is a highly sensitive role for the future of both the organization at micro level and all stakeholders at macro level. CSR Leadership must have the highest level of integrity, accountability and commitment towards equitable future for all. Ethical

Leadership making impactful CSR contributions attract customer loyalty, quality employee engagement and retention, enhanced brand value and high self-esteem across the organization. Aligning the organization's vision and mission for the good of society at large is the stepping stone to the Triple Bottom Line approach for an ethical, emotionally intelligent and collaborative CSR Leadership.

A just leader has CSR in his/her chromosomes. Cross functional, collaborative problem solving with long term thinking is the hallmark of an effective CSR Leader. Sustainability is the goal and CSR is the main vehicle for the journey. Leading big is to grow exponentially with minimal environmental foot prints. Bharat, being the **Marg Darshak** for the world from ages for civility, compassion, ethics, values, sacrifice, seva (selfless service) surely has an edge to lead in sustainable growth through impactful CSR Leadership.

Sustainability is always aspirational. Today's villains may be tomorrow's sustainability heroes in the constantly changing complex business environment. Emotions and perceptions of stakeholders change. Constant learning while pursuing sustainability is a must.

CSR AS THE CORE PRINCIPLE OF PSUs

Bharat, the nation built on the legacy of the oldest civilization in the world, has been synonymous with championing ethics, benevolence and good governance. Viksit Bharat is becoming a reality with crucial shift in psyche of the masses, players in the economy led by the vision of the Government. As a nation with a vast pool of youth, women, farmers, strives to grow along with all

with special commitment for the underprivileged. With benevolence, ethics and a strong urge to be the world leader in good governance at its core, it is on its way to rule this century. PSUs with Social Responsibility at its core can be big game changers in Viksit Bharat if they observe Triple Bottom Line philosophy.

Public Sector Undertakings have been guided by the principles of Social Responsibility since the inception of the concept of PSUs in the country. The country has been a forerunner in mandating CSR policy and spending. Before the CSR was mandated through statute, Public Sector Enterprises under Department of Public Enterprises Guidelines, 2010 did CSR to serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. Although PSUs have to maximize stakeholders' profits as guardians of public money, Triple Bottom Line expectations and pressure involving impact on social and environmental aspects along with economic aspects have been at the centre stage for PSUs. Economic or business goals are integrated with social goals as they are obligated

The psychological well-being along with physical health of the employees is also a social obligation as each employee is a part of a family and a healthy family is a building block of a healthy society.

to work wholistically for sustainable competitive advantage as a means to sustainable development with long term perspective.

CSR action plans of PSUs must be drawn for long term, mid-term and short-term period with a project-based accountability approach. Apart from regulatory requirements reporting should involve comprehensive description of activities, budgets earmarked (if feasible PSEs having different profit centres like Factories/Plant locations may draw up separate CSR budgets to be spent by them under the Annual CSR Budget allocations), timelines envisioned, responsibilities-authorities, major goal for the activities, implementation routes, description of implementing agencies, geographical areas to be benefitted, etc. The CSR activities may integrate social and environment concerns having relation to the nature of business of the company excluding expenditure on staff benefits. These activities may be natural corollary to the business activities/areas of the organisation as far as possible. As per the Govt. guidelines CSR activities should come under the 3 UN Global Compact Principles pertaining to the Environment. Businesses are asked to:

- i) Support a precautionary approach to environmental challenges;
- ii) Undertake initiatives to promote greater environmental responsibility; and
- iii) Encourage the development and diffusion of environmental friendly technologies.

Monitoring procedures and methodologies should be formulated and highlighted in reporting. Continuous evaluation of the activities is needed. Final reporting and evaluation of all CSR activities should be ensured. The experience at the execution and fulfilment of the CSR activity should be clearly documented. CSR initiatives should synchronise with welfare needs of State Governments, District Administration, Local Administration, Central Government Departments/Agencies, Self-Help Groups, etc. to avoid overlapping or duplication of work with other agencies. Implementation through special organizations with good track record of implementing CSR is encouraged instead of involving employees of the organisation for better effectiveness and efficiency. All levels of staff should be sensitised, oriented and trained for CSR vision of the organisations.

CSR IN PSUs POST COMPANIES ACT, 2013 ERA

With a strong foundation on CSR as guided by the Government through its guidelines from time to time, the PSUs have transitioned into the mandatory CSR era. The Companies Act, 2013 prominently through Section 135 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time have seen PSUs being actively pursuing the CSR activities with augmented DPE guidelines both at Central and State levels. With robust access to every nook and corner of the country, CSR activities of the PSUs have become

all the more vibrant and far reaching. Strong leadership at the apex decision making bodies of these PSUs, with dynamic mix of Public Servants with varied backgrounds, Independent Directors, woman directors and nominees of Financial Institutions makes an interesting mix for decision making in these organisations. Often, the Directors are luminaries in their fields with strong commitment to serve the society. Accountability to the public is sacrosanct. Hence, the PSUs not only have to adhere to statutory dictates, but are also under enormous public scrutiny. Apart from statutory auditors, CAG conducts supplementary audits in these PSUs. Being in highly capital-intensive sectors like infrastructure, energy etc., most PSUs are accountable to high profile lending agencies like ADB, other giant PSUs in financial sector, etc. They have their own clauses for environmental well-being apart from other ethical way of doing business. Hence, environment audit, management audit etc. also are in focus. The Board of Directors are answerable to the democratically elected public representatives. Consumer representatives are also proactive. PSUs are monitored by specific regulatory bodies connected with their operations. Decisions are subject to public scrutiny through RTI activists. Hence, CSR is a very sensitive area for PSUs. Right from identification of the activities, decision on implementing agencies, areas where the activities will be undertaken, impact assessment (both mandatory and voluntary), CSR reporting in Directors' Report and Returns with Ministry of Corporate Affairs, Govt. of India, the CSR is a very interesting domain. The PSUs are monitored for good corporate governance practices by their nodal department. PSUs are ranked by different agencies by evaluating their performances on various parameters including information on CSR etc. The public image of the PSU is built not only on its business success but also the buzz it creates through its service to the society through its CSR activities.

Most PSUs that undertake CSR have a CSR Committee. These committees are instrumental in identifying projects, agencies, formulation of policies, budget allocation etc. On recommendation of these committees the Board of Directors decide on the CSR activities of these concerns.

PROFILE OF CSR LEADERSHIP IN PSUs

CSR Leaders in PSUs are from diverse background reflective of the vibrant board compositions of the PSUs. The diversity in the CSR committees and their leadership brings in expertise in different areas. The nature of PSU leadership is reflective of the widespread geographic, demographic, cultural and aspirational diversity of the nation towards a common goal of sustainable development with enormous emphasis on Triple Bottom Line. Complementarity of CSR and sustainability is highly reflective in the PSE guidelines developed for Central Public Sector Enterprises as well as PSE guidelines of different states. The Commitment to Charitable causes have been a common CSR activity. The donations to mid-day meal run by organizations like Akshay Patra Foundation, Development of women centric

training programs in the remotest areas of the country, development and maintenance of public toilets and rest rooms for general public in areas with high footfalls like bus stands, historical sites, preservation and promotion of rich cultural heritage by helping artisans, artists, weavers, craftsmen, establishment and maintenance of drinking water facilities, developing and maintaining ladies toilets, encouragement to students in the form of establishing and maintaining Libraries, etc. are the most common manifestation of the CSR activities with both small scale and large scale budgets of smaller PSUs and the bigger ones. The commitment towards sustainability is the core driving force at each level of activity for CSR in PSUs. The PSUs often are expected to loosen their purses in times of national disaster or other tragedies. Contribution to PM National Relief fund, PM CARES fund, or other funds and activities as prescribed in the Schedule VII of the Companies Act, 2013 is a regular way of doing CSR by PSUs. Apart from the statutory obligations, contributions to CM Relief fund, donation to charitable organisations, cultural organisations, sports bodies to develop youth welfare, sponsoring vocational training, coaching of talented youth, sponsoring acclaimed sports personnel, artists and giving employment to them also are taken up by PSUs liberally. Apart from these, while undertaking various business decisions, e.g., electrification of remotest corners of the country while implementing visionary schemes of the Government reflects strong social commitment of PSUs. While deciding on CSR activities good governance practices as enumerated below are mainly focussed:

- A. Reducing carbon foot prints while undertaking any activity.
- B. Greening the supply chain.
- C. Supporting fair trade practices while selecting suppliers, vendors, service providers, clients, partners, etc.
- D. Dealing with highly ethical socially responsible units committed for sustainable development of the Country's economy.
- E. Units engaging adequate number of women and having a good balance of workers representing various segments of the society like backward classes, differently abled people, gender fluid individuals, members LGBTQ community, etc.
- F. Setting right any environmental damage it may cause while doing its business.
- G. Rehabilitation of the displaced people, if any, while doing its business.
- H. Blacklisting units employing child labour or other malpractices, etc.

All PSUs have to comply with the provisions of the Companies Act, 2013 and the CSR Rules with the utmost sincerity and commitment to the good of the nation as a Socially responsible citizen. Leadership in CSR field of PSUs have to be extra cautious as they are dealing with

the resources of the public. They have to think about accountability to the society while taking any decision. Their CSR is not restricted to the dictates of legislature. The very essence of their role is built on the principle of sustainable corporate social responsibility, inclusive growth and upliftment of the deprived and less privileged segments of the society. Women Employees, physically challenged ones, the Dalits, all are to be looked after well by PSUs. As socially responsible entities safety and security of workplaces, with special emphasis to these sections, establishing healthy workplaces for better physical and mental health beyond statutory obligations must be a part of sustainable initiatives of PSUs. The HR function of the PSUs must be proactive for growth of a corporate culture of positive vibe and non-toxicity. Happy and healthy employees can be great innovators of meaningful CSR initiatives of the organisation and be truly representative of the concept of sustainable leadership. The PSUs can also prepare an Annual Sustainability Report as a gesture of commitment for greater transparency and accountability. The brand image of the corporate will be highly impacted by this. The PSUs are also expected to get a detailed baseline/ need assessment survey before deciding on any CSR activity, apart from impact assessment post completion voluntarily.

CSR LEADERSHIP AND COMPANY SECRETARIES

The expertise of professional CS has a huge role to play in the CSR era by way of their invaluable consultancy. With their sound knowledge base in the CSR legislations, Environmental laws, Industrial Laws, etc., they can be involved in each stage of CSR programs. The core principles of good Corporate Governance can be effectively applied across all areas of conduct of CSR decision making. The CSR Leadership can benefit from the advices of the guardians of Satyam and Dharma in the Corporate Sector, embodied in the form of Company Secretaries.

Acknowledgement:

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The 2030 Agenda for Sustainable Development

Giving an overview of the 17 SDG's the authors postulate some of the most prominent goals, supported by its set of targets and indicators to measure progress and success. The integration of targets and indicators creates a transparent and effective system for tracking progress, enabling stakeholders at all levels to assess the situation, identify challenges, and mobilize resources as needed. The authors further elaborate on key areas of focus and implementation challenges for achieving the 2030 Agenda and the role of Company Secretaries in advancing the 2030 Agenda for sustainable development.



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INTRODUCTION

The 2030 Agenda for Sustainable Development represents a global commitment to addressing the most urgent challenges of our time, ranging from poverty eradication to environmental preservation. Adopted by all United Nations Member States in 2015, this transformative framework is designed to create a more sustainable and equitable world by 2030. Central to the agenda are the 17 Sustainable Development Goals (SDGs), which serve as a comprehensive roadmap for nations to tackle interconnected global issues such as climate change, inequality, and social injustice, while promoting peace and prosperity for all. The significance of the 2030 Agenda lies in its universality; it calls for the active participation of all countries, both developed and developing, emphasizing the collective responsibility to achieve global sustainability.

The purpose of the 2030 Agenda is to guide nations in fostering sustainable development that strikes a balance between economic growth, social inclusion, and environmental stewardship. By establishing clear targets for each SDG, the agenda provides a practical framework for addressing critical global issues. Its overarching vision is to create a world where no one is left behind, and where the needs of both people and the planet are met in harmony.

Building on the legacy of the Millennium Development Goals (MDGs), which focused on specific challenges such as poverty and education, the 2030 Agenda broadens the

scope of global development to encompass environmental sustainability, gender equality, and peace. The framework is rooted in principles of inclusivity, equality, and environmental protection, which are now viewed as essential to achieving sustainable development. The SDGs embody a modern, holistic approach to addressing the interconnected challenges of today's world, urging governments, businesses, and individuals to collaborate in creating a sustainable future for all.

THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Sustainable Development Goals (SDGs) serve as the cornerstone of the 2030 Agenda for Sustainable Development, establishing a universal framework to tackle the world's most urgent challenges. Adopted by all United Nations Member States in 2015, the 17 SDGs aim to foster prosperity while safeguarding the planet. They address a broad range of global issues, including poverty, inequality, climate change, environmental degradation, and peace. The SDGs represent a call to action for governments, businesses, and civil society to collaborate in achieving a sustainable and equitable future for all by 2030.

Overview of the 17 SDGs

Each of the 17 SDGs is supported by specific targets that guide nations in their efforts to address these global challenges. The SDGs are interconnected, underscoring the need for a balanced approach to social, economic, and environmental sustainability. Some of the most prominent goals include:

- **Goal 1: No Poverty** -This goal aims to eradicate extreme poverty for all people by 2030, emphasizing the importance of equal access to resources, opportunities, and social protection to lift vulnerable populations out of poverty.
- **Goal 13: Climate Action**- Goal 13 focuses on addressing climate change and its impacts. It calls for immediate action to reduce greenhouse gas emissions, promote climate resilience, and implement sustainable practices across industries and communities.
- **Goal 5: Gender Equality** -Gender equality is central to sustainable development. Goal 5 seeks to eliminate all forms of discrimination, violence, and harmful practices against women and girls, while promoting equal participation in leadership, education, and economic activities.
- **Goal 7: Affordable and Clean Energy** - This goal ensures access to affordable, reliable, sustainable, and modern energy for all, with a focus on increasing the adoption of renewable energy sources and improving energy efficiency.

TARGETS AND INDICATORS

Each SDG is supported by a set of **targets** and **indicators** to measure progress and success. These targets break down the broader goals into specific, actionable objectives, while the indicators provide measurable outcomes for tracking progress.

• Targets

Targets are concrete objectives for each SDG, often with a set timeframe for completion. For example, **Goal 1 (No Poverty)** includes targets such as halving the proportion of people living in poverty and ensuring universal access to essential services.

• Indicators

Indicators are metrics used to assess progress towards achieving each target. These metrics help governments and organizations monitor the implementation of SDGs and evaluate whether objectives are being met. For example, **Goal 13 (Climate Action)** includes indicators such as global greenhouse gas emissions, climate financing, and adaptation efforts in vulnerable regions.

To measure success, data is systematically collected and analysed globally by institutions such as the United Nations, national governments, and various stakeholders. Key indicators, such as poverty rates, gender equality in education, carbon emissions, and renewable energy adoption, provide insights into progress and highlight areas where further action is needed. These metrics ensure accountability and guide the global community in staying on track toward achieving the 2030 Agenda.

The integration of targets and indicators creates a transparent and effective system for tracking progress, enabling stakeholders at all levels to assess the situation, identify challenges, and mobilize resources as needed. This data-driven approach ensures that the pursuit of the SDGs remains measurable and action-oriented, safeguarding that no one is left behind in the global effort toward sustainability.

THE PRINCIPLES OF THE 2030 AGENDA

The 2030 Agenda for Sustainable Development is built upon three core principles that guide the global effort to create a more sustainable and equitable world. These principles ensure the goals are achievable, inclusive, and holistic, addressing the diverse needs of all nations and people.

1. Leave No One Behind

The principle of leaving no one behind emphasizes inclusivity in sustainable development. It ensures that the benefits of progress are shared equitably, particularly for vulnerable populations, including women, children, the elderly, people with disabilities, indigenous communities and refugees. By prioritizing inclusivity, the agenda seeks to provide equal access to resources, education, healthcare and economic opportunities, promoting social justice and human dignity for all individuals. Sustainable development is about more than economic or environmental progress; it is about ensuring social equity.

2. Universality and Integration

The SDGs are universal, applying to all countries regardless of development level. Universality ensures that every nation can contribute to achieving the SDGs, adapting strategies based on national priorities and capacities. This principle highlights the interconnectedness of global challenges, such as poverty, inequality, and climate change, which require integrated solutions across sectors. Achieving the SDGs requires a comprehensive approach that connects environmental sustainability, economic growth, social inclusion, and peace.

3. Global Partnership

The success of the 2030 Agenda depends on global partnerships between nations, organizations, businesses, and individuals. Achieving the SDGs requires international cooperation, resource mobilization, and shared knowledge. Multi-stakeholder partnerships encompassing governments, the private sector, civil society and other organizations are essential to address global challenges. This principle of shared responsibility underscores that no single entity can solve these issues alone and emphasizes solidarity, with developed countries supporting developing nations through funding, capacity-building, and technical assistance.

KEY AREAS OF FOCUS FOR ACHIEVING THE 2030 AGENDA

The 2030 Agenda for Sustainable Development tackles a wide range of global challenges and outlines a framework for comprehensive action to achieve a sustainable and equitable world. The successful realization of the Sustainable Development Goals (SDGs) requires a focus on key interconnected areas of social, environmental, and economic development.

1. Climate Change and Environmental Sustainability

Addressing climate change and environmental degradation is essential for ensuring the planet's long-term health.

- **Climate Action and Life on Land:** Goal 13 aims to reduce greenhouse gas emissions, and Goal 15 focuses on protecting and restoring terrestrial ecosystems. Both goals emphasize the need for climate resilience, adaptation, and mitigation strategies. Immediate action, such as reducing emissions, transitioning to renewable energy, and preserving ecosystems, is crucial for mitigating climate change.
- **Sustainable Energy and Biodiversity:** Goal 7 emphasizes the transition to renewable energy, improving efficiency, and ensuring universal access to clean energy. Biodiversity conservation, through sustainable agricultural practices and protecting ecosystems, is critical for maintaining biodiversity and ecosystem services, supporting SDGs related to both life on land (Goal 15) and life below water (Goal 14).

The successful implementation of the 2030 Agenda for Sustainable Development requires collective action from governments, businesses, civil society, and individuals.

3. Peace, Justice, and Strong Institutions

Stable and inclusive governance systems are essential for sustainable development.

- **Governance and Rule of Law:** Goal 16 emphasizes transparent, accountable, and inclusive institutions to address corruption, ensure justice, and foster peace. Effective governance promotes human rights and provides mechanisms for conflict resolution, ensuring that development benefits all.
- **Human Rights and Civic Participation:** Respecting human rights and promoting active participation in decision-making processes are vital for creating peaceful societies. Inclusive political systems where individuals engage in governance ensure long-term stability.

4. Gender Equality

Gender equality is both a fundamental human right and crucial for achieving all other SDGs.

- **Ending Violence and Discrimination:** Goal 5 seeks to eliminate all forms of violence and discrimination against women and girls, addressing issues like gender-based violence, child marriage, and harmful practices. Tackling economic, cultural, and legal barriers to women's access to education, employment, and healthcare is key to achieving gender equality.
- **Empowerment and Leadership:** Promoting women's participation in leadership roles and ensuring equal access to education, economic opportunities, and political engagement are essential for gender equality. Empowering women allows them to influence decisions that shape their lives and communities.

2. Social and Economic Development

The 2030 Agenda emphasizes poverty eradication, inclusive growth, and social equality.

- **Eradicating Poverty and Promoting Economic Growth:** Goal 1 aims to eradicate extreme poverty, while Goal 8 promotes sustainable, inclusive economic growth and decent work. Inclusive growth reduces inequalities and creates opportunities, especially for marginalized groups.
- **Human Development and Social Protection:** Goals 3, 4, and 10 stress the importance of universal access to quality education, healthcare, and social protection. Strengthening education and healthcare systems builds resilient population capable of fully participating in the global economy.

IMPLEMENTATION OF THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

The successful implementation of the 2030 Agenda for Sustainable Development requires collective action from governments, businesses, civil society, and individuals. Each plays a unique role in ensuring the achievement of the Sustainable Development Goals (SDGs) through national policies, private sector innovations, and community-driven efforts.

1. National Governments' Role

National governments lead the implementation of the SDGs by aligning national plans, policies, and strategies with global goals.

- **Aligning Plans with SDGs:** Governments must integrate the SDGs into national development plans, setting clear priorities and adopting multi-

sectoral approaches. Policies across sectors like healthcare, education, and energy should align to promote sustainability.

- **Political Will and Governance:** Strong political will and governance structures are essential for prioritizing sustainable development. Governments must ensure transparent, accountable frameworks and provide adequate financing for SDG-related projects.

2. Private Sector Engagement

The private sector is vital in driving innovation, investment, and sustainable practices, helping to achieve the SDGs while creating new market opportunities.

- **Supporting Sustainable Practices:** Businesses must adopt sustainability in their models, reducing environmental impact, improving efficiency, and supporting fair labour practices. Voluntary measures like ethical sourcing and carbon reduction should complement regulatory compliance.
- **Innovation and Investment:** The private sector plays a key role in technological innovations, such as clean energy and sustainable infrastructure, financing green technologies and social programs aligned with SDG targets.

3. Civil Society and Global Citizens

Civil society organizations (NGOs), grassroots groups, and individuals advocate for the SDGs, raise awareness, and ensure inclusivity in development efforts.

- **Advocacy and Awareness:** NGOs raise awareness and advocate for policies that include marginalized voices. They work with local communities to implement projects and monitor progress.
- **Community-Driven Action:** Local communities and global citizens contribute by engaging in sustainable practices and creating grassroots movements that hold governments and businesses accountable. These initiatives, when scaled, can have a significant impact.

4. Financing for Development

Achieving the SDGs requires mobilizing substantial financial resources through diverse funding sources, including international organizations, the private sector, and public-private partnerships.

- **Funding from International Organizations:** Institutions like the World Bank, IMF, and UN provide financial and technical support to developing countries, helping them implement SDG commitments effectively.

- **Public-Private Partnerships:** PPPs are a key tool for financing large-scale development projects, enabling the sharing of risks and rewards between sectors.
- **Sustainable Investments:** The rise of sustainable investing, focusing on environmental, social, and governance (ESG) factors, supports SDG-related projects. Green bonds and impact investing drive capital toward long-term, sustainable development.

MONITORING PROGRESS AND CHALLENGES IN ACHIEVING THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

1. Monitoring progress toward the 2030 Agenda is vital to ensure that global efforts to achieve the Sustainable Development Goals (SDGs) are on track and effective. Despite significant strides, challenges remain, requiring continuous evaluation, collaboration, and innovation across nations and sectors.

- **Tracking and Reporting Progress:** Tracking progress is crucial to maintain momentum and ensure countries stay on course toward the SDGs. The United Nations, through the High-level Political Forum (HLPF), reviews progress annually, providing a platform for stakeholders to address challenges and solutions. Organizations like the World Bank, UNDP, and OECD gather and analyze data on SDG indicators to assess progress globally.
- **Data, Reports, and Reviews:** Accurate data is essential for assessing progress and identifying areas for improvement. National governments submit Voluntary National Reviews (VNRs) to the HLPF, offering insights into achievements and challenges. Data from global databases on indicators such as poverty, gender equality, and environmental sustainability help track overall progress and inform global development strategies.

2. Challenges and Barriers to Achieving the SDGs

While progress tracking is essential, several significant challenges remain in achieving the SDGs by 2030.

- **Global Challenges:** The COVID-19 pandemic has disrupted SDG progress, deepening inequalities and economic vulnerabilities. Job losses, increased poverty, education disruptions, and delays in infrastructure projects have compounded existing issues.
- **Financial Gaps and Capacity:** The resources needed for SDG-related initiatives, such as infrastructure and healthcare, exceed the

capacity of many low and middle income nations. Without adequate financing or international support, these countries struggle to meet targets. Additionally, limited technical expertise and institutional capacity make it difficult to manage large-scale sustainable development programs.

- **Integrated Policymaking:** Achieving the SDGs requires coordinated policies that align social, economic, and environmental goals across sectors. However, fragmented approaches often lead to conflicting priorities, wasting resources. Governments must adopt integrated, whole-of-government strategies that ensure policies work together to achieve the SDGs.

3. Addressing the Digital Divide and Technology Gap

The digital divide and technology gap are significant barriers to sustainable development, especially in terms of equitable access to information, education, and innovation.

- **The Importance of Technology:** Technology is key to achieving the SDGs, driving innovations in clean energy, agriculture, healthcare, and education. Digital transformation can increase access to resources, improve decision-making, and foster economic growth. However, unequal access to technology exacerbates global inequalities and hinders development.
- **Equitable Access to Information and Innovation:** Ensuring equitable access to technology and the internet is essential to bridge the digital divide. Without access, communities, especially in rural or underdeveloped areas, cannot fully participate in the digital economy or benefit from innovations. Governments, businesses, and international organizations must collaborate to provide marginalized communities with affordable and reliable digital infrastructure, investing in digital literacy, internet connectivity, and inclusive innovation.

ROLE OF COMPANY SECRETARIES IN ADVANCING THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

1. Ensuring ESG Compliance and Corporate Sustainability

Company Secretaries help integrate ESG principles into corporate strategies, ensuring that organizations align their operations with Sustainable Development Goals (SDGs). They can facilitate:

- ESG reporting in compliance with national and international sustainability frameworks (e.g., GRI, BRSR, SASB);
- implementation of climate-conscious policies, including carbon footprint reduction and sustainable resource utilization; and
- governance structures that promote social responsibility, diversity, and inclusion.

2. Strengthening Corporate Governance for Sustainable Growth

Company Secretaries act as custodians of corporate governance by:

- ensuring ethical business practices through compliance with governance codes and sustainability laws;
- advising boards on responsible investment decisions and stakeholder engagement in line with SDG priorities; and
- implementing integrated reporting frameworks that enhance accountability and transparency in sustainability performance.

3. Driving Stakeholder Engagement and Ethical Leadership

Effective stakeholder management is crucial to achieving sustainability goals. Company Secretaries:

- facilitate dialogue between businesses, regulators, investors, and civil society on sustainability issues;
- promote corporate social responsibility (CSR) initiatives aligned with SDGs, ensuring meaningful impact assessment; and
- encourage businesses to adopt sustainable finance practices, such as green bonds and ESG-linked investments.

4. Compliance with Sustainability Regulations and Reporting Standards

With increasing regulatory emphasis on sustainability disclosures, Company Secretaries:

- guide businesses in adhering to SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework;
- ensure compliance with global sustainability norms like the EU Taxonomy, TCFD, and UN Global Compact principles; and
- assist in corporate filings and disclosures related to climate risk, sustainable investments, and human rights.

5. Fostering Ethical Corporate Behavior and Risk Management

Sustainability-driven governance requires proactive risk management. Company Secretaries:

- identify and mitigate ESG risks, including environmental liabilities and governance lapses;
- promote whistleblower protection and anti-corruption policies, reinforcing ethical corporate behavior; and
- embed sustainability within risk management frameworks to ensure resilience against environmental and social challenges.

THE FUTURE OF THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

Technological advancements and innovation are pivotal in achieving the SDGs, offering scalable solutions to address pressing global challenges. Technologies such as artificial intelligence (AI), big data, and clean energy can transform industries, empower communities, and enhance sustainable development efforts.

1. The Role of Technology and Innovation in Achieving the SDGs

- **AI and Data Analytics:** AI and big data revolutionize global problem-solving. AI optimizes resource allocation, predicts climate trends, and enhances disaster response. Big data aids in better decision-making in sectors like healthcare, education, and infrastructure, while real-time SDG progress monitoring ensures evidence-based interventions.
- **Clean Energy and Sustainability:** Innovations in solar, wind, and renewable energy have reduced costs, making clean energy more accessible. Energy storage solutions and smart grids enhance energy reliability, reduce waste, and contribute to climate action (SDG 7 and 13).
- **Technological Solutions for Agriculture and Health:** AI-driven precision agriculture improves sustainability and productivity, addressing food security (SDG 2). In healthcare, telemedicine, digital records, and AI diagnostics ensure access to healthcare, especially in remote areas, contributing to SDG 3 (Good Health) and SDG 12 (Responsible Consumption).

2. Post-2030 Vision: Evolving SDGs Beyond 2030

As we approach 2030, it's vital to plan for the future and anticipate how the SDGs might evolve.

- **Continuing the SDG Framework:** The SDGs will likely remain the foundation of the global development framework, but may be updated

to reflect new challenges such as AI, robotics, digital infrastructure, and cybersecurity. Issues like urbanization, biodiversity, and pandemic preparedness will gain increased attention.

- **Sustaining Growth and Expanding Focus:** After 2030, the focus will shift to sustaining SDG achievements while promoting sustainable economic growth. Future frameworks will prioritize inclusive development, ensuring that marginalized communities benefit from prosperity and intergenerational equity is maintained.
- **Addressing Emerging Global Issues:** Post-2030, the global agenda could encompass emerging challenges like space exploration, AI governance, and the digital economy's impact on work. Ongoing climate change effects will demand long-term adaptation strategies, fostering global collaboration for a sustainable future.
- **A Decentralized Approach:** With growing interconnectedness, future development frameworks may adopt more decentralized models, emphasizing local action, community-driven initiatives, and regional cooperation. Local governments and civil society will play a critical role in shaping and implementing policies.

CONCLUSION

In conclusion, the 2030 Agenda for Sustainable Development represents a transformative global framework for shaping a sustainable, equitable, and prosperous future. Its significance lies in its comprehensive approach to addressing the interconnected challenges of poverty, inequality, climate change, and peace, while promoting inclusive growth and environmental stewardship. The SDGs offer a universal path forward, urging governments, businesses, and individuals to take collective responsibility for creating lasting change. As we approach 2030, it is crucial that we continue to prioritize global cooperation, embrace innovation, and foster local action, ensuring that no one is left behind. The path to a brighter, more sustainable future is within reach, but it requires our unwavering commitment to the SDGs and a shared determination to turn vision into reality.

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CSR and Sustainable Leadership: Shaping The Future

As corporate governance professionals, Company Secretaries are uniquely positioned to implement stakeholder-oriented approach in their organization or their place of work. The Author elaborates on the CSR regulatory framework linking with growing demand for sustainable leadership and implementation of ESG principles.



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INTRODUCTION

In today's ever-changing business landscape, businesses and corporations are not only expected to generate profits and showcase strong financial performance, but they are also expected to give back to society in ways that contribute to its growth and development and are also scrutinized for their impact on the Environment, Social and Governance (ESG) aspect making Corporate Social Responsibility (CSR) and Sustainability as cornerstones for long-term corporate success. CSR is no longer merely an optional or philanthropic activity, but a strategic move, intertwined with the company's business operations and overall governance.

The stakeholders of the company, including investors, employees, customers, communities, and regulators are increasingly demanding that companies incorporate Environmental, Social, and Governance (ESG) perspective in their leadership practices. This change in mindset reflects that long-term success is rooted in sustainable business practices that take into account the welfare of the planet, people, and society as a whole.

This shift moves the focus from purely capitalist models, which prioritize short-term profit maximization for shareholders, towards a **stakeholder-oriented model** that seeks to create long-term value and success for all involved parties. In this model, the management of the company is not just responsible for generating profits; it is also responsible for leading the organization in a way that minimizes harm, drives positive social and environmental impact, and enhances the company's reputation, goodwill, and financial sustainability.

As corporate governance professionals, **Company Secretaries** are uniquely positioned to excel at these principles, ensuring that businesses comply with legal frameworks while fostering a culture of responsibility, accountability and transparency. By integrating CSR and sustainable leadership into corporate strategy, Company Secretaries help ensure regulatory compliance and boost the company's reputation, attracting top talent, and driving long-term profitability.

UNDERSTANDING CSR: LEGAL AND REGULATORY FRAMEWORK IN INDIA

CSR Provisions under the Companies Act, 2013

In India, the **Companies Act, 2013** has made it mandatory for certain companies to adopt CSR practices and spend a prescribed percentage of their profits on various social causes. The key provisions under the Act are:

1. Section 135 – CSR Mandate

Section 135 of the Companies Act, 2013, mandates that companies falling under specific financial criteria must undertake CSR activities. This includes companies that:

- Have a net worth of ₹500 crore or more,
- Have a turnover of ₹1000 crore or more, or
- Have a net profit of ₹5 crore or more during the preceding financial year.

For companies meeting these criteria, CSR contribution is not just a voluntary initiative but a legal obligation. They must spend at least 2% of their average net profits of the last three financial years on CSR activities as specified in Schedule VII of the Companies Act, 2013.

2. CSR Policy Development

Companies are required to develop a CSR policy detailing the objectives, scope, and implementation methods for CSR initiatives. The policy must be approved by the Board of Directors and should outline the specific areas of social impact that the company will focus on. The Board must also specify the CSR programs and projects that align with the policy, and outline how the company intends to measure the effectiveness of its CSR initiatives.

3. CSR Committee

Every company which falls under the criteria specified in Section 135(1) of the Companies Act, 2013 must form a CSR Committee. The Committee's responsibilities include ensuring the effective implementation of CSR programs and projects.

The CSR Committee must consist of at least three directors, of whom at least one must be an Independent Director. This ensures an objective and transparent approach to CSR activities. Provided that where a company is not required to appoint an independent director under sub-section (4) of Section 149, it shall have in its Corporate Social Responsibility Committee two or more directors.

The Corporate Social Responsibility Committee shall,—

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII in areas or subject, specified in Schedule VII;
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) monitor the Corporate Social Responsibility Policy of the company from time to time.

Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this Section shall, in such cases, be discharged by the Board of Directors of such company.

The Committee monitors the progress of CSR activities and reports to the Board. Additionally, companies must disclose their CSR spend and activities in the Board's report.

4. CSR Spending and Non-Compliance

If a company fails to spend the minimum required CSR amount, it must provide an explanation in its annual report, stating the reasons for non-compliance. Penalties for non-compliance include fines and potential liability for the company and its directors.

SEBI REGULATIONS

The Securities and Exchange Board of India (SEBI) has played a significant role in ensuring transparency in CSR activities, particularly for listed companies. Under the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, SEBI mandates that listed companies disclose their CSR activities in their annual reports.

- a. **Regulation 34(2)(f)** of LODR requires that the annual report of top one thousand listed entities based on market capitalization, shall include a Business Responsibility and Sustainability Report on the environmental, social and governance disclosures, in the format as may be specified by the Board from time to time.

SEBI has also proposed to the government to amend the Companies Act, 2013, to include donations made through Social Stock Exchanges (SSEs) as part of CSR activities.

THE GROWING DEMAND FOR SUSTAINABLE LEADERSHIP

In recent years, the call for sustainable leadership in India has intensified, fueled by both global and domestic pressures. As the world's largest democracy and one of the fastest-growing economies, India's corporate sector is increasingly expected to transition from traditional business models that focus solely on profit generation to more comprehensive strategies that integrate Environmental, Social, and Governance (ESG) principles. This shift is not only driven by a growing global concern for sustainability but also by specific challenges and opportunities within the Indian context.

Sustainable leadership means that companies should integrate community welfare into their business models, ensuring that they contribute to societal good while achieving their business objectives. In India, the rising demand for sustainable leadership is being shaped by multiple forces; from government regulations to stakeholder activism, consumer awareness and the increasing alignment of global investors with responsible business practices. Indian companies, especially large public-listed ones, are realizing that long-term success and reputation cannot be built without a strong commitment to sustainability and ethical leadership.

THE CHANGING EXPECTATIONS OF INDIAN STAKEHOLDERS

In addition to regulatory pressures, stakeholders in India; from consumers and employees to investors and the public are demanding that businesses operate responsibly and sustainably. The growing awareness of environmental and social issues is reshaping the expectations of various stakeholders:

1. **Investor Expectations:** The rise of impact investing and the growing interest in ESG-focused investment funds have made it clear that Indian companies must prioritize sustainability if they want to attract and retain capital. Institutional investors and mutual funds are increasingly evaluating companies based on their ESG performance, recognizing that sustainable business models are more likely to yield long-term profitability.

Moreover, the Indian stock market is seeing a shift towards companies that incorporate sustainability in their core business strategies. ESG metrics are no longer just a box to check; they are becoming a critical

part of investment analysis. As a result, companies are under pressure to showcase not just their financial performance but also their commitment to sustainability, which enhances reputation and attracts ethical investors.

2. **Consumers' Consciousness:** Indian consumers are becoming more conscious of the environmental and social impact of the products and services they purchase. From eco-friendly products to fair labour practices, consumers are increasingly aligning their purchasing decisions with companies that demonstrate a genuine commitment to sustainable practices.

The rise of conscious consumerism is driving companies to adopt more sustainable business models. Brands that fail to meet these expectations risk losing market share to competitors who place ethics and sustainability at the core of their operations. Companies that lead with sustainable leadership by prioritizing environmental sustainability and social equity can build a loyal customer base, enhancing their brand reputation and driving long-term growth.

3. **Employee Engagement:** Employees in India, especially millennials and Gen Z, are seeking more than just a paycheck; they are looking for companies whose values align with their own. There is a growing trend toward purpose-driven work where employees want to contribute to a greater cause. Companies that embrace sustainable leadership by adopting ethical work practices, diversity and inclusion policies, and community involvement are more likely to attract top talent and retain a highly engaged workforce.

Companies that lead sustainably not only contribute to employee well-being but also foster a positive workplace culture. A company with strong leadership in social issues, such as gender equality, equal pay, and employee development, can enhance employee satisfaction and loyalty, which in turn benefits overall productivity and business success.

4. **Communities and NGOs:** Indian companies are under increasing pressure to contribute to the welfare of the communities in which they operate. As more communities face challenges such as poverty, lack of education, and health crises, companies are expected to invest in community development programs that go beyond mere charity.

The stakeholder-oriented model of ESG seeks to create long term value and success for all involved parties.

THE ROLE OF GOVERNMENT AND REGULATORY FRAMEWORKS

Indian government has recognized the importance of sustainable development and is actively pushing for greater corporate responsibility through legislative and policy measures. Several initiatives and regulations have contributed to the growing demand for sustainable leadership among Indian companies.

COMPANIES ACT, 2013 – CORPORATE SOCIAL RESPONSIBILITY (CSR)

The introduction of Section 135 of the Companies Act, 2013 was a landmark shift in corporate governance in India, marking the country's commitment to integrating social responsibility into business operations. CSR spending by eligible companies must be disclosed in their annual reports, ensuring greater transparency and accountability.

This regulatory development paved the way for sustainable leadership in India by ensuring that companies take active responsibility for their impact on society. While CSR is focused on charitable contributions, it has now evolved to include a broader spectrum of sustainable business practices that consider both social equity and environmental impact. Companies are now encouraged to integrate sustainability across all their operations, from energy-efficient production to ethical sourcing and social inclusivity.

SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

SEBI has also played a pivotal role in promoting sustainable leadership in India by encouraging ESG disclosures. The introduction of Business Responsibility and Sustainability Reports (BRSR) in 2021 has compelled Indian companies to take a comprehensive approach to ESG reporting. The BRSR mandates that the top 1,000 listed companies (based on their market capitalization) disclose their environmental impact, social contributions, and governance practices in a structured format.

This initiative is designed to drive transparency and accountability, ensuring that companies are held to higher standards of governance and sustainability. The introduction of BRSR also signals that the Indian market is aligning with global best practices for sustainability and provides investors with the data they need to make informed decisions about the long-term viability and ethical conduct of companies.

Leading companies are those that not only engage in corporate philanthropy but also integrate community-driven solutions into their core operations, thereby creating a mutually beneficial relationship between business and society.

INDIA'S GROWING COMMITMENT TO SUSTAINABLE LEADERSHIP AND CORPORATE SOCIAL RESPONSIBILITY

As global regulatory standards tighten and consumer expectations rise, CSR and sustainable leadership will continue to shape the future of corporate governance. The rise of **stakeholder capitalism**, which emphasizes responsibility to all stakeholders (not just shareholders), is creating new opportunities and challenges for companies.

Incorporating ESG principles into corporate governance is an integral part of sustainable leadership. Companies that prioritize ESG factors and transparently report on their progress are not only complying with regulatory requirements but are also enhancing their long-term viability. By adopting an ESG-driven and sustainable approach, companies can reduce risks, optimize operations, and create positive impact on society and the environment. Sustainable leadership, therefore, becomes a holistic approach to decision-making that balances economic goals with ethical responsibility.

This examination of CSR within the context of sustainable leadership requires emerging leaders to equip with the tools to balance financial success with meaningful societal and environmental contributions. By creating organizations that are not only profitable but also socially and environmentally responsible, leaders lay the groundwork for long-term resilience. Embracing corporate social responsibility in leadership is more than just an ethical commitment; it is a strategic necessity that drives a future where both businesses and society thrive together.

Several leading Indian companies have integrated sustainable leadership and Corporate Social Responsibility (CSR) into their core operations, aligning their missions and visions with societal and environmental well-being. From reducing carbon footprints and moving towards renewable energy, supporting community welfare, many companies in India are setting ambitious sustainable goals which they seek to achieve within a decade. The examples set by these companies will create a pathway for other business and corporations to follow, leading India toward a sustainable future. Various sustainable practices followed by the Companies are discussed below:

1. **Commitment to Carbon Reduction and a vision for Net Zero:** Companies in India are setting ambitious goals to become Net Zero by 2050 with an increased focus to decarbonize their operations and minimize environmental impacts.
2. **Transitioning to Green and Clean Energy:** Companies are moving towards green energy resources by making substantial investments in renewable energy technologies such as solar, wind and green hydrogen production. This transition is very vital to reduce dependency on fossil fuels and combat climate change.
3. **Water Positive Initiatives:** Many Companies have also become water positive, being water positive is not only about conserving water but it also improves water availability and quality in the surrounding environment. To achieve this, they engage in initiatives like reducing water consumption, improving water-use efficiency, recycling wastewater, and supporting water conservation efforts in local communities.



4. **Environment & Biodiversity Restoration:** Many companies are strongly committed to restoring the environment through tree planting, biodiversity conservation and waste reduction initiatives and create a positive ecological footprint.
5. **Community Development Projects:** Apart from being sustainable, companies are also trying to bring social change by providing various facilities including quality education and healthcare facilities and building infrastructure including houses, roads, parks as well as sanitation facilities and many others.

These are just examples about how companies successfully integrate sustainability into their core business strategies, demonstrating that profitability and social responsibility can go hand in hand. From education and healthcare initiatives to environmental preservation and community development, their efforts serve as a testament to the power of businesses in creating long-term value for both stakeholders and society at large.

The trend of companies embracing sustainability is rapidly growing, with more organizations recognizing the importance of environmental, social, and governance (ESG) factors in shaping their long-term success. As businesses across sectors begin to align their objectives with sustainable development goals, India is poised to emerge as a global leader in responsible business practices, where economic growth and social good go hand in hand, ensuring a sustainable and prosperous future for all.

ROLE OF CS IN ADVANCING CSR AND SUSTAINABLE LEADERSHIP

The Company Secretary (CS) plays a pivotal role in CSR and sustainable leadership by ensuring that organizations adhere to regulations, align with ESG principles, and create positive social and environmental impacts. The CS plays a key role by incorporating sustainable practices into corporate strategy, facilitating transparent reporting, and guiding board decisions to foster responsible governance. Additionally, the CS ensures compliance with CSR

requirements, helping businesses not only fulfill their obligations but also enhance long-term sustainability and stakeholder value.

The Company Secretary (CS) plays a key advisory role, guiding the Board through the evolving global business and regulatory landscape. The CS advises on compliance with CSR and ESG regulations, helping the Board navigate these requirements. Additionally, they provide insights on how sustainable leadership can benefit businesses by promoting long-term growth, social responsibility, and environmental stewardship, ultimately ensuring that corporate practices align with stakeholder interests and contribute to lasting success.

The Company Secretary (CS) plays a crucial role in shaping and maintaining the company's reputation and stakeholder relationships through transparent and effective communication. By acting as a bridge between the company and its stakeholders, the CS ensures that all concerns, queries, and issues are promptly addressed, fostering trust and confidence. Additionally, the CS also ensures that stakeholders are well-informed about the company's CSR initiatives and sustainable leadership programs. This includes providing detailed reports and updates, clarifying how the company's efforts align with its commitment to social and environmental responsibility, and building long-term, positive relationships with stakeholders.

Company Secretaries (CS) are governance professionals entrusted with ensuring that companies comply with applicable corporate governance provisions, laws, and regulations. As specialists in governance, a Company Secretary ensure that businesses adhere to legal requirements and integrate sustainable practices into their daily operations. They promote ethical business conduct, transparency, and accountability, ensuring that the company remains compliant while embracing responsible practices that contribute to long-term sustainability. By upholding principles of transparency, accountability, and ethical decision-making, CS help businesses navigate complex governance landscapes, ensuring compliance while fostering a culture of responsibility and sustainability for long-term growth and success.

The Company Secretary (CS) collaborates with the Board and management to develop policies for CSR, environmental sustainability, social responsibility, and corporate governance, ensuring alignment with the company's vision, mission, and sustainability objectives. By integrating these policies into the broader corporate strategy, the CS ensures they reflect both long-term goals and regulatory requirements. The CS also coordinates with different departments to ensure smooth implementation and continuous monitoring, supporting the organization's commitment to sustainable practices and responsible business operations.

CONCLUSION: A NEW ERA OF CSR AND SUSTAINABLE LEADERSHIP IN INDIA

The growing demand for sustainable leadership in India reflects a broader global shift towards responsible, ethical, and long-term business strategies. The Indian corporate sector is increasingly embracing ESG principles, not just as a regulatory compliance mechanism but as a strategic approach that delivers long-term value for all stakeholders.

As investors, employees, consumers, and communities demand more from Indian businesses, companies must adopt sustainable leadership practices that address environmental sustainability, social responsibility, and strong governance. Leaders who understand and act on this demand will ensure that their organizations not only thrive in the present but are also well-positioned for the challenges and opportunities of the future.

In this new era, companies that lead with sustainability will build stronger brands, attract loyal customers, retain top talent, and create lasting value for all stakeholders. India is on the verge of a leadership transformation, one that will reshape the corporate landscape and guide businesses towards a more sustainable and inclusive future.

In conclusion, CSR and sustainable leadership are fundamental to the future of business. By incorporating sustainable practices into their core strategy, companies not only fulfill their legal obligations but also contribute to building a better world. The Company Secretary's role in this transformation is critical; ensuring compliance, fostering stakeholder engagement, and promoting transparency in reporting. As businesses move forward, adopting CSR and sustainable leadership will be the key to achieving long-term success and building trust in an increasingly conscious world. This shift towards responsible leadership is transforming India's corporate landscape, setting the stage for a more sustainable, inclusive, and prosperous future.

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Employee Well-Being: Linchpin of Ethical Leadership

Ethical leadership is integral to fostering trust within an organization. This article throws light on the importance of sustainability in business with emphasis on strategies ethical leaders adopt to promote employee well-being. Employee well-being is cornerstone to achieve increased employee productivity and thereby enhance organisational performance.



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INTRODUCTION

Employee well-being is a comprehensive concept that extends beyond just physical health and safety in the workplace. It encompasses a wide range of factors, including physical, mental, emotional, and social health, all of which are interconnected and contribute to an individual's overall sense of well-being. Creating an environment where employees feel safe, supported, valued and respected is a fundamental component of employee well-being. This means providing the necessary resources, policies, and practices that promote not only physical health but also psychological and emotional support.

At its core, employee well-being is about fostering a work culture that prioritizes the holistic needs of individuals, recognizing that their personal lives and professional roles are deeply intertwined. Physical well-being, for example, includes providing access to healthcare benefits, creating ergonomic workspaces, and encouraging healthy lifestyle habits through wellness programs. Mental well-being refers to creating a workplace that actively supports mental health, offering resources like counselling and stress management programs and promoting a work environment free of stigma around mental health issues.

Emotional well-being focuses on ensuring that employees feel emotionally supported and valued by their employers. This includes providing recognition, constructive feedback and creating a sense of belonging within the organization. Social well-being, meanwhile, emphasizes fostering positive relationships among colleagues, promoting inclusivity, teamwork and a sense of community within the workplace.

Furthermore, employee well-being is significantly linked to work-life balance. It is about creating an environment where employees can effectively balance their professional responsibilities with their personal lives without compromising their health or well-being. This involves offering flexible work hours, remote work options, paid time off, and policies that accommodate personal or family-related needs.

Ultimately, employee well-being is not just about making employees feel happy in the moment but about fostering long-term, sustainable health and fulfilment. A workforce that feels physically and emotionally supported is more likely to be engaged, productive, and committed to the organization's goals. As such, prioritizing employee well-being isn't just a matter of social responsibility but also a strategic investment in the long-term success of the organization.

ETHICAL LEADERSHIP OVERVIEW

Ethical leadership is a leadership approach that emphasizes the importance of acting with integrity, fairness and a strong commitment to doing what is morally right. It is rooted in the principles of honesty, transparency, respect and accountability. At its core, ethical leadership is not merely about making decisions that are legally compliant or minimally acceptable but involves consistently making choices that reflect high moral standards and demonstrate concern for the well-being of others; whether that be employees, customers, or society at large.

An ethical leader sets the tone for an organization by modelling ethical behaviour and making value-based decisions that consider the broader impact on all stakeholders, including employees, shareholders, and the community. This approach encourages an open dialogue about what is right and wrong, creating an environment where employees feel empowered to voice concerns, ask questions and contribute to the organization's ethical framework.

Ethical leadership is integral to fostering trust within an organization. Trust is a foundational element that strengthens relationships and enhances cooperation, both between leaders and employees as well as among colleagues. When employees trust their leaders to act ethically, they feel more secure, valued, and supported in their roles. Trust cultivates an environment of psychological safety where individuals can take risks, innovate, and voice their opinions without fear of retribution or unfair treatment. As a result, ethical

leaders create a culture of openness, collaboration and mutual respect, all of which are critical to maintaining high levels of employee engagement and satisfaction.

Moreover, ethical leadership plays a crucial role in shaping the organizational culture. The ethical values displayed by leaders permeate throughout the organization and influence how employees interact with one another, how decisions are made and how conflicts are resolved. Ethical leaders prioritize a culture of fairness, inclusivity and respect, which in turn enhances employee morale and satisfaction. When employees see that their leaders are committed to doing what is right, they are more likely to model similar behaviours, reinforcing the ethical culture of the organization.

In terms of long-term success, ethical leadership has a profound impact on the sustainability of an organization. Companies that prioritize ethical leadership not only build a loyal and motivated workforce but also develop strong reputation with customers, investors and other stakeholders. Organizations that consistently act ethically are better equipped to navigate challenges, mitigate risks and build lasting relationships with stakeholders. This, in turn, strengthens the organization's reputation, drives customer loyalty and ensures long-term financial success.

IMPORTANCE OF SUSTAINABILITY IN BUSINESS

In the business context, sustainability means implementing strategies that not only enhance financial performance but also minimize negative environmental and social impacts. These practices can span a wide range of activities, from reducing waste and carbon emissions to promoting fair labour practices and engaging in corporate social responsibility (CSR) initiatives. By prioritizing sustainability, organizations ensure that they are contributing to a healthier environment and a more equitable society, while securing long-term viability and success.

The importance of sustainability has grown significantly in recent years, as businesses face increased pressure from consumers, governments and investors to operate in an environmentally responsible and socially inclusive manner. Companies that adopt sustainable practices are better positioned to mitigate risks, such as those related to resource scarcity, environmental regulations, or reputational damage. Moreover, sustainability can serve as a competitive advantage, as customers are increasingly favouring companies that align with their values, and employees are more likely to be attracted to businesses that demonstrate a commitment to social and environmental responsibility.

For instance, companies that embrace energy efficiency, use sustainable materials, reduce waste through recycling initiatives, and promote ethical sourcing of raw

materials are not only helping protect the planet but are also reducing operational costs. These environmentally conscious practices often result in long-term cost savings and increased resource efficiency, which ultimately contribute to financial success. Furthermore, businesses that invest in sustainable supply chains, eco-friendly technologies, and responsible resource management are better equipped to adapt to future market changes, including those related to climate change and environmental degradation.

STRATEGIES FOR ETHICAL LEADERS TO PROMOTE EMPLOYEE WELL-BEING

1. Leadership Development Programs

Leadership development programs are essential for equipping leaders with the skills to foster a work environment where employee well-being is prioritized. These programs, focused on ethical leadership, help executives develop the ability to lead with integrity, fairness, and empathy, ensuring that business decisions reflect not only organizational goals but also the welfare of employees.

One of the key elements of these programs is **empathy**. Ethical leaders must understand and connect with their employees on a human level, recognizing individual needs and challenges. By being empathetic, leaders create an inclusive atmosphere where employees feel supported, leading to higher morale and job satisfaction.

Another crucial aspect of ethical leadership training is **conflict resolution**. In any organization, conflicts are inevitable, but ethical leaders are trained to address these disputes fairly and constructively. This involves mediating disagreements, ensuring all voices are heard, and resolving issues without bias or favouritism, fostering a collaborative environment.

Communication skills are also central to ethical leadership. Leaders must be able to communicate clearly and transparently, ensuring employees feel informed and involved in decision-making processes. Ethical leadership training helps executives develop the ability to share information honestly, provide constructive feedback, and listen actively to concerns, which builds trust within the team.

By prioritizing **employee well-being**, leadership development programs train executives to create environments where employees feel valued, supported and motivated. This involves fostering work-life balance, supporting mental health and creating opportunities for career growth, all of which contribute to higher engagement and lower turnover.

Additionally, leadership programs emphasize the importance of **leading by example**. Ethical

Sustainable practices are those that focus on meeting the present needs of an organization without compromising the ability of future generations to meet their own needs.

leaders model the behaviour's they expect from their employees, setting the tone for integrity, accountability and respect. This leadership approach influences organizational culture, driving ethical behavior throughout the company.

Training also promotes a focus on **diversity, equity and inclusion**. Ethical leaders learn how to build inclusive teams, ensuring that all employees feel respected and valued regardless of their background. A diverse workforce leads to enhanced creativity, innovation and productivity, while also contributing to positive employee well-being.

Ultimately, leadership development programs that are focused on ethical leadership are crucial for creating a workplace culture that emphasizes fairness, respect and sustainability. By fostering leaders who are empathetic, effective communicators, and decision-makers, organizations ensure both business success and a positive, supportive environment for employees.

2. Employee Engagement and Feedback

Employee engagement is a cornerstone of a positive, productive workplace and ethical leaders understand the importance of actively seeking input from their employees. By regularly requesting feedback, leaders demonstrate a commitment to understanding employees' concerns, needs and aspirations. This process helps foster strong, trusting relationships, ensuring employees feel valued and heard, which boosts morale and job satisfaction.

Engaging employees in decision-making processes promotes a sense of **ownership** and accountability. When employees contribute their ideas on company policies, projects, or changes, they become more invested in the outcomes and align their personal goals with the organization's mission. This creates a deeper commitment to the company's values and vision, enhancing overall engagement.

An ethical leader who values feedback takes an **inclusive** approach to decision-making, considering diverse perspectives and experiences within the team. This leads to more informed, well-rounded decisions and ensures employees feel their opinions are respected. Furthermore, employees who see their input directly influencing decisions are more likely to feel engaged and committed to the organization.

Importantly, ethical leaders not only collect feedback but also **act on it**. When feedback is met with visible action, it builds trust and reinforces the idea that employees' voices matter. It fosters a culture of transparency, where decisions are explained, and employees understand their role in shaping the organization's direction.

Employee feedback also drives **organizational effectiveness**. Employees often provide valuable insights into operational challenges and potential

areas for improvement. Leaders who listen and act on these suggestions can streamline processes, enhance productivity, and introduce innovative solutions that might have otherwise been overlooked.

Additionally, consistent engagement and feedback practices significantly enhance **employee well-being**. When employees feel supported and their concerns are addressed, it leads to greater job satisfaction, mental well-being and emotional investment in the work. This creates a workplace where employees are motivated to perform at their best.

3. Workplace Flexibility and Autonomy

Workplace flexibility and autonomy have become increasingly essential for employee well-being, as they offer individuals the freedom to balance their professional and personal lives more effectively. By providing employees with the ability to choose when, how, and where they work, organizations contribute significantly to fostering a healthier work-life balance, which is key to improving both job satisfaction and overall well-being.

Flexibility in work hours allows employees to structure their days around their personal obligations and peak productivity times. For example, a flexible work schedule enables employees to manage childcare, attend to personal appointments, or engage in hobbies and wellness activities, all while fulfilling their professional responsibilities. This flexibility alleviates stress, reduces burnout, and creates a more sustainable work environment, where employees feel supported in their personal lives as well as their professional roles.

Additionally, **remote work options** contribute to greater flexibility, particularly in today's digital era. The ability to work from home or other locations allows employees to create a comfortable and personalized workspace, which can lead to enhanced focus, creativity, and overall productivity. Remote work eliminates long commutes, which can reduce stress and give employees more time for self-care, family, and other important aspects of their lives. This autonomy over the work environment contributes to a positive employee experience and enhances job satisfaction.

Workplace flexibility and autonomy also create a culture of **trust and respect**. When employers show confidence in their employees' ability to manage their schedules and work independently, it builds a strong sense of mutual respect. This trust leads to higher levels of loyalty and commitment, as employees feel valued for their contributions and are motivated to give their best. A flexible, autonomous work environment can also increase retention rates, as employees are more likely to stay with companies that support their well-being and work-life balance.

LINK BETWEEN EMPLOYEE WELL-BEING AND ORGANIZATIONAL PERFORMANCE

1. Increased Productivity and Innovation

Employees who feel supported in their well-being are not only happier but also more likely to be engaged, motivated, and productive in their roles. A positive work environment that prioritizes mental, emotional, and physical health significantly impacts an employee's ability to perform at their best. When individuals feel that their well-being is valued, they are more likely to be committed to their work, leading to improved productivity across the organization.

One of the key drivers of productivity is **employee engagement**, which is closely tied to their sense of well-being. Employees who feel supported—whether through flexible work arrangements, mental health resources, or a culture of respect—are more likely to be emotionally invested in their tasks. Engaged employees take ownership of their work, go above and beyond to meet deadlines, and proactively seek ways to improve processes or outcomes. This high level of engagement naturally leads to greater productivity, as employees are fully immersed in their roles and motivated to contribute to the organization's success.

Beyond productivity, a work environment that prioritizes employee well-being also fosters **creativity** and **innovation**. When employees feel supported and secure, they are more likely to think outside the box and approach problems with fresh perspectives. Stress-free, positive environments encourage experimentation and risk-taking, which are essential components of innovation. Employees who feel psychologically safe; meaning they are not afraid of making mistakes or being judged; are more likely to share bold ideas and collaborate on creative solutions. This sense of security fosters a culture of innovation where employees are empowered to contribute new ideas that can drive the business forward.

Moreover, well-being initiatives can **enhance problem-solving abilities**. When employees are healthy; both physically and mentally; they have the energy, focus and cognitive clarity to tackle complex problems. Well-rested, stress-free individuals have an improved capacity to think critically and find effective solutions, which directly benefits organizational performance. The ability to work through challenges with a calm and clear mind makes employees more efficient and capable of overcoming obstacles quickly.

A positive work environment that supports well-being also contributes to **employee retention**. When employees feel valued, they are more likely to stay with the company long-term, which helps maintain a skilled, experienced workforce. High employee turnover can disrupt productivity, but organizations that invest in their employees' well-being create a more stable workforce, ensuring continuity in operations and reducing the costs associated with recruiting and training new talent.

2. Employee Retention and Loyalty

Companies that prioritize employee well-being benefit from higher levels of employee retention and loyalty. When employees feel that their health, happiness and overall well-being are valued by their employer, they are far more likely to stay with the company long-term. This sense of support and appreciation fosters a strong emotional connection to the organization, which in turn reduces turnover rates. High retention not only ensures continuity within teams but also contributes to a more stable and experienced workforce, driving productivity and organizational success.

One of the most significant impacts of prioritizing employee well-being is the reduction in **recruitment and training costs**. When turnover is low, companies save significant resources on recruiting, onboarding, and training new employees. These costs can be substantial, especially in competitive industries where attracting qualified candidates is a time-consuming and expensive process. By maintaining a workforce that is satisfied, motivated, and well-supported, organizations can avoid the financial and operational strain of constantly replacing staff.

Employee retention is also linked to higher **employee engagement**. When employees remain with a company over time, they become more familiar with the organizational culture, goals, and values. This deeper understanding enhances their ability to contribute meaningfully to the company's success. Loyal employees are more likely to go above and beyond, applying their knowledge and expertise to solve problems and drive innovation. Their long-term commitment enables them to build strong working relationships with colleagues, further fostering collaboration and teamwork.

In addition to reducing turnover costs, companies that focus on well-being enjoy **greater workforce stability**. Employees who are content with their roles and work environment are more likely to be consistent in their performance and show a high level of dedication. This stability enables companies to maintain operational efficiency, plan for long-term projects, and execute strategies with confidence. In contrast, high turnover can disrupt workflow and undermine the consistency of the organization's efforts, creating challenges that hinder growth and progress.

Moreover, a focus on employee well-being fosters a **positive company culture** that attracts top talent. As employees share their positive experiences and satisfaction with their workplace, word-of-mouth and online reviews can enhance the company's reputation. A workplace known for its commitment to employee health and happiness will naturally attract candidates who align with those values. This reduces the need for expensive recruitment campaigns, as the company becomes a desirable place to work, thereby creating a self-sustaining cycle of retention and attraction.

3. Positive Impact on Financial Performance

Ethical leadership, combined with a focus on employee well-being, has a direct and powerful impact on a company's financial performance. When employees feel supported in their health and happiness, they are more likely to be engaged, motivated, and productive, which translates into better overall business outcomes. Research consistently shows that organizations prioritizing employee well-being experience higher profitability, greater operational efficiency, and sustained long-term success.

Happy and healthy employees tend to have higher **productivity levels** because they are less likely to suffer from stress, burnout, or absenteeism. They bring energy, creativity, and problem-solving skills to their roles, which leads to improved processes, more innovation, and higher-quality products or services. When employees are motivated and feel valued, they take pride in their work, which boosts performance and ultimately enhances the bottom line.

Furthermore, **employee retention** plays a key role in financial success. Companies that invest in well-being enjoy lower turnover rates, which saves significant resources on recruitment, onboarding, and training. A more experienced and stable workforce is often more efficient, making fewer mistakes and working together more cohesively, which improves overall productivity.

Organizations that foster a culture of well-being also see improvements in **customer satisfaction**. Employees who feel happy and engaged are more likely to deliver exceptional service, engage positively with customers, and contribute to creating strong relationships. Satisfied customers are more likely to return and recommend the business, leading to higher revenue and a loyal customer base.

CHALLENGES IN INTEGRATING ETHICAL LEADERSHIP AND EMPLOYEE WELL-BEING

- **Resistance to Change:** Many organizations face challenges when trying to integrate ethical practices and prioritize employee well-being. Employees may be skeptical, or there may be resistance from leadership due to short-term financial pressures.
- **Balancing Diverse Needs:** Employees have different needs based on age, cultural background, and personal circumstances. Addressing these varied needs while maintaining a consistent approach to ethical leadership can be complex.
- **Measuring Success:** It can be difficult to quantify the direct impact of ethical leadership and employee well-being on organizational performance. Metrics and tools are often needed to assess how well these initiatives are working.

THE FUTURE OF ETHICAL LEADERSHIP AND SUSTAINABILITY

As global challenges related to climate change, social justice, and economic inequality continue to evolve,

companies face increasing pressure from both consumers and stakeholders to demonstrate their commitment to sustainability. The role of ethical leadership in navigating these challenges and shaping organizational success will only become more critical. Ethical leadership that emphasizes employee well-being is inextricably linked to sustainability. It is no longer enough for companies to focus solely on environmental practices; they must also care for their most valuable resource; their people.

As businesses face rising expectations to contribute positively to society and the environment, those that focus on both **sustainability and employee well-being** will continue to lead the way.

In the future, companies that adopt ethical leadership practices; prioritizing transparency, fairness, and employee well-being will see enhanced brand loyalty, employee satisfaction, and long-term sustainability. The evolving landscape of business demands leaders who recognize that a company's success is dependent not only on financial performance but also on its ability to create value for employees, customers, and communities.

CONCLUSION

The future of business success lies in integrating well-being, ethics, and sustainability. As companies continue to prioritize the well-being of their employees, they create a powerful cycle of engagement, loyalty and innovation that drives sustainable practices. Ethical leadership that supports employees' health and happiness will shape the next generation of successful businesses, demonstrating that a commitment to people and purpose is the key to achieving long-term success.

By focusing on the well-being of employees, ethical leaders are not just creating a healthier workplace; they are building a more sustainable future for everyone.

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Integrating Corporate Social Responsibility in the Corporate Governance Framework: A Pathway to Economic Sustainability

With the growing complexities of today's business world and the challenges of sustainable development, Corporate Social Responsibility has gained importance and popularity under the framework of Corporate Governance.



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INTRODUCTION

"We need to defend the interests of those whom we've never met and never will" - Jeffrey D. Sachs

Sustainability becomes the core concern of the materialistic postmodern society in conquest of Need vs. Greed. Limitation of the resources and clash for the resources evolved a big debate on 'Our Common Future.' Sustainability is an essential aspect of human civilization as Engels and Morgan described the three stages of human evolution i.e. Savagery, Barbarism and Civilization (Engels: The Origin of the Family, Private Property and the State), which insist each to manage the resources reasonably. The era of civilization has a wider responsibility towards sustainability, if we are living in a civilized age then sustainable development should be our main concern.

When the world community was concerning about the basic amenities for the dignified human life under the Millennium Development Goals, Indian government moved forward to sensitize the voluntary social responsibility of the business houses. At the time, when the world started sketching a path for sustainable development goals, the Indian government made new financial arrangements for social development through the mandatory social responsibility narratives under the Companies Act, 2013.

In the present era of cut-throat competition, the organizations cannot sustain by only fulfilling the economic responsibility. Corporate Social Responsibility under the framework of Corporate Governance brings together the interest of corporates with the society to achieve the goal of environmental and economic sustainability under the context of sustainable development. In Indian industries one can easily notice a shift from corporate philanthropy to being socially responsible but it's very difficult for the industries to build up their goodwill without fulfilling the concept of triple bottom line. The World Business Council for Sustainable Development has defined CSR as "the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (WBCSD, 1999).

With the growing complexities of today's business world and the challenges of sustainable development, Corporate Social Responsibility has gained importance and popularity under the framework of Corporate Governance. The rising expectation of the society creates pressure on the governance professionals to frame rules in compliance with legal aspects and behave ethically and responsibly towards the society and environment by achieving economic sustainability. Not only the Government and the States, but also the firms are considered to be the promoters of sustainable development principles. As a result, companies are now willingly contributing to the society to make it a better and cleaner environment by adopting sustainable measures (European Commission, 2001).

This paper brings out the link between the corporate social responsibility under the framework of corporate governance to achieve sustainability. The current study also focuses on the dynamic role of corporate social

responsibility in the context of the Companies Act, 2013 as a determinant under the umbrella of corporate governance and as a weapon for achieving sustainable tomorrow towards the development of the nation.

THEORETICAL BACKGROUND OF THE STUDY

In the emerging economies like India, the issues of changing market phenomenon, cut-throat competition, globalization, ethical values all are giving heat to the concept of Corporate Social Responsibility and Sustainability. The concept of Social Responsibility was formally coined in 1953 and started to appear in academic literature when Howard Bowen provided a preliminary definition in his publication "Social Responsibilities of Businessmen" (Bowen, 1953). In 1960, Keith Davis established the "Iron Law of Responsibility" focusing on social power to proportionate social responsibility (Davis, 1960). The term "stakeholder" appeared first in 1963 which incorporate investors, suppliers, shareholders, workers and community (Freeman & Mcvea, 1960). Transparency is crucial for those who propose stakeholder ethics. Stakeholder theory brings an obligation on the corporate directors to balance everyone's interest and welfare. Further, the dimension of CSR was classified by (Carroll A. B., 1979) as economic, legal, ethical and philanthropic responsibility. The Voluntary Guidelines of 2009 on corporate social responsibility and National Voluntary Guidelines on social, economic and environmental responsibility of 2011 by Ministry of Corporate Affairs were applicable to all sectors irrespective of size and ownership for inclusive and equitable growth. The Companies Act, 2013 mandates the CSR spending along with other requirements in order to strengthen the Corporate Governance. The notion of CSR along with Corporate Governance brings forth the rules, regulations and framework to achieve sustainability.

The concept of sustainability has gained importance because of the burning environmental and social problems. Earlier, the Government was solely responsible for the societal development. But with the rolling back policy and after 1990, corporates and states joined hands together for societal development. In 1990, the Business Council of Sustainable Development published 'Changing Course' for stating the interest of corporates towards the promotion of sustainable development. In 1992, the earth summit brings forth the concern for climate change. ISO 14000 was adopted in 1994 as a concern towards the environment. In 1999, Dow Jones Sustainability Index was adopted and in 2002 Global Reporting Initiative put forth the guidelines for incorporating social, economic and environmental practices under the corporate responsibility activities. Further in 2009, G20 nations provided guidance for 21st century on global, sustainable

and balanced economy. Therefore, it is worthwhile to note that the implementation of the practices for sustainable development is a step-by-step process under the framework of Corporate Governance for business by pursuing Corporate Social Responsibility.

The notion of economic sustainability along with sustainable development guidelines and Corporate Social Responsibility practices in literature cover the broad aspect of P3 i.e. Triple Bottom Line approach. Corporate Social Responsibility primarily focuses on the better environmental situations because development has a great contradiction with environment as Old Testament preaches 'One generation passed away, and another generation comes but earth abides forever'. The term Sustainable Development under the disguise of Corporate Social Responsibility concerns with ideas, principles and values of socially balanced, economic prosperity and environmental quality, depending upon the concept of Triple Bottom Line.

By building upward rather than outward, vertical spaces not only maximize land use but also offer opportunities to integrate sustainability through features like green roofs, energy-efficient designs, and urban farming.

ASSOCIATION BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The Companies Act, 2013 is perhaps the first law of its kind in Indian history focusing more on the reporting about the mandatory expenditure by the companies. Proper disclosure of the Corporate Social Responsibility policy and the reason for not meeting the required limit of 2% expenditure and investment on various

activities are included in the new mandatory Corporate Social Responsibility provision. Sustainability is the long-term maintaining of balance, which is achieved economically, socially and environmentally (P3 concept consisting of Profit People and Planet) as shown in Figure 1 below: -

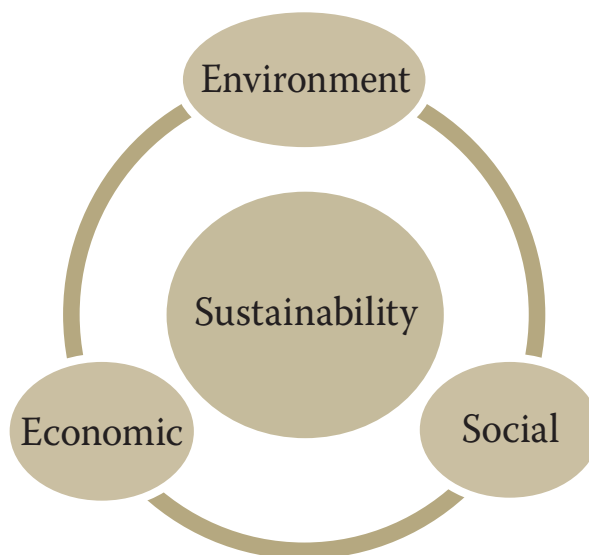




Figure 1: Pillars of Sustainability

As per the Department of Public Enterprise (DPE) Guidelines on Corporate Social Responsibility and sustainability, both the concepts are somehow inter-linked to each other. ISO 26000 is the recent development for social responsibility and the mandatory provision of CSR under the Section 135 of the Companies Act, 2013 can be regarded as a progressive step with proper implementation. The two-way approach of responsibility between Sustainable Development and Corporate Social Responsibility brings out the mutual connection by integrating Corporate Governance with social target (Hahn, 2011). The basic concept of sustainability requires an obligation within the development process to concentrate not only on the growth of Gross Domestic Product (GDP), but also on the procedure and use of all the means of production. In the emerging countries, corporate become increasingly responsible for this process under the framework of Corporate Governance. Thus, sustainability in business is a necessary condition for a country's sustainable development. A shift of focus from the shareholders to the stakeholders results in a corporation becoming more socially responsible. The reporting towards sustainability in business is important as it is essential for the stakeholders to have relevant information about the economic and environmental issues in making their decision. Therefore, there is a positive relationship between the sustainable development in business and corporate social responsibility and accounting standard (Akisik & Gal, 2011). This indicates, that there exists an interconnectivity between the Sustainable

Development Goals (2030: Agenda for transforming the world) and Corporate Social Responsibility activities (Specified under the Schedule 7 of the Companies Act, 2013).

As there are 12 activities under CSR and 17 goals under SDGs, somehow these 12 activities relate to the goals of sustainable development and the remaining 5 goals are brought out the promotion of inclusive development, infrastructure, innovation, sustainable consumption etc. Apart from the given 12 activities under CSR, the companies are also disclosing their innovative policy, sustainability report and business responsibility reporting under their annual report which in turn brings out the transparent and accountable approach under Corporate Governance towards inclusive development.

ISSUES TOWARDS IMPLEMENTATION OF SUSTAINABLE PRACTICES

Sustainable development requires a rational approach in all three economic sectors: primary, secondary and tertiary. Towards the sustainable development some effort of sustainability become the biggest challenge in all sectors. In primary sector there are two major concerns, namely resources and agriculture. Most of the states in India are focusing on the environmental issues and have framed numerous schemes for betterment of the ecosystem, to curtail the impact of the different activities of social and industrial development and address the issues of pollution. Government to promote social forestation started a project of roadside plantation

under the MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act). Rural Development Departments and Forest Department of different states started plantation in a Brick Guards, where a Brick Tree Guard are made of more than 200 bricks and cement-concrete, which cost approximately Rs.1500, now government analyzed that Brick Tree Guards are costly, as a result of the material and labour ratio involved for roadside plantation. Further, in a Brick Tree Guards the plants do not have adequate sunlight and legroom for their growth. Then, Government decided to construct the Steel Net Tree Guard which have cost of Rs. 1000.

INNOVATION FOR SUSTAINABILITY

In the era of post-modern urban life, vertical development has made the optimum utilization of land and formulize the concept of 'Vertical Cities' to provide environmentally friendly sustainable space to millions of populations. The concept of 'Vertical Cities' enhance the energy conservation by supporting the growing population and preserving the land for more food production by using sustainable technologies economically (King & Wong, 2016). Developing and mass populated countries have to adopt the model of vertical development to tackle with problem of limited land as well as have to work on new renewable energy sources because energy is an important necessity for the post-modern life and energy requirement is the main source of the pollution in contemporary world, for the sustainability upcoming generation have to work on the renewable energy sources. Solar energy is the most feasible economic solution for the sustainable development in twenty first century. In India, government started the Jawaharlal Nehru National Solar Mission as a major driving force for the growth of the solar industry, which has helped India to increase its capacity from 18 Mega Watt (MW) in 2010 to 4 Giga Watt (GW) in 2015 and the government announced to achieve 100 Giga Watt target by 2022, a big jump from an earlier 20 Giga Watt. Indian Renewable Energy Development Agency (IREDA) launched a cheap loan scheme for Rooftop Solar Photo Voltaic Power Projects. The Central government has set up a target of achieving 40 Giga Watt, which is planned to be achieved from rooftop solar systems (Kumarankandath, 2015). Use of tin shed roofing and roof with photovoltaic capacity may be a big step towards the economically sustainable development.

RECOMMENDATIONS AND CONCLUSION

There is an important issue of environmental and ecological sustainability, so the current production techniques should be mindful and innovative in nature of not denuding the productive potential for the future generation. Corporates should not use the Corporate Social Responsibility budget to entertain their loyal customer. Corporate Social Responsibility practices should have an intention of inclusive and equitable development.

Policy makers in corporates should develop policies with assessment of their impact on environment and ecosystem as well as longevity of the models, sustainability required, a wider understanding about consumption habits and concern on ecological footprints. All economic sectors should aim to develop standard operating procedures for the sustainable practices. Corporate Governance may play a significant role to monitor, manage and meaningfully allocate CSR funds on the various activities of the organization to achieve the goal of sustainable development of the nation. A variety of philosophies, policies and practices are required for the sustainability of our common future.

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Sustainable Leadership in the Modern Era: Pioneering Ethical Governance and SDG Integration for Lasting Impact

The article exemplifies the commitment corporates need to have for effectively integrating sustainability into their operations, not just as a feel-good initiative, but as a core aspect of their identity that adds real value. The emphasis on ethics, governance, and building trust with stakeholders highlights the growing demand for businesses to be transparent and accountable.



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INTRODUCTION

In an era marked by climate crises, social inequities and economic volatility, businesses can no longer afford to prioritize profit over planetary and societal well-being. The 2030 Agenda for Sustainable Development underscores the urgency for leaders to adopt ethical responsibility and sustainable practices that align with the Sustainable Development Goals (SDGs). A 2023 Deloitte report¹ reveals that 78%

1. Deloitte's 2023 ESG Investor Survey: Deloitte. (2023). *The ESG Imperative: Insights from Institutional Investors*. Retrieved from (ESG in Private Capital Survey 2023: <https://www.deloitte.com/uk/en/services/deloitte-private/research/esg-in-private-capital-survey.html> 1.80% of Global Investors Now Have Sustainable Investment Policies: <https://www.esgtoday.com/80-of-global-investors-now-have-sustainable-investment-policies-in-place-deloitte-tufts-survey/> 3. Earning Trust with Investors Through Better Sustainability Data: <https://www.deloitte.com/global/en/issues/climate/earning-trust-with-investors-through-better-sustainability-data.html>)

of investors now prioritize ESG-compliant companies, signalling a paradigm shift toward green finance.

As organizations navigate complex societal challenges, leaders who prioritize transparency, environmental stewardship, and social impact forge a more resilient path forward. This approach integrates social equity, environmental protection and economic viability into decision-making. By focusing on core principles such as responsible consumption, inclusive growth and stakeholder well-being, sustainable leaders help create a world where future generations can thrive.

This article delves into actionable strategies for integrating sustainability into corporate DNA, fostering brand value, governance, and stakeholder trust. Drawing on real-world case studies and actionable insights, it illustrates why commitment to ethical leadership and sustainability is both a moral imperative and a powerful value driver.

SUSTAINABILITY vs UNSUSTAINABILITY: THE CHOICE FOR CHANGE

In an era marked by resource scarcity and climate concerns, sustainability has evolved from an afterthought to a strategic priority. Unsustainable practices such as excessive resource extraction, carbon emissions, and exploitative labour policies threaten global stability and can severely damage brand reputation while alienating investors. Conversely, sustainability balances profit with purpose, enabling forward-looking businesses to capitalize on new market opportunities.

To embrace this transformation, organizations must take several critical steps. First, conducting a comprehensive materiality assessment or sustainable impact assessment helps identify high-risk areas and high-impact sustainability priorities. Second, operational goals should align with SDG targets, particularly SDG 12² for responsible consumption. Furthermore, implementing eco-friendly technologies to reduce carbon footprints and integrating clear Environmental, Social, and Governance (ESG) metrics across all organizational functions ensures systematic progress toward sustainability goals.

2. SDG 12: United Nations, *Transforming Our World: The 2030 Agenda for Sustainable Development* (2015), Goal 12, <https://sdgs.un.org/2030agenda>

CSR AND SUSTAINABLE LEADERSHIP: BUILDING TRUST AND BRAND VALUE

Corporate Social Responsibility (CSR) has evolved significantly, transcending traditional philanthropic contributions to become a comprehensive business approach that aligns organizational objectives with societal needs. Modern CSR integrates social and environmental goals into core business strategies, ensuring that profitability and ethical conduct grow in tandem. This strategic integration enhances brand loyalty and investor appeal, particularly as sustainable leadership focuses on delivering long-term benefits rather than short-term gains.

Several companies exemplify this evolved approach to CSR. In increasingly saturated markets, companies with strong environmental and social focus gain significant competitive advantages.

To effectively implement these principles, organizations should take several concrete steps. First, engaging stakeholders through transparency, such as comprehensive annual sustainability reports, builds trust and credibility. Second, organizations should involve suppliers and vendors in codes of conduct that prioritize fair wages, safe working conditions, and minimal environmental impact. Third, monitoring CSR outcomes through quantifiable metrics, including carbon emission reductions and social well-being indicators, ensures accountability and progress.

Companies can further leverage their CSR initiatives by combining sustainability narratives with product innovation to create compelling brand stories. Showcasing responsible leadership in investor presentations and annual reports helps reinforce trust and attract green finance. These efforts, when authentic and well-executed, create a powerful differentiation strategy in competitive markets, driving both social impact and business success.

THE TRIPLE BOTTOM LINE: REDEFINING SUCCESS IN THE 21ST CENTURY

The Triple Bottom Line (TBL) framework represents a fundamental shift in how organizations measure and achieve success in the modern era. This comprehensive approach emphasizes the interconnectedness of three critical dimensions: financial performance (profit), social influence (people), and ecological stewardship (planet). By integrating these elements into strategic planning and operations, organizations can build resilience in uncertain markets while creating lasting positive impact.

To effectively implement the TBL framework, organizations should adopt several key strategies. First, implementing standardized TBL accounting frameworks such as the Global Reporting Initiative (GRI)³ or Sustainability Accounting Standards Board (SASB)⁴ ensures consistent measurement and reporting of

performance across all three dimensions. Organizations should also set clear, measurable targets for reducing waste, emissions and resource usage, creating accountability for environmental stewardship.

Employee engagement plays a crucial role in TBL success. Companies can foster a culture of innovation around eco-efficient processes and products by incentivizing employees through mechanisms like green bonuses. This approach not only drives sustainable solution development but also ensures that environmental and social consciousness becomes embedded in organizational culture.

CORPORATE GOVERNANCE THROUGH A SUSTAINABILITY LENS

Corporate governance plays a pivotal role in driving sustainable initiatives, with ethical leadership at the boardroom level serving as the foundation for balancing diverse stakeholder interests, including shareholder returns, environmental protections and community growth. This balance is increasingly shaped by both national and global regulatory frameworks that mandate higher standards of transparency and accountability in sustainability reporting.

The regulatory landscape reflects this evolution through various initiatives. In India, the Business Responsibility Report (BRR) requires ESG disclosures from the top 1,000 companies, while the European Union has implemented the more stringent Corporate Sustainability Reporting Directive (CSRD). These frameworks demonstrate the growing global emphasis on standardized sustainability reporting and governance.

To implement effective sustainability governance, organizations should consider several key strategies. Appointing a Chief Sustainability Officer (CSO) to the board or establishing sustainability committees provides dedicated expertise and oversight for ESG matters. Organizations should also align their governance policies with established global standards such as ISO 26000 and adopt transparent reporting frameworks like the Global Reporting Initiative (GRI). These measures ensure that sustainability considerations are embedded at the highest levels of decision-making and are supported by standardized reporting practices.

GOVERNMENT'S ROLE IN PROMOTING SUSTAINABLE GOVERNANCE AND REPORTING

The intersection of government regulation and corporate sustainability reporting represents a critical framework for advancing sustainable business practices. Regulatory bodies play an increasingly important role in standardizing and enforcing sustainability reporting requirements, though this evolution brings both opportunities and challenges for organizations.

In India, the Securities and Exchange Board of India (SEBI) has taken a significant step forward with its Business

³. Global Reporting Initiative (GRI) Standards: GRI. (2023). GRI Standards: The Global Framework for Sustainability Reporting. Retrieved from GRI Standards

⁴. Sustainability Accounting Standards Board (SASB): SASB. (2023). Materiality Finder and Industry Standards. Retrieved from SASB Standards

Responsibility and Sustainability Reporting (BRSR)⁵ framework, which mandates detailed Environmental, Social, and Governance (ESG) disclosures. This regulatory push reflects a growing recognition that effective governance structures profoundly influence an organization's ability to implement sustainable initiatives. At the board level, ethical leadership ensures accountability and maintains a delicate balance among various stakeholder interests, including shareholder returns, environmental protections and community growth.

However, the path to comprehensive sustainability reporting faces several challenges. Organizations often struggle with inconsistent metrics across different reporting frameworks, and the risk of greenwashing where companies present misleading environmental claims continues to concern regulators and stakeholders alike. These challenges underscore the need for more standardized and verifiable reporting mechanisms.

To address these challenges and strengthen sustainability governance, organizations can implement several key strategies. Leveraging AI-driven tools can significantly streamline the data collection process for sustainability reporting, improving accuracy and efficiency. Organizations should also actively advocate for harmonized global standards to reduce compliance complexity. Furthermore, appointing sustainability experts or committees within the board to oversee ESG matters ensures dedicated attention to sustainability goals, while adopting transparent reporting standards that align with recognized frameworks like the Global Reporting Initiative (GRI) demonstrating commitment to standardized disclosure practices.

EMPLOYEE WELL-BEING: THE LINCHPIN OF ETHICAL LEADERSHIP

An ethical approach to leadership fundamentally recognizes that employee well-being serves as the cornerstone of organizational success. This understanding goes beyond viewing employees as mere resources, acknowledging them as the most critical asset of any organization. When leaders prioritize both mental and physical health, they create an environment where employees feel heard, safe and valued, leading to enhanced productivity, loyalty and overall organizational performance.

To effectively implement employee well-being initiatives, organizations should adopt several key strategies. Regular well-being surveys provide valuable insights into

employee needs and concerns, but the critical factor lies in actively responding to this feedback through concrete actions. Organizations should establish transparent communication channels that allow for prompt addressing of employee concerns and suggestions. Furthermore, offering flexible work arrangements and comprehensive mental health resources demonstrate a tangible commitment to employee welfare.

The integration of diversity and inclusion metrics into performance evaluations and leadership development pathways represents another crucial aspect of ethical leadership. This approach ensures that well-being initiatives consider the diverse needs of all employees while creating clear pathways for professional growth and development. By incorporating these elements into their leadership framework, organizations can create a more inclusive, supportive, and productive workplace environment.

COLLABORATION AND STAKEHOLDER ENGAGEMENT

The journey towards sustainable development has made it increasingly clear that no single organization can achieve meaningful sustainability goals in isolation. Success requires deep collaboration across sectors, bringing together industries, communities, and government agencies to create scalable, lasting impact. These multi-stakeholder partnerships serve as crucial catalysts for achieving the SDGs while enabling organizations to pool resources, share knowledge and significantly reduce operational risks.

Leaders who integrate environmental and social stewardship into their decision-making spur innovation, cultivate strong ties with stakeholders, and prepare organizations to thrive amid changing market demands.

To effectively implement collaborative sustainability initiatives, organizations should pursue several strategic approaches. Forming alliances with NGOs, governments, and even competitors through industry coalitions can create powerful platforms for addressing common sustainability challenges. Digital platforms can serve as valuable tools for crowdsourcing sustainability ideas from stakeholders, fostering innovation and engagement across the entire stakeholder ecosystem.

The establishment of cross-sector initiatives focusing on shared sustainability goals represents another crucial strategy. These collaborations can take various forms, from joint research projects to shared infrastructure development. Organizations should also actively leverage stakeholder feedback to shape their corporate innovation and investment strategies, ensuring that sustainability initiatives align with stakeholder needs and expectations. This approach not only enhances the effectiveness of sustainability programs but also builds stronger, more resilient relationships with all stakeholders involved.

⁵ SEBI's Business Responsibility and Sustainability Reporting (BRSR): Securities and Exchange Board of India (SEBI). (2021). Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562. Retrieved from SEBI Website



OVERCOMING SDG IMPLEMENTATION CHALLENGES AND ENHANCING OPERATING EFFICIENCY

The implementation of SDGs presents organizations with significant challenges that require innovative solutions and strategic thinking. Common barriers include funding gaps, insufficient expertise, and organizational resistance to change. However, these challenges also present opportunities for companies to reimagine their operations and develop more efficient, sustainable business models.

To successfully implement sustainable practices and overcome common challenges, organizations should adopt several key strategies. Securing green financing through sustainability-linked bonds provides necessary capital while aligning financial incentives with environmental goals. Organizations should also consider piloting small-scale projects, such as circular economy hubs, before attempting larger-scale implementations. This approach allows for testing and refinement of sustainability initiatives while managing risks effectively.

The implementation of green logistics solutions, including route optimization and cleaner transportation methods, represents another crucial area for improvement. Organizations should also introduce circular economy principles to repurpose materials, which not only reduces landfill waste but also decreases resource expenditure. These operational improvements demonstrate that sustainability initiatives, when properly implemented, can create a virtuous cycle of environmental stewardship and business efficiency.

FREQUENTLY ASKED QUESTIONS ABOUT SUSTAINABLE LEADERSHIP

- **Why is sustainable leadership critical today in modern business?**

The urgency of sustainable leadership in recent times stems from converging pressures that have transformed sustainability from a choice into a strategic imperative. Climate risks pose increasingly significant threats to business operations, while regulatory pressures continue to evolve and tighten globally. Additionally, growing investor demand for sustainable practices has made ESG considerations central to business strategy rather than merely moral obligations. This shift reflects a fundamental change in how markets value and assess corporate performance.

- **Do sustainable practices compromise profitability? How does CSR enhance brand value?**

A common concern among organizations is whether sustainable practices compromise profitability. Evidence consistently shows that over the long term, sustainable business models enhance profitability through multiple channels. They reduce resource usage and operational costs, attract ethical investments and cultivate loyal customer base. CSR plays a particularly vital role in this value creation by building consumer trust, attracting top talent and differentiating brands in increasingly saturated markets.

- **What challenges arise in meeting SDG 2030?**

Organizations face several significant challenges in implementing SDGs by 2030. These include resource allocation constraints, persistent data gaps, and siloed

organizational structures that can hinder progress. Small and Medium Enterprises (SMEs) often face additional challenges in adopting sustainable practices cost-effectively. However, practical solutions exist starting with energy efficiency audits, collaborating with industry peers, and leveraging government grants providing cost-effective entry points into sustainability initiatives. For larger organizations, success often requires aligning CSR goals with core operations, ensuring leadership buy-in, and establishing rigorous internal metrics to measure environmental and social impact.

- **How does employee well-being relate to ethics?**

The relationship between employee well-being and ethical leadership represents a crucial aspect of sustainable business practices. Ethical leaders understand that prioritizing employee dignity, safety, and work-life balance isn't just morally right; it's also good business. By providing mental health support, flexible work arrangements, and fair growth opportunities, organizations can foster loyalty and innovation while maintaining productivity. This approach recognizes that employee well-being serves as a foundation for sustainable organizational success.

- **Are collaborative partnerships truly beneficial for sustainable leadership?**

Collaborative partnerships have emerged as a vital tool for advancing sustainable leadership goals. By combining resources and expertise across organizations, these partnerships reduce operational risk, accelerate innovation, and enable organizations to address large-scale sustainability challenges more effectively than they could alone. This collaborative approach has proven particularly valuable in overcoming common implementation hurdles and achieving meaningful progress towards sustainability objectives.

CONCLUSION: LEADING THE WAY TO A JUST FUTURE

Sustainable leadership is no longer optional; it is a strategic necessity and a fundamental requirement for modern business success. By embedding ethics into governance, prioritizing stakeholder collaboration and aligning with the SDGs, businesses can drive profitability while safeguarding the planet.

Leaders who integrate environmental and social stewardship into their decision-making spur innovation, cultivate strong ties with stakeholders and prepare organizations to thrive amid changing market demands. Through consistent action and unwavering commitment, ethical responsibility and sustainable leadership become not only markers of corporate excellence but driving forces that shape a more prosperous, equitable and thriving global community.

By focusing on the triple bottom line, corporate governance and impactful stakeholder engagement, companies build a legacy of resilience and trust for current and future generations. The path forward involves incorporating transparent metrics that highlight environmental, social

and governance performance, while aligning CSR programs with business objectives to create a unified purpose. Organizations must prioritize employee well-being as a catalyst for ethical leadership and sustainable value creation and leverage stakeholder partnerships to accelerate impact and address global challenges.

Success in this endeavour requires businesses to align CSR with core business strategies to amplify impact, adopt TBL frameworks to balance profit, people, and planet and leverage regulatory frameworks like BRSR to enhance transparency. Companies must also invest in employee well-being to fuel innovation and retention, while collaborating across sectors to overcome SDG implementation barriers.

The opportunity to lead responsibly beckons; now is the time for organizations to step forward and make sustainability intrinsic to every facet of their operations. Through this comprehensive approach, businesses can help build a more sustainable and equitable future for all stakeholders.

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CSR and Sustainability Leadership

CSR involves a company's commitment to ethical practices, community engagement and environmental stewardship. The article explores the various perspectives on integration of CSR and Sustainability leadership. The role of Company Secretary in achieving this integration while aligning with business strategy is elaborated.



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INTRODUCTION

Corporate Social Responsibility (CSR) and Sustainability Leadership are interconnected concepts that guide organizations toward creating value for society and the environment while achieving long-term business success. CSR involves a company's commitment to ethical practices, community engagement, and environmental stewardship. It reflects the principle that businesses are not only responsible for generating profits but also for contributing positively to society. Sustainability leadership, on the other hand, focuses on driving systemic change by embedding sustainable practices into decision-making processes and inspiring others to prioritize environmental and social well-being.

As former United Nations Secretary-General Ban Ki-moon said, "Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship, and strengthen governance." This highlights the critical role of sustainability leadership in shaping a better future.

Similarly, renowned business leader John Elkington, who coined the term "triple bottom line," emphasizes, "Corporate Responsibility is no longer about doing less harm. It's about doing more good." Together, CSR and sustainability leadership challenge organizations to move beyond compliance and embrace innovation, collaboration, and accountability to create a thriving and equitable world.

CSR FOR BETTER VALUE CREATION

CSR for Better Value Creation involves leveraging CSR initiatives to enhance long-term value for the organization, stakeholders, and society. CSR is no longer just a compliance requirement but a strategic tool for achieving sustainable growth and competitive advantage.

Most of the organizations fall under the ambit of CSR as per the provisions of Section 135 of Companies Act, 2013. It has been strictly enforced by the Ministry of Corporate Affairs. One just needs to ride on it and reach the desired destination.

The main reason why businesses exist is PROFIT. As oxygen is necessary to stay alive, profit are necessary for survival of business but that does not mean that profit is the sole motive, why business exist. The triple bottom line theory will help achieve the success by first, focusing on **people** (well-being of people of the country), secondly, **planet** (ensuring organizational activities do not harm the environment) and these two lines when achieved will result in **profitability**.

Transparent and impactful CSR efforts build trust among customers, creating a loyal customer base. Consumers are more likely to support brands that align with their values, enhancing brand loyalty and market position which strengthens the brand reputation. Customers increasingly prefer brands that actively contribute to societal well-being, fostering long-term relationships. From employee point of view, employees want to work for organizations with a strong sense of purpose and responsibility. CSR initiatives create a positive work environment resulting in boosting morale, employee engagement, and retention.



Studies show that companies with robust CSR programs often outperform their peers financially. CSR challenges companies to develop sustainable products, services, and business models. It reduces operational costs through sustainability practices (e.g., energy efficiency, waste reduction) and attracts socially conscious investors. Investing in community development, education, healthcare, and infrastructure strengthens relationships with local communities. Positive community engagement can reduce operational risks and foster goodwill.

CSR activities demonstrate a company's commitment to ethical practices, environmental sustainability, and social welfare. Proactive CSR efforts ensure compliance with environmental, social, and governance regulations and also, avoid legal penalties and reputational damage. CSR aligned with frameworks like the United Nations Sustainable Development Goals (SDGs) or ESG (Environmental, Social, Governance) standards attracts global partnerships and enhances credibility. Companies that address global challenges (e.g., climate change, inequality) position themselves as leaders in sustainability.

SUSTAINABILITY LEADERSHIP

"A Business that makes nothing, but money is a poor business" –Henry Ford.

Organizations and communities are inspiring others to prioritize long-term ecological and societal well-being over short-term gains. Effective sustainability leaders demonstrate a commitment to innovation, collaboration, and ethical governance, addressing challenges such as climate change, resource scarcity, and social inequality. By integrating sustainable practices into operations, policies, and strategies, they create resilient systems that balance profitability with environmental stewardship and social equity. Sustainability leadership is essential for shaping a more sustainable and equitable future for all.

Sustainability leaders integrate sustainable practices into decision-making processes, ensuring that growth and development align with ecological and ethical principles. They advocate for innovation, such as adopting renewable energy, circular economy models, and inclusive policies, to reduce environmental footprints and foster equitable opportunities. Collaboration is a cornerstone of sustainability leadership, as it requires engaging stakeholders across sectors to create shared value and implement scalable solutions. These leaders demonstrate resilience, adaptability, and a long-term perspective, balancing immediate needs with future generations' interests. By embedding sustainability into the core of organizational culture and strategy, they inspire others to take collective action, shaping a more sustainable, just, and prosperous world.

In an era where businesses are expected to contribute to societal well-being and environmental preservation, sustainability leadership has become cornerstone of responsible corporate behavior. Leaders who integrate sustainability into their core strategies not only drive positive social and environmental change but also enhance their organization's long-term resilience and reputation.

Sustainability leadership is no longer about compliance or philanthropy; it is about fostering innovation, engaging stakeholders and creating shared value. Companies that embrace these principles can build trust, attract top talent, and achieve competitive advantages in increasingly conscious markets.

INTEGRATION OF CSR & SUSTAINABILITY LEADERSHIP

The future of CSR and Sustainability depends on bold leadership, collaboration and a commitment to continuous improvement.

Integrating CSR and sustainability leadership involves embedding environmental, social, and governance (ESG) principles into the core strategy, culture and operations of an organization. Effective integration ensures long-term value creation for businesses, stakeholders, and the planet. The ways in

which organizations can achieve this integration are:

1. **Aligning CSR and Sustainability with Business Strategy**
 - Vision and Mission: Incorporate sustainability into the company's vision and mission statements.
 - Strategic Goals: Set measurable sustainability goals, such as reducing carbon emissions, achieving zero waste, or enhancing social equity.
 - Core Business Alignment: Ensure CSR initiatives align with the company's core products and services.
2. **Leadership Commitment and Governance**
 - Executive Leadership: Senior leaders must champion CSR and sustainability efforts.
 - Board Oversight: Establish sustainability committees within the board to oversee progress and hold leadership accountable.
 - Stakeholder Engagement: Engage with investors, employees, customers, and communities to understand and address their expectations regarding CSR.
3. **Embedding CSR into Corporate Culture**
 - Employee Engagement: Train and involve employees in sustainability initiatives, such as waste reduction, volunteering, or energy efficiency.

CSR and Sustainability Leadership

- **Recognition Programs:** Reward employees and teams that contribute to CSR and sustainability goals.
- **Inclusion and Diversity:** Foster an inclusive culture where diverse perspectives contribute to sustainability solutions.

4. Operational Integration

- **Sustainable Supply Chains:** Work with suppliers to ensure ethical practices, sustainable sourcing, and reduced environmental impact.
- **Circular Economy Practices:** Implement recycling, reuse, and waste reduction programs.
- **Green Innovation:** Invest in technologies that minimize environmental impact.

5. Transparent Reporting and Accountability

- **ESG Reporting:** Publish regular reports detailing progress on CSR and sustainability goals. Frameworks like GRI (Global Reporting Initiative), or SASB (Sustainability Accounting Standards Board) are widely used.
- **Third-Party Verification:** Seek certifications and audits, such as Fair Trade, LEED, or ISO 14001, to validate sustainability claims.
- **Data-Driven Insights:** Use metrics and analytics to track and communicate progress effectively.

6. Collaboration and Partnerships

- **Industry Collaboration:** Partner with industry peers to drive collective action, such as the Science Based Targets initiative (SBTi) for carbon reduction.
- **Community Engagement:** Collaborate with local communities to address social and environmental challenges.
- **NGO and Government Partnerships:** Work with organizations like the UN or local governments to amplify impact.

7. Long-Term Value Creation

- **Risk Management:** Address environmental and social risks proactively, such as climate change or labor issues, to protect the business.
- **Customer Loyalty:** Build trust with consumers by demonstrating genuine commitment to sustainability.
- **Investor Appeal:** Attract ESG-focused investors by showcasing strong sustainability leadership.



KEY TAKEAWAYS FOR SUCCESSFUL INTEGRATION

1. **Start at the Top:** Leadership commitment is essential for embedding CSR and sustainability across the organization.
2. **Engage Stakeholders:** Build trust and collaboration with employees, customers and communities.
3. **Measure and Report:** Use data to track progress, make improvements and demonstrate accountability.
4. **Innovate for Impact:** Invest in solutions that align business success with societal and environmental benefits.

By integrating these practices, organizations can effectively align CSR and sustainability leadership, ensuring both business success and meaningful contributions to society.

WHAT IS THE ROLE OF COMPANY SECRETARY?

The Company Secretary plays a pivotal role in integrating the CSR and Sustainability leadership into an organization. Being a key governance professional and equipped with knowledge of more than 70 laws, CS is the most appropriate person who can lead and ensure the compliances foster accountability & align CSR and sustainability strategies with corporate objectives.

CS is the person who can either enlighten the company to achieve its goals in alignment with the government policies, rules and laws or can merely go with conceptual documentation just for sake of compliance with law. Therefore, CS can lead organizations towards accomplishment of their goals strategically in synchronization with the Socio, Economic & Environment sustainability. Here's an overview of their role:

1. Governance & Compliance

- a) Ensuring the company complies with legal compliance, such as those outlined in laws like Section 135 of Companies Act, 2013 for CSR regulations.

- b) Advising the Board on legal requirements related to CSR and sustainability, thereby ensuring adherence to international standards and local requirements.
- c) Monitoring and reporting CSR activities and sustainability initiatives to regulators and stakeholders.

2. Board Advisory Role

- a) Assisting the board in embedding CSR and sustainability into the company's vision, mission, and strategy.
- b) Providing insights on sustainability trends, risks, and opportunities to support informed decision-making.
- c) Facilitating discussions on sustainability and CSR as a core part of board agendas.

3. Policy Development

- a) Drafting and implementing CSR and sustainability policies in line with the company's goals and stakeholder expectations.
- b) Ensuring these policies are aligned with global standards like the UN Sustainable Development Goals (SDGs) or ESG (Environmental, Social, and Governance) frameworks.

4. Stakeholder Engagement

- a) Acting as a bridge between the company and its stakeholders, including investors, regulators, employees, and communities.
- b) Coordinating with stakeholders to understand their expectations regarding sustainability and CSR efforts.

5. Performance Monitoring and Reporting

- a) Overseeing the preparation of CSR and sustainability reports, including disclosures required under ESG frameworks or regulatory requirements.
- b) Measuring and monitoring the impact of CSR initiatives, ensuring transparency and accountability.

6. Risk Management

- a) Identifying and mitigating risks related to environmental, social and governance factors.
- b) Ensuring that sustainability risks are integrated into the organization's overall risk management framework.

7. Promoting a Sustainability Culture

- a) Driving internal awareness about sustainability and CSR, ensuring these values are embedded across all levels of the organization.

- b) Organizing training sessions and workshops for employees and management on sustainability best practices.

8. Strategic Integration

- a) Aligning CSR and sustainability strategies with the company's long-term business objectives.
- b) Ensuring sustainability considerations are factored into mergers, acquisitions and other strategic decisions.

In summary, the Company Secretary serves as a key facilitator in aligning CSR and sustainability initiatives with corporate governance, ensuring compliance, and promoting long-term value creation for the organization and its stakeholders.

CONCLUSION

Just like a car which can move only when all the four tyres of it are equally in good condition. Similarly, to run a business both CSR and Sustainability needs to be worked out in integration with each other. Hence, CSR and sustainability are not mere compliance exercises but integral to the company's strategy. It helps to build the robust governance framework that promotes long-term value creation. The Company Secretary can serve as a key facilitator in positioning the company as a responsible corporate citizen by enhancing its reputation & stakeholder trust.

Ultimately, the future of CSR and Sustainability depends on bold leadership, collaboration and a commitment to continuous improvement. By taking decisive action today, organizations can pave the way for a sustainable tomorrow, ensuring their success while contributing to the greater good.

The *shloka* of Bhagavad Gita, Chapter 3, Verse 12 is

इष्टान्भोगान् हि वो देवा दास्यन्ते यज्ञभाविताः।
तैस्तान्प्रदायैभ्यो यो भुङ्क्ते स्तेन एव सः ॥१२॥

Translation:

The Gods, nurtured by sacrifice, will give you the desired necessities of life. But those who enjoy these gifts without offering back in return are verily thieves.

Interpretation in context with CSR & Sustainability Leadership:

This *shloka* emphasizes the principle of reciprocity and responsible action. Just as humans receive resources and sustenance from nature, it is their duty to give back and ensure balance. By adopting the essence of this *shloka*, leaders can foster sustainable growth while maintaining harmony with the environment and society.

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Law and Procedure Relating to Significant Beneficial Ownership of Shares under Section 90 of the Companies Act, 2013

Section 90 of the Companies Act, 2013 can be said to be an extension of Section 89. While the latter deals with 'beneficial owner' of shares (being different than ostensible owner), the former deals with, 'significant beneficial owner', the word 'significant' being signifying a certain percentage of shares of a company. The authors elaborate in detail the meaning of, object behind determination of and the two criteria to determine SBO under section 90 of the Companies Act, 2013.



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INTRODUCTION

The key function of Section 90 of the Companies Act, 2013 ("the 2013 Act") is determination of an individual being a Significant Beneficial Owner ("SBO") of shares in a company, in accordance with the criteria specified in the Section and the Rules made thereunder. Pursuant to Section 90, an SBO is an individual who has beneficial interest in shares of a company or the right to exercise, or the actual exercising of significant influence or control over the company.

Thus, Section 90 lays down three parameters to identify an SBO of a company, namely (i) beneficial interest in

shares; (ii) the right to exercise, or the actual exercising of significant influence; and (iii) the right to exercise, or the actual exercising of control. When a legal owner is himself the beneficial owner of shares in a company, there is no question for searching for an SBO elsewhere, but when a legal owner is not the beneficial owner of the shares in question, the company is under the statutory obligation under Section 90 to identify the SBO.

As a matter of well settled principle of Company Law, a company always recognizes and deals with the registered holder of a share (member) for all purposes and does not look beyond the register. In fact, Section 153 of the Companies Act, 1956 ("the 1956 Act") had enacted this principle which stated that "no notice of any trust, express, implied or constructive, shall be entered on the register of members or of debenture holders."

Section 187C of the 1956 Act created an exception to the principle embodied in Section 153 of the 1956 Act, by allowing companies to take notice of trust on the register of members, *i.e.* the fact of a person, who is not a registered holder of shares, having beneficial interest. Conversely stated, it permits a company to record in its register the fact of the registered holder not having beneficial interest in the shares, provided the company gets a declaration from the persons to that effect. Thus, Section 187C does not prohibit the company to take notice of trust provided requisite disclosures are made. It was held that Section 187C had a wide application and sought disclosure of all types of beneficial interests in shares; in particular, sub-section (6) thereof covered, by specific mention, charges, hypothecation and all types of agreements "created, executed or entered into" in relation to any share.¹

Although the 2013 Act has dispensed with this provision, the aforementioned principle remains intact. Nevertheless, the 2013 Act does recognize the fact of a share registered in the name of a member having a beneficial owner someone else vide Section 89 of the 2013 Act (corresponding to Section 187C of the 1956 Act). The effect of this Section is that the company is entitled to treat every person whose name is entered on the register of members as the beneficial owner of shares, even if he holds the shares in trust for another. In other words, the company need not take notice of equitable interest in the

¹ *New Bank of India Ltd. v Union of India* [1981] 51 Comp Cas 375 (Delhi).

shares. As such, if the company registers a transfer of shares held by a person as trustee, it is under no liability to the beneficiary even if the transfer of the shares was a breach of trust.

The Companies Act mandates that the name of a person who acquires shares in a company must be entered in the register of members and he is to be deemed a member of the company. There is, therefore, a presumption that such a member himself is the beneficial owner of the shares held by him. This, however, is a rebuttable presumption and it can be rebutted by evidence indicating that it is not the registered holder of the shares but someone else who is the beneficial owner. In that case Section 89 of the 2013 Act requires declarations to be made by both to the company and the Registrar of Companies of that fact.

Section 90 of the 2013 Act can be said to be an extension of Section 89. While the latter deals with 'beneficial owner' of shares (being different than ostensible owner), the former deals with 'significant beneficial owner', the word 'significant' being signifying a certain percentage of shares of a company. The key difference between the two Sections is that Section 89 contemplates two persons, one ostensible owner and the other beneficial owner; on the contrary, Section 90 doesn't contemplate such a distinction.

The object and purpose of the two Sections are different. We have noted above the object of Section 89. The object of Section 90 is to identify an individual, who acting alone or together with others, or through one or more persons or trust, including a trust and persons resident outside India, holds beneficial interests, of the specified magnitude.

Applicability of Section 90 will have to be checked in respect of every subsidiary company separately based on the two criteria to determine SBO.

MEANING OF 'BENEFICIAL INTEREST IN A SHARE'

In ordinary parlance, a *beneficial interest* in shares is the right to receive benefits on shares held by another party in a company. Beneficial interest is often referred to in matters concerning trusts, whereby one has a vested interest in the trust's assets. A beneficial interest is "that right which a person has in a contract made with another (third party)". This contemplates the relationship of trust between two parties, one the registered holder of a company's shares whose name is entered in the register of members of the company (the ostensible owner of the shares) and second, the true or beneficial owner of the shares. The beneficial interest means the right to the use and benefit of property such as shares in a company, by the beneficial owner, the one who is enjoying the benefit of property of which another is the legal owner.

The Black's Law Dictionary, 10th edition, defines the expression 'beneficial interest' as "A right or expectancy in something (such as a trust or an estate) as opposed to legal title to that thing. For example, a person with a beneficial interest in a trust received income from the trust but does not hold legal title to the trust property." The

same dictionary defines the expression 'beneficial owner' as "One recognised in equity as the owner of something because use and title belong to that person, even though legal title may belong to someone else, especially one for whom property is held in trust."

Such right or interest may be direct or indirect, and through any contract, arrangement or otherwise. Further, it may be exercisable by the concerned person either independently or together with any other person, i.e. in concert or association or jointly with any other person or persons.

It is a well-settled principle of Company Law that a company cannot look beyond the register of members and recognise and deal with any other person even if the registered shareholder is not the beneficial owner of the shares; for the company, only the person whose name appears on the register of members is the holder of the shares and hence the member. This principle was stated (with regard to Section 30 of the English Companies Act which provided that no notice of trust shall be entered on the register) by Lord Dovey in the celebrated case of *Saloman v Saloman & Co* (1897) AC 22, that it would be impossible to work the machinery of the Act on any other principle, and to attempt to do so would lead only to confusion and uncertainty.

As noted above, although the 2013 Act has dispensed with Section 153, it has retained Section 187C of the 1956 Act and has, in addition, enacted Section 90 thereby recognizing the fact that a legal owner of a share may not be the beneficial owner of a share in a company incorporated under the Companies Act.

MEANING OF AND CRITERIA FOR DETERMINING 'SIGNIFICANT BENEFICIAL OWNER'

According to Section 90(1), an individual who is a 'Significant Beneficial Owner' in relation to a company, is required to make a disclosure to the company specifying the nature of his interest and other particulars in that company, in such manner and within such period as prescribed in the relevant rules. The Companies (Significant Beneficial Owners) Rules, 2018 ('SBO Rules') prescribe rules under Section 90.

Section 90(1) lays down two criteria or categories to determine SBO. If any individual falls within any of the two criteria or categories, he shall be considered as SBO. These categories are:

- (i) Holding by an individual of beneficial interests in shares of a company, of not less than 25% (or other prescribed percentage; currently it is "not less than 10% of the shares", vide rule 2(1)(h) of SBO Rules); or
- (ii) Having by an individual of the right to exercise, or the actual exercising of significant influence or control as defined in Section 2(27), over the company.

An individual may be holding beneficial interest or significant influence or control over a company, either independently or together with, or through, one or more-

- persons in India,
- trusts in India,
- trusts outside India,
- persons resident outside India.

The use of the word 'individual' in the first part of sub-section (1), as compared to the word 'person' a little later in that sub-section, is significant. In law, while every individual is a person, the word 'person' has a wider connotation and it includes natural as well as artificial persons such as a company or body corporate, the word 'individual' has a restricted meaning, i.e. natural person or human being. "As noun, this term denotes a single person as distinguished from a group or class, and also, very commonly, a private or natural person as distinguished from a partnership or corporation, or association."² The expression 'person' has been defined under Section 3(42) of General Clauses Act, 1897. According to this definition the expression 'person' includes 'any company or association or body of individuals, whether incorporated or not'. Any incorporated or unincorporated association of two or more individuals will fall within the ambit of this expression.

Thus, an SBO under Section 90 has to be essentially an individual although he/she may have other persons (including individuals) besides him/her forming a group or association all of them acting together with the SBO.

Section 90 casts the primary responsibility of identifying and determining an SBO on the SBO himself (see sub-section (1)), but sub-section (4A) simultaneously casts this responsibility on a company, since it mandates that every company shall take necessary steps to identify an individual who is a significant beneficial owner in relation to the company and require him to comply with the provisions of this Section.

Sub-sections (5), (6) and (7) provide for a mechanism for identification of an SBO by company.

Sub-sections (2), (3) and (4) lay down procedural requirements of keeping a register and filing a return concerning an SBO.

An SBO to be identified or required to make disclosure must be an individual. Section 90 starts with *Every individual who* and proceeds to mandate *shall make a declaration to the company*. The definition of "significant beneficial owner" given in the SBO Rules also begins with *significant beneficial owner in relation to a reporting company means an individual*. However, there may be two or more individuals who jointly or together hold beneficial interest in a company or exercise significant influence/control over a company.

THE TWO CRITERIA

Section 90(1) lays down two criteria to determine an SBO. If any individual falls within any of the two criteria, he shall be considered as an SBO. Furthermore, Rule 2(1) of the SBO Rules supplements the criteria specified in Section 90(1).

These criteria are presented below in a tabular form:

Relevant Provision of Section 90(1) or Rule 2(1) of SBO Rules	The Criteria [to be applied to an individual to determine whether he/she is an SBO]
The First Criterion	
Section 90(1)	Holds beneficial interest in shares of a company, of not less than 25% or such other percentage as may be prescribed. ³
Rule 2(1)(h)(i)	Holds indirectly, or together with any direct holdings, not less than 10% of the shares.
Rule 2(1)(h)(ii)	Holds indirectly, or together with any direct holdings, not less than 10% of the voting rights in the shares.
Rule 2(1)(h)(iii)	Has the right to receive or participate in not less than 10% of the total distributable dividend, or any other distribution, in a financial year through indirect holdings alone, or together with any direct holdings.
Rule 2(1)(h), Explanation I	If an individual does not hold any right or entitlement indirectly under sub-clauses (i), (ii) or (iii), he shall not be considered to be a significant beneficial owner.
Rule 2(1)(h), Explanation II	An individual shall be considered to hold a right or entitlement <u>directly</u> in the reporting company, if the following criteria are satisfied: <ul style="list-style-type: none"> (i) the shares in the reporting company representing such right or entitlement are held in the name of the individual; (ii) the individual holds or acquires a beneficial interest in the share of the reporting company under Section 89(2), and has made a declaration in this regard to the reporting company.

² Black's Law Dictionary, 10th edition.

³ This limit has been reduced to 10% under the SBO Rules.

<p>Rule 2(1)(h), Explanation III</p>	<p>An individual shall be considered to hold a right or entitlement <u>indirectly</u> in the reporting company, if he satisfies any of the following criteria, in respect of a member of the reporting company:</p> <ul style="list-style-type: none"> (i) where the member of the reporting company is a body corporate (whether incorporated or registered in India or abroad), other than a limited liability partnership, and the individual,— <ul style="list-style-type: none"> (a) holds majority stake in that member; or (b) holds majority stake in the ultimate holding company (whether incorporated or registered in India or abroad) of that member; (ii) where the member of the reporting company is a Hindu Undivided Family (HUF) (through karta), and the individual is the karta of the HUF; (iii) where the member of the reporting company is a partnership entity (through itself or a partner), and the individual,— <ul style="list-style-type: none"> (a) is a partner; or (b) holds majority stake in the body corporate which is a partner of the partnership entity; or (c) holds majority stake in the ultimate holding company of the body corporate which is a partner of the partnership entity. (iv) where the member of the reporting company is a trust (through trustee), and the individual,— <ul style="list-style-type: none"> (a) is a trustee in case of a discretionary trust or a charitable trust; (b) is a beneficiary in case of a specific trust; (c) is the author or settlor in case of a revocable trust. (v) where the member of the reporting company is,— <ul style="list-style-type: none"> (a) a pooled investment vehicle; or (b) an entity controlled by the pooled investment vehicle, based in member State of the Financial Action Task Force on Money Laundering and the regulator of the securities market in such member State is a member of the International Organization of Securities Commissions, and the individual in relation to the pooled investment vehicle,— <ul style="list-style-type: none"> (A) is a general partner; or (B) is an investment manager; or (C) is a Chief Executive Officer where the investment manager of such pooled vehicle is a body corporate or a partnership entity.
<p>Rule 2(1)(h), Explanation IV</p>	<p>Where the member of a reporting company is,</p> <ul style="list-style-type: none"> (i) a pooled investment vehicle; or (ii) an entity controlled by the pooled investment vehicle, based in a jurisdiction which does not fulfil the requirements referred to in clause (v) of Explanation III, the provisions of clause (i) or clause (ii) or clause (iii) or clause (iv) of Explanation III, as the case may be, shall apply.
<p>Rule 2(1)(h), Explanation V</p>	<p>If any individual, or individuals acting through any person or trust, act with a common intent or purpose of exercising any rights or entitlements, or exercising control or significant influence, over a reporting company, pursuant to an agreement or understanding, formal or informal, such individual, or individuals, acting through any person or trust, as the case may be, shall be deemed to be 'acting together'.</p>

The Second Criterion	
Section 90(1)	Has the right to exercise, or the actual exercising of significant influence or control over the company.
Rule 2(1)(h)(iv)	Has the right to exercise, or actually exercises, significant influence or control, in any manner other than through direct holdings alone.
Rule 2(1)(b)	“control” means control as defined in clause (27) of Section 2 of the Act.
Rule 2(1)(i)	“significant influence” means the power to participate, directly or indirectly, in the financial and operating policy decisions of the reporting company but is not control or joint control of those policies’.
Rule 2(1)(h), Explanation V	If any individual, or individuals acting through any person or trust, act with a common intent or purpose of exercising any rights or entitlements, or exercising control or significant influence, over a reporting company, pursuant to an agreement or understanding, formal or informal, such individual, or individuals, acting through any person or trust, as the case may be, shall be deemed to be ‘acting together’.

According to Rule 2(2) of the SBO Rules, Words and expressions used in these rules but not defined and defined in the Act or in Companies (Specification of Definitions Details) Rules, 2014 shall have the meanings respectively assigned to them in the Act and the said Rules.

THE FIRST CRITERION

Under the first criterion under Section 90(1), in order to be considered as SBO, an individual must hold (acting alone or together, or through one or more persons or trust, including a trust and persons resident outside India) beneficial interest of not less than 10% in shares of a company. What is crucial here is, the holding of beneficial interest by the individual.

The first criterion is covered in clauses (i), (ii) and (iii) of rule 2(1)(h) of the SBO Rules, according to which, an individual will be the SBO of a company in the following situations:

- (i) If he/she holds, either indirectly, or directly as well as indirectly, 10% or more of the shares of the company;
- (ii) If he/she holds, either indirectly, or directly as well as indirectly, 10% or more of the voting rights in the shares of the company; or
- (iii) If he/she has, the right to receive or participate in 10% or more of the total distributable dividend (or any other distribution) in a financial year through indirect shareholdings alone, or indirect as well as direct shareholding.

It will be noticed that for the purpose of the first of the two criteria, the threshold is 10%, since all the three criteria stipulate 10% of the shares, voting right or right to receive dividend, and that too “acting alone or together, or through one or more persons or trust”.

AN INDIVIDUAL MUST HAVE SOME INDIRECT SHAREHOLDING OR INDIRECT RIGHT TO DIVIDEND TO ATTRACT FIRST CRITERION

According to the Explanation I in rule 2(1)(h), if an individual does not hold any right or entitlement

indirectly under sub-clauses (i), (ii) or (iii) of rule 2(1)(h), he/she cannot be considered to be an SBO. Thus, to attract the first criterion mentioned above, an individual must have some indirect shareholding or the right to receive dividend on shares held indirectly, and if an individual has only direct shareholding or the direct right then the first criterion is not attracted.

If an individual has only direct shareholding (meaning shares are registered by the company in his/her own name, solely or jointly with someone else) or the right to receive dividend only on his/her direct shareholding, then that cannot be considered for the purpose of determining his status as the SBO. But if an individual has some direct shareholding and also some indirect shareholding, both direct and indirect shareholding will have to be aggregated to ascertain whether he/she has crossed the threshold of 10%.

The use of the word ‘indirectly’ indicates that in all the three circumstances covered in sub-clauses (i), (ii) and (iii) of rule 2(1)(h), there must be an individual who has beneficial interest in the shares or voting rights or dividend right, while the legal owner of the shares is someone else.

MEANING OF ‘DIRECTLY’

According to the Explanation II in rule 2(1)(h), an individual shall be considered to hold a right or entitlement *directly*, if he satisfies any of the following criteria:

- (i) the shares in the company representing such right or entitlement are held in the name of the individual;
- (ii) the individual holds or acquires a beneficial interest in the share of the reporting company under Section 89(2), and has made a declaration in this regard to the reporting company.

The first of the abovementioned two conditions recognises the fact that when a person who is a registered shareholder of a company is himself the legal owner as well as beneficial owner of the shares, there is no need to detect the true beneficial owner (and thereby SBO) of the

shares and therefore such owner of the shares need not be brought within the net of Section 90, since that fact is on record of the company as well as the government.

The second condition recognises the fact that when a person who is a registered shareholder of a company is the legal owner but not the beneficial owner of the shares and the legal owner and beneficial owner have declared their respective interests in the shares under Section 89, there is no need to detect the true beneficial owner (and thereby SBO) of the shares and therefore such owner of the shares need not be brought within the net of Section 90, since that fact is on record of the company as well as the government.

MEANING OF 'INDIRECTLY'

Whether an individual has shareholding or a right or entitlement *indirectly*, will be decided by applying the criteria specified in Explanation III, in respect of a member of company. The criteria specified in this Explanation are based on the legal presumption that the individuals falling under these criteria have indirect shareholding, voting rights or rights or entitlement stated in the four clauses of rule 2(1)(h).

It must be noted that these criteria will make an individual an SBO only if that individual (either independently or together with any other person acting in concert with that individual) holds not less than 10% of the share capital or voting rights of the company.

HOLDING A RIGHT OR ENTITLEMENT INDIRECTLY WHEN MEMBER IS BODY CORPORATE

According to clause (i) of Explanation III, if a member of the reporting company is a body corporate (whether incorporated or registered in India or abroad), and the individual-

- (a) holds majority shares in that body corporate; or
- (b) holds majority shares in the ultimate holding company (whether incorporated or registered in India or abroad) of that body corporate.

The abovementioned points can be explained with the help of examples, as follows:

Example 1: A Ltd. has B Pvt Ltd. as its member holding 10% or more shares/voting rights in A Ltd. and Mr X holds majority shares in B Pvt Ltd., then Mr X will be the SBO of A Ltd. If Mr Y and Mr Z are relatives of Mr X, their shareholding in B Pvt Ltd. will have to be aggregated with Mr X's shareholding.

Example 2: A Ltd. has B Pvt Ltd. as its member holding 10% or more shares/voting rights in A Ltd. and B Pvt Ltd. is the wholly-owned subsidiary of C Pvt Ltd. and Mr X holds majority shares in C Pvt Ltd., then Mr X will be the SBO of A Ltd. If Mr Y and Mr Z are relatives of Mr X, their shareholding in C Pvt Ltd. will have to be aggregated with Mr X's shareholding.

HOLDING A RIGHT OR ENTITLEMENT INDIRECTLY WHEN A MEMBER IS HUF

According to clause (ii) of Explanation III, if a member of the reporting company is a Hindu Undivided Family (HUF) (through karta), and the individual is the karta of the HUF.

Example: A Ltd. has XYZ HUF as its member holding 10% or more of shares. The shares are registered in the name of Mr X who is the karta of XYZ HUF. Mr X will be the SBO of A Ltd.

HOLDING A RIGHT OR ENTITLEMENT INDIRECTLY WHEN A MEMBER IS PARTNERSHIP ENTITY

According to clause (iii) of Explanation III, if a member of the reporting company is a partnership entity (through itself or a partner), and the individual-

- (a) is a partner; or
- (b) holds majority stake in the body corporate which is a partner of the partnership entity; or
- (c) holds majority stake in the ultimate holding company of the body corporate which is a partner of the partnership entity.

Example 1: XYZ Partnership holds 10% or more shares in A Ltd. The shares are registered in the name(s) of all or any one of the partners. The partner(s) who are registered shareholders of A Ltd. will be the SBO of A Ltd.

Example 2: XYZ Partnership holds 10% or more shares in A Ltd. X Pvt Ltd. is one of the partners in XYZ Partnership and Mr A holds majority shares in X Pvt Ltd. Mr A will be the SBO of A Ltd.

Example 3: XYZ Partnership holds 10% or more shares in A Ltd. X Pvt Ltd. is one of the partners in XYZ Partnership and X Pvt Ltd. is the wholly-owned subsidiary of Y Pvt Ltd. and Mr A holds majority shares in Y Pvt Ltd. Mr A will be the SBO of A Ltd.

HOLDING A RIGHT OR ENTITLEMENT INDIRECTLY WHEN A MEMBER IS TRUST

According to clause (iv) of Explanation III, if the member of the reporting company is a trust (holding shares through trustee), and the individual-

- (a) is a trustee in case of a discretionary trust or a charitable trust;
- (b) is a beneficiary in case of a specific trust;
- (c) is the author or settlor in case of a revocable trust.

Example: A Ltd. has Mr X as a member holding 10% or more shares in A Ltd. Mr X is holding the shares on behalf of a trust. Mr X will be the SBO of A Ltd. if he is either a trustee or the beneficiary or the author of the trust.

HOLDING A RIGHT OR ENTITLEMENT INDIRECTLY WHEN A MEMBER IS POOLED INVESTMENT VEHICLE

According to clause (v) of Explanation III, if the member of the reporting company is,-

- (a) a pooled investment vehicle; or
- (b) an entity controlled by the pooled investment vehicle, based in member State of the Financial Action Task Force on Money Laundering and the regulator of the securities market in such member State is a member of the International Organization of Securities Commissions, and the individual in relation to the pooled investment vehicle-
 - (A) is a general partner; or
 - (B) is an investment manager; or
 - (C) is a Chief Executive Officer where the investment manager of such pooled vehicle is a body corporate or a partnership entity.

According to the Explanation IV to rule 2(1)(h), if the member of a reporting company is, a pooled investment vehicle or an entity controlled by the pooled investment vehicle, based in a jurisdiction which does not fulfil the requirements referred to in clause (v) of Explanation III, the provisions of clause (i), (ii), (iii) or (iv) of Explanation III, shall apply.

THE SECOND CRITERION

In terms of the second criterion under Section 90(1), an individual who has the right to exercise, or he/she actually exercises significant influence or control, in any manner other than through direct holdings alone over the company would be the SBO. This is covered in clause (iv) of rule 2(1)(h) of the SBO Rules. Rules 2(1)(b) and 2(1)(i) define the terms 'control' and 'significant influence'. The definition of the term 'significant influence' in Section 2(6) is not relevant for rule 2(1)(h)(iv); only the definition in rule 2(1)(i) is relevant.

The word 'alone' here should be interpreted to mean 'only' or 'by itself'. The dictionary meaning of this word is: "only; exclusively; without anyone or anything else; not involving or including anyone or anything else; separate from other people or things; without help from anyone or anything else; without including or needing anything more; to the exclusion of all others or all else."

The words "other than through direct holdings alone" mean that if an individual has the right to exercise (or he/she actually exercises) significant influence or control apart from or in addition of his direct shareholding in the company, such right should be considered to determine whether such individual is SBO.

For example, if an individual has subscribed to the debentures of the company or given a loan to the company and by virtue of that he has under the agreement or by the

articles of association of the company has certain special rights, such individual will be considered having the right to exercise significant influence or control.

DEFINITION OF 'SIGNIFICANT INFLUENCE'

According to rule 2(1)(i) of the SBO Rules:

'significant influence' means the power to participate, directly or indirectly, in the financial and operating policy decisions of the reporting company but is not control or joint control of those policies.

The word 'power' is crucial in this definition. It is not defined. One of the several meanings in dictionaries is: 'possession of control, authority, or influence over others; legal ability, capacity, or authority' seems to be apt in the context of the provision in rule 2(1)(h)(iv).

Thus, to fall within the ambit of the definition of "significant influence". There must exist power *to participate* in the financial and operating policy decisions of the company, regardless of whether it is actually exercised. Therefore, if an individual acting alone or together with other individual(s) has the power to participate (directly or indirectly) in the financial and operating policy decisions of the company, he will be considered an individual having significant influence and consequently a SBO.

In a company, policy decisions are taken by the Board of Directors and are implemented by the executive Directors and other officers of the company. Section 179(1) of the 2013 Act provides that the Board of Directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorised to exercise and do.

Financial and operating policy decisions are taken by the Board. Therefore, under clause (iv) of rule 2(1)(h), if an individual who is not a member of the Board but has power to participate, directly or indirectly, in the financial and operating policy decisions of the reporting company, he will be deemed to be having the right to exercise significant influence. This will undoubtedly need some evidence in the form of an agreement (such as a shareholders' agreement) or articles of association or some other document which entrust with such individual the power to participate, directly or indirectly, in the financial and operating policy decisions of the company.

DEFINITION OF 'CONTROL'

According to rule 2(1)(b) of the SBO Rules the word 'control' in rule 2(1)(h)(iv) is to be understood according to the definition given in Section 2(27) of the 2013 Act. That definition reads as follows:

"Control, shall include the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner."

The definition is an inclusive definition; so in addition to what it states, it would apply to anything that can be said to be control in the ordinary sense of the term in the context of the provisions of the Act.

The following situations would lead to the presumption that there exists control with a person:

1. Such person has the right to appoint majority of the Directors of the company; or
2. Such person controls the management or policy decisions in relation to the company;
3. Control may be exercisable by one person acting individually or more persons than one acting in concert;
4. Control may be direct or indirect;
5. Control may be by virtue of or in the form of:
 - shareholding in the company; or
 - management rights in relation to the company; or
 - shareholders' agreement; or
 - voting agreement; or
 - in any other manner.

In the context of working of companies, in law, control is undertaking as majority control or, in other words, control by virtue of shareholding or voting power, which determines, in the ultimate analysis, the power to control a company. In other words, normally control over a company means exercise of power by voting rights and a person or a group is said to have controlling interest if he or it has power by exercise of voting rights to carry a resolution at a general meeting.

It is not uncommon to come across instances of *de facto* control in the corporate world being exercised by a group of people holding a small proportion of capital since it is well recognised that a majority holding of shares is not essential nor is that always the decisive factor in determining effective or actual control over a company by a few. Such real or *de facto* control can be had in many ways. It is well known that in a company with a large and dispersed shareholding, a comparatively small proportion of the total shares, if held by a few hands, may enable actual control to be exercised.

MEANING OF 'PERSON'

The word 'person' includes individual and body corporate. The term 'person' has been defined under Section 3(42) of General Clauses Act, 1897. According to this definition the expression 'person' includes 'any company or association or body of individuals, whether incorporated or not.' This definition is very wide so as to include even an unincorporated company or body or association of individuals.

Therefore, it cannot be doubted that a company incorporated under the Companies Act shall fall within this definition. At the same time, it may also be concluded

that unless a particular statute specifically stipulates to the contrary, an incorporated company can perform every legal transaction which any other 'person' is authorised to perform. It has been held that a company is a legal person.⁴ The word 'person' includes both a natural person (a human being), whether a man, woman or child and an artificial person (a body corporate or corporation).⁵

Thus, to constitute an SBO, there may be an individual, or a group of two or more individuals, or a group comprising-

- persons in India,
- trusts in India,
- trusts outside India,
- persons resident outside India.

MEANING OF 'ACTING TOGETHER'

As noted above, both Section 90(1) and rule 2(1)(h) require that determination of SBO an individual referred to in Section 90(1), must be on the basis such individual acting alone, together or through any other person(s) or trust(s).

Acting together means acting in concert, in unison, in association, business, or agreement, jointly, in collaboration, plan or design as a group or association with common purpose or objective. Whether two persons act together will have to be decided not only by a written agreement or any other document, but also having regard to circumstances concerning their actions.

The Explanation V appended to the definition of SBO explains the term "acting together" as under:

"For the purpose of this clause, if any individual, or individuals acting through any person or trust, act with a common intent or purpose of exercising any rights or entitlements, or exercising control or significant influence, over a reporting company, pursuant to an agreement or understanding, formal or informal, such individual, or individuals, acting through any person or trust, as the case may be, shall be deemed to be 'acting together.'"

The following are the ingredients of "acting together":

- an individual or individuals act through any person or trust;
- in acting through, he/they have common intent or purpose of exercising any rights or entitlements, or exercising control or significant influence, over the reporting company;
- he/they act pursuant to an agreement or understanding;
- such agreement or understanding is formal or informal.

⁴ *Union Bank of India v Khader International Construction* 2001 AIR SCW 2045; *Karnataka Power Transmission Corpn. Ltd. v Ashok Iron Works Pvt. Ltd.* 2009 AIR SCW 1502

⁵ *Pharmaceutical Society v London & Provincial Supply Association* (1880) 5 AC 857; [1874-80] All ER Rep 1363; *Arjun Prasad* AIR 1962 SC 1192.

PROVISIONS UNDER OTHER LAWS ON 'ACTING TOGETHER'

Section 29A of the Insolvency and Bankruptcy Code, 2016, as amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2018 contains ineligibility criteria for a person who wants to act as resolution applicant. The Section begins with the opening paragraph that states: "A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person ...".

The expression "acting jointly or in concert" contemplate two or more persons acting together as a group.

In *ArcelorMittal India Private Limited v Satish Kumar Gupta* AIR 2018 SC 5646; [2018] 211 Comp Cas 369, the Supreme Court was considering the expression "acting jointly or in concert" in Section 29A of the Insolvency and Bankruptcy Code, 2016. As to the question whether this expression contemplates existence of an agreement (such as a joint venture agreement), the Supreme Court pointed out:

"The expression "acting jointly" in the opening sentence of Section 29-A cannot be confused with "joint venture agreements", ... All that is to be seen by the expression "acting jointly" is whether certain persons have got together and are acting "jointly" in the sense of acting together. If this is made out on the facts, no super added element of "joint venture" as is understood in law is to be seen."

After referring to the definition of "persons acting in concert" under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SAST Regulations'), the Supreme Court held that it will be seen from the wide language used, that any understanding, even if it is informal, and even if it is to indirectly cooperate to exercise control over a target company, is included.

In *Technip SA v. SMS Holding (Pvt.) Ltd.* (2005) 5 SCC 465, the Supreme Court held that the standard of proof required to establish such concert is one of probability and may be established "if having regard to their relation etc., their conduct, and their common interest, that it may be inferred that they must be acting together: evidence of actual concerted acting is normally difficult to obtain, and is not insisted upon.

The definition of "acting together" in the SBO Rules is substantially similar to that in the SAST Regulations, the main part of which provides:

"persons acting in concert" means,— (1) persons who, with a common objective or purpose of acquisition of shares or voting rights in, or exercising control over a target company, pursuant to an agreement or understanding, formal or informal, directly or indirectly co-operate for acquisition of shares or voting rights in, or exercise of control over the target company."

Acting in concert means acting together or jointly. The concept of 'persons acting in concert' contemplates a

consortium or association of two or more persons acting together to achieve some result by common action. The word 'concert' means agreement or understanding between two or more individuals in a design or plan; combined action; accord or harmony; agreement in design or plan; union formed by mutual communication of opinion and views; unity achieved by mutual communication of views, ideas, and opinions.

Whether two or more persons are acting in concert is a question of fact and will have to be answered having regard to the actions of the persons and relevant circumstances. There has, however, to be some evidence pointing to their acting with some common intention or objective. Merely incidentally acting at the same time in respect of acquisition of shares of a company would not lead to the inference that they had common intention. Likewise, merely because they have some commonality cannot lead to that inference.

DECLARATION BY SBO

According to sub-section (1) of Section 90, every SBO shall make a declaration to the company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof, as may be prescribed.

Rule 3 of the SBO Rules provides as follows:

3. Declaration of significant beneficial ownership under Section 90.
 - (1) On the date of commencement of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, every individual who is a significant beneficial owner in a reporting company, shall file a declaration in Form No. BEN-1 to the reporting company within ninety days from such commencement.
 - (2) Every individual, who subsequently becomes a significant beneficial owner, or where his significant beneficial ownership undergoes any change shall file a declaration in Form No. BEN-1 to the reporting company, within thirty days of acquiring such significant beneficial ownership or any change therein.

Explanation.— Where an individual becomes a significant beneficial owner, or where his significant beneficial ownership undergoes any change, within ninety days of the commencement of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, it shall be deemed that such individual became the significant beneficial owner or any change therein happened on the date of expiry of ninety days from the date of commencement of said rules, and the period of thirty days for filing will be reckoned accordingly.

REPORTING COMPANY'S DUTY

Sub-sections (4A), (5) and (6) of Section 90 provide as follows:

(4A) Every company shall take necessary steps to identify an individual who is a significant beneficial owner in relation to the company and require him to comply with the provisions of this Section.

(5) A company shall give notice⁶, in the prescribed manner, to any person (whether or not a member of the company)

⁶ See Rule 2A, 6 and 7 and Form BEN-4, Companies (Significant Beneficial Owners) Rules, 2018.

whom the company knows or has reasonable cause to believe—

- (a) to be a significant beneficial owner of the company;
 - (b) to be having knowledge of the identity of a significant beneficial owner or another person likely to have such knowledge; or
 - (c) to have been a significant beneficial owner of the company at any time during the three years immediately preceding the date on which the notice is issued, and who is not registered as a significant beneficial owner with the company as required under this Section.
- (6) The information required by the notice under sub-section (5) shall be given by the concerned person within a period not exceeding thirty days of the date of the notice.

Rule 2A casts a duty on the reporting company as to identification of SBO. It provides as follows:

2A. Duty of the reporting company.

- (1) Every reporting company shall take necessary steps to find out if there is any individual who is a significant beneficial owner, as defined in clause (h) of rule 2, in relation to that reporting company, and if so, identify him and cause such individual to make a declaration in Form No. BEN-1.
- (2) Without prejudice to the generality of the steps stated in sub-rule (1), every reporting company shall in all cases where its member (other than an individual), holds not less than ten per cent. of its;—
 - (a) shares, or
 - (b) voting rights, or
 - (c) right to receive or participate in the dividend or any other distribution payable in a financial year, give notice to such member, seeking information in accordance with sub-section (5) of Section 90, in Form No. BEN-4.

DECLARATION TO BE GIVEN BY SUBSIDIARY COMPANY

Rule 8 of the SBO Rules to the extent relevant for our discussion reads as under:

8. Non-applicability. These rules shall not be made applicable to the extent the share of the reporting company is held by,—

- (a) the authority constituted under sub-section (5) of Section 125 of the Act;
- (b) its holding reporting company:
Provided that the details of such holding reporting company shall be reported in Form No. BEN-2.
- (c) the Central Government, State Government or any local Authority;
.....

Applicability of Section 90 will have to be checked in respect of every subsidiary company separately based on the two criteria to determine SBO as discussed earlier. However, in

view of rule 8(b) of the SBO Rules, if the holding company has reported details of declaration received from any SBO to the ROC in Form No. BEN-2, no fresh declaration is required to be filed by the SBO in Form No. BEN-1 with the holding reporting company's subsidiary. In that case, only details of the holding reporting company are required to be reported in Form No. BEN-2 by the subsidiary company as per that rule. In my opinion, details to be reported by the subsidiary company must be of the immediate holding company and not of the ultimate holding company.

The exemption under rule 8(b) of giving declaration by the SBO in Form No. BEN-1 to the subsidiary company of the holding reporting company, is only with respect to the shares held by such holding reporting company in its subsidiary. In respect of remaining shares of the subsidiary held by other persons (and not by holding reporting company), it has to be detected whether there is any SBO with respect to those shares; if yes, then he will have to make declaration in Form No. BEN-1 to the subsidiary company with respect to his significant beneficial ownership, which is further required to be reported by the subsidiary in Form No. BEN-2.

RETURN, REGISTER AND INSPECTION

Sub-sections (2), (3) and (4) of Section 90 contain provisions in this regard:

- (2) Every company shall maintain a register of the interest declared by individuals under sub-section (1) and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the company and such other details as may be prescribed.
- (3) The register maintained under sub-section (2) shall be open to inspection by any member of the company on payment of such fees as may be prescribed.
- (4) Every company shall file a return of significant beneficial owners of the company and changes therein with the Registrar containing names, addresses and other details as may be prescribed within such time, in such form and manner as may be prescribed.

Rules 4 and 5 of the SBO Rules provide as follows:

4. Return of significant beneficial owners in shares.

Upon receipt of declaration under rule 3, the reporting company shall file a return in Form No. BEN-2 with the Registrar in respect of such declaration, within a period of thirty days from the date of receipt of such declaration by it, along with the fees as prescribed in Companies (Registration offices and fees) Rules, 2014.

5. Register of significant beneficial owners.

- (1) The company shall maintain a register of significant beneficial owners in **Form No. BEN-3**.
- (2) The register shall be open for inspection during business hours, at such reasonable time of not less than two hours, on every working day as the board may decide, by any member of the company on payment of such fee as may be specified by the company but not exceeding fifty rupees for each inspection.



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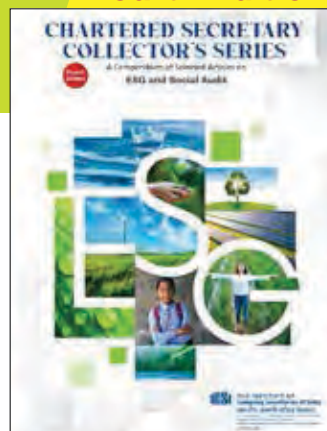
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The length of the Research Paper should ordinarily be between 2,500 - 4,000 words in MS Word format.

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

Regards,

Team ICSI

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RESEARCH CORNER



- SURROGACY IN INDIA: LEGAL LANDSCAPE –REGULATIONS, RULES INCLUDING PROCEDURAL ASPECTS, FOR COMPLIANCE

Surrogacy in India: Legal Landscape – Regulations, Rules including Procedural Aspects, for Compliance

The article captures the law, rules and regulations to be followed by institutions and regulatory bodies and the compliance requirements for Surrogacy procedures in India. The functions of various regulatory bodies and the boards formed under the Surrogacy (Regulation) Act, 2021 with some noteworthy case laws are elaborated in the article.



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INTRODUCTION

The term “*Surrogacy*” comes from the Latin word “*Surrogates*,” which means “*Substitute*,” appointed to perform an act in place of another. Surrogacy is an arrangement in which a woman (the Surrogate) agrees to carry the “*embryo*” and give birth to a “*child*” on behalf of another person or a couple. Surrogacy is a real boon to parents who cannot produce a child. The woman giving birth is called the “*birth mother*” or “*surrogate mother*” or “*surrogate*”. The individual(s) who take custody is termed as “*commissioning parent(s)*” or “*intended parent(s)*”. A woman is a surrogate with whom the sperm of a man is inseminated, on her delivering the child, surrenders her parental rights to such “*intended parents*”.

HISTORY OF SURROGACY

Surrogacy can be traced back to ancient times. The first surrogacy is found in the Holy Bible, involving the story of Abraham and Sarah. It has been stated that Sarah requested her servant, Hagar to bear a child for her, which is the first noted instance of traditional surrogacy.

MODERN SURROGACY

The modern surrogacy came into being in the later part of the 19th Century with the success of artificial insemination. This involves intrauterine insemination of the sperm of a man, utilizing the Surrogate Mother's eggs,

thus preventing the requirement for egg donation from the interested mother. Surrogacy became an accepted method of childbirth only during the 1970's.

SURROGATE CONTRACT

Surrogacy like any other Legal Agreement is a Contract between the Surrogate Mother and the Intended Parents. A lawyer by the name of Mr. Noel Keane from the USA is credited with the drafting of a ‘First Surrogacy Agreement’ in the year 1976 which is considered an important landmark in the history of Surrogacy.

ROLE OF COMPANY SECRETARIES

Company Secretaries as qualified and trained professionals can contribute well in guiding compliance requirements. In addition, the Drafting of the Surrogacy Agreement, filling up various forms, and preparation of various Affidavits can be done by them supporting the Institutions and Individuals who want to avail the same.

NOTABLE CASE ON SURROGACY

It is worthwhile to discuss the case and the judgment issued by the Superior Court of New Jersey, Chancery Division, U.S.A. way back, on March 31, 1987 [217 N.J. Super. 313 (1987) Chancery Division] in the famous case, viz., re Baby M. In 1985, Mr. William Stern and Mrs. Mary Beth Whitehead executed a Contract of Surrogacy. The Contract was executed since Mr. William Stern's wife Mrs. Elizabeth was ‘incapable of fertilization’ to deliver a child and one Mrs. Mary Beth Whitehead was willing to be the ‘*surrogate mother*’ with Mr. William Stern as a father. The Contract provided *inter-alia* that through the process of artificial insemination using Mr. William Stern's Sperm, the surrogate mother Mrs. Mary Beth Whitehead will be made pregnant. After the delivery Mrs. Mary Beth Whitehead the *surrogate mother* would deliver the newborn child to Mr. Stern and thereafter will absolve all her maternal rights, making way for both Mr. and Mrs. William Stern to adopt the child. Apart from Mr. William Stern, Mrs. Mary Beth Whitehead, and her husband Mr. Richard were also Parties to the Contract. Mrs. Stern was not a Party to the Contract. In the Contract, Mrs. Whitehead promised *inter-alia* to do the required acts for rebutting the paternity of the child. The Contract also gave Mrs. Stern, the sole custody of the child, in the event of the untimely death of

Mr. Stern. After the birth of the Child, Mr. Stern agreed to pay US\$10,000/-. Mr. Stern also agreed to pay US\$7,500/- to the Infertility Centre, New York which arranged for the Surrogacy Contract. On giving birth to the baby, the surrogate mother Mrs. Whitehead was not willing to part with the baby. Mr. Stern filed a complaint before the Court seeking enforcement of the Contract of Surrogacy. Basis the order, the infant child was taken custody and the child was handed over to Mr. Stern. After the trial, the Court held that the Surrogacy Contract was enforceable and sole custody of the Baby Child was given to Mr. Stern. The Court also ordered the adoption of the Child by Mr. Stern. The Baby's sole interest was given paramount importance by the trial Court. Aggrieved by the Order of the Trial Court, Mrs. Whitehead appealed to the Supreme Court at New Jersey. The Supreme Court affirmed the Order of the Trial Court in part and remanded the case back to the Trial Court. While doing so the Supreme Court of New Jersey held that the Surrogate Contracts are against the Public Policy. The said Supreme Court found fault in this instant Surrogate Contract as it was against public policy since it involved monetary compensation and proof of parental unfitness for bearing a child was not shown.

On remand, the Lower Trial Court ordered the primary custody of the Baby Child who was named 'Melisa' to the Biological Father (Mr. William Stern) as it was in the best interests of the said child. The Surrogate Mother, Mrs. Whitehead was given visiting rights and was named as a 'Legal Mother' in the Birth Certificate of the Baby Child 'Melisa'.

It is interesting to note that the said baby on attending majority (Eighteen years) Melisa Stern, legally terminated the parental rights of Mrs. Whitehead and chose to designate Mrs. Elizabeth Stern's Maternity through formal Adoption proceedings. The above incident in the United States of America was a 'precursor' to the Surrogacy Contracts across the globe.

SURROGACY LAW, RULES AND REGULATIONS IN INDIA

In India, there are several legal provisions and regulations relating to Surrogacy. These regulations streamline various aspects of Surrogacy, starting from the role of intended parents, surrogate mothers, medical institutions, and children born through the surrogacy arrangement.

The following are the enactments/regulations that guide surrogacy in India:-

1. Indian Council of Medical Research Guidelines, 2005

The guidelines were introduced to streamline the operations of Assisted Reproductive Technology (ART) establishments offering surrogacy services in India. These guidelines provide directions as to how

these establishments should conduct ART procedures, which are advisory and not legally binding.

2. The Surrogacy (Regulation) Act, 2021

The Surrogacy (Regulations) Act, 2021 (hereinafter referred as the Act) is an Act to constitute a National Assisted Reproductive Technology and Surrogacy Board, State Assisted Reproductive Technology and Surrogacy Boards and appointment of appropriate authorities for regulation of the practice and process of surrogacy and for other connected matters. This Act mandates *inter-alia* that all clinical establishments providing surrogacy services must be registered under this Act, meeting the requirements specified therein. The Act prohibits commercial surrogacy and permits only altruistic surrogacy. Altruistic surrogacy refers to surrogacy that is not commercial and the surrogate does not receive monetary compensation for performing the act of Surrogate Mother.

3. The Surrogacy (Regulation) Rules, 2022

The Surrogacy (Regulation) Rules, 2022 contains various regulatory and procedural requirements that need to be fulfilled in a Contract of Surrogacy.

The Regulations include *inter-alia* stipulations for Registration, Minimum requirements essential for a Surrogacy Clinic, Insurance Coverage to the Surrogate Mother, Number of attempts of Surrogacy Procedure, Consent of Parties to the Contract, Embryos to be implanted in the Uterus of a Surrogate Mother and various Forms that need to be filled up and filed under various rules are contained therein. This needs to be adhered to without fail for a valid surrogacy.

The Surrogacy Regulations streamline the role of intended parents, surrogate mothers, medical institutions, and the children born through the surrogacy arrangement.

REGULATIONS OF SURROGACY CLINIC

- i. A Surrogacy Clinic should be registered under the Act.
- ii. Persons connected with the Surrogacy Clinics shall not conduct, offer, undertake, promote, associate with or avail of commercial surrogacy and shall not advertise in any form.
- iii. Persons connected with the Surrogacy Clinics or intending couple or any other person shall not store a human embryo or gamete for surrogacy and shall not in any form conduct or cause to be conducted sex selection for surrogacy.
- iv. Such other conditions prescribed under the Act.

REGULATION OF SURROGACY AND SURROGACY PROCEDURES

The Act also regulates Surrogacy and its Procedures. Surrogacy Procedures can be conducted in a Surrogacy Clinic only in the following circumstances:

- a. Medical indication necessitates an intending couple for gestational surrogacy with a certificate of recommendation from the Board.
- b. The clinic is used only for altruistic surrogacy and not for commercial purposes.
- c. The Clinic should not be used for producing children for sale, prostitution, or any other form of exploitation
- d. Such other condition or disease as may be specified by the regulations made by the Board from time to time
- e. A child born out of surrogacy procedure shall be deemed to be a biological child of the intending couple or intending woman and the said child shall be entitled to all the rights and privileges available to a natural child under any law for the time being in force.
- f. The number of oocytes or human embryos to be implanted in the uterus of the surrogate mother for surrogacy shall be such as may be prescribed.
- g. The surrogacy procedure shall be conducted by a surrogacy clinic only on satisfaction of certain conditions provided in the Act.

REGISTRATION OF SURGACY CLINICS

The Act provides for registering Surrogacy Clinics for undertaking Surrogacy or to render Surrogacy procedures in any form under the Act. Application for registration shall be made to the appropriate authority in such form and when the appropriate authority is satisfied then the clinic will be duly registered. The National Assisted Reproductive Technology and Surrogacy Registry referred to in Section 15 and to be established under Section 9 of the Assisted Reproductive Technology Act shall be the National Registry for this Act.

NATIONAL ASSISTED REPRODUCTIVE TECHNOLOGY AND SURGACY BOARD AND STATE ASSISTED REPRODUCTIVE TECHNOLOGY AND SURGACY BOARDS

The Central Government shall, by notification, constitute a Board to be known as the National Assisted Reproductive Technology and Surrogacy Board to exercise the powers and perform the functions conferred on the Board under this Act. The Board shall discharge certain functions, to oversee the performance of various bodies constituted under the Act and take appropriate steps to ensure their effective performance and such other functions as specified.

STATE-ASSISTED REPRODUCTIVE TECHNOLOGY AND SURGACY BOARD

Each State and Union territory having a Legislature shall constitute a Board known as the State Assisted Reproductive Technology and Surrogacy Board or the Union Territory Assisted Reproductive Technology and Surrogacy Board, as the case may be, to review the activities of the appropriate authorities functioning in the State or Union territory and to monitor the implementation of the provisions of the Act, and the rules and regulations made

thereunder and make suitable recommendations relating thereto, to the Board.

APPROPRIATE AUTHORITY

The Central Government shall, by notification, appoint one or more appropriate authorities for each of the Union territories for this Act and the Assisted Reproductive Technology Act. Similarly, the State Government shall appoint one or more appropriate authorities for the whole or any part of the State for this Act and the Assisted Reproductive Technology Act. The appropriate authority shall consist of members from various backgrounds ranging from bureaucrats to eminent persons as contained therein. The Appropriate Authority is endowed with powers to grant, suspend, or cancel the registration of a surrogacy clinic, enforce standards, investigate complaints, and summon any person to seek the production of a document as provided therein.

OFFENCES AND PENALTIES

A person, organization, surrogacy clinic, laboratory, or clinical establishment of any kind shall not undertake commercial surrogacy and issue, publish, distribute, communicate, or cause to be issued, any advertisement in any manner regarding the same. Abandon disown or exploit or in any form, the child or children born through surrogacy. Sell human embryos or gametes for surrogacy including the import thereof. Conduct sex selection in any form for surrogacy.

PUNISHMENT FOR CONTRAVENTION OF PROVISIONS OF THE ACT

Persons contravening the provisions of this Act, shall be punishable with imprisonment for a term which may extend to five years and with a fine which may extend to ten lakh rupees and for the subsequent offence will invite suspension of registration for five years. Every offence under this Act shall be cognizable, non-bailable, and non-compoundable. No court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any offence punishable under this Act.

MAINTENANCE OF RECORDS

The surrogacy clinic shall maintain all records, charts, forms, reports, consent letters, agreements, and all the documents under this Act and they shall be preserved for a period of twenty-five years or such period as may be prescribed or till final disposal of legal proceedings which should be made available for inspection.

THE ASSISTED REPRODUCTIVE TECHNOLOGY (REGULATION) ACT, 2021

The Assisted Reproductive Technology (Regulation) Act, 2021 was enacted for the regulation and supervision of assisted reproductive technology clinics and assisted reproductive technology banks. The Assisted Reproductive Technology (Regulation) Act, 2021 aims to prevent the misuse, safe, and ethical practice of assisted reproductive technology services. The National Board constituted

under this Act, advises the Central Government on policy matters, reviews and monitors implementation of the Acts, Rules, and Regulations, lays down the code of conduct to be observed, supervises the National Registry and other functions as prescribed in the Assisted Reproductive Technology (Regulation) Act, 2021.

STATE-ASSISTED REPRODUCTIVE TECHNOLOGY AND SURROGACY BOARD

The State Assisted Reproductive Technology and Surrogacy Board constituted under Section 26 of the Surrogacy Act shall be the State Board for this Act. Subject to the Assisted Reproductive Technology (Regulation) Act 2021 and the rules made thereunder, certain provisions of the Surrogacy Act shall, *mutatis mutandis*, apply, so far as may be, to assisted reproductive technology as they apply to surrogacy, as if they are enacted under this Act.

POWERS AND FUNCTIONS OF STATE BOARD

The State Board shall have the responsibility to follow the policies and plans laid by the National Board for clinics and banks in the State.

THE NATIONAL ASSISTED REPRODUCTIVE TECHNOLOGY AND SURROGACY REGISTRY AND THE APPROPRIATE ASSISTED REPRODUCTIVE TECHNOLOGY

The Central Government is to establish a Registry called the National Assisted Reproductive Technology and Surrogacy Registry.

COMPOSITION OF NATIONAL REGISTRY

The National Registry shall consist of such scientific, technical, administrative, and supportive staff and the terms and conditions of their service shall be such as may be prescribed.

FUNCTIONS OF NATIONAL REGISTRY

It shall act as a central database in the country assisting the National Board in its functioning by providing the data generated from the central database of the Registry; which shall be utilized by the National Board for making policies, and guidelines and shall help in identifying new research areas and such other functions as may be prescribed.

APPOINTMENT OF APPROPRIATE AUTHORITY

The Central Government shall, by notification, appoint one or more appropriate assisted reproductive technology and surrogacy authorities for each of the Union Territories for this Act and the Surrogacy Act.

FUNCTIONS OF APPROPRIATE AUTHORITY

To grant, suspend, or cancel the registration of a clinic or bank and enforce standards to investigate complaints of breach of the provisions of this Act, Rules and Regulations and to take legal action against the misuse of assisted reproductive technology and such other functions as may

be prescribed.

POWERS OF APPROPRIATE AUTHORITY

The appropriate authority is endowed with powers *inter-alia* in summoning any person who has any information relating to violation of the provisions of this Act and the rules and regulations made thereunder together with the powers mentioned in the Act.

REGISTRATION OF ASSISTED REPRODUCTIVE TECHNOLOGY CLINIC OR ASSISTED REPRODUCTIVE TECHNOLOGY BANK

Registration is mandatory for the establishment of any clinic or bank for undertaking assisted reproductive technology or to render assisted reproductive technology procedures in any form. On receipt of the application, the appropriate authority shall within a period of thirty days grant registration subject to the provisions of this Act and the rules and regulations made thereunder. The registration granted may be renewed for a further period of five years by the appropriate authority subject to fulfilment of conditions.

SUSPENSION OR CANCELLATION OF REGISTRATION

The appropriate authority may on receipt of a complaint, issue a notice to the clinic or bank to show cause as to why its registration should not be suspended or cancelled for the reasons mentioned in the notice to be acted upon by the respective State Board.

GENERAL DUTIES OF ASSISTED REPRODUCTIVE TECHNOLOGY CLINICS AND BANKS

The clinics and banks shall ensure that commissioning couples, women, and donors of gametes are eligible to avail of the assisted reproductive technology procedures subject to such criteria as may be prescribed. It is also ensured that the donor gametes are medically tested and professional counselling is extended. All clinics and banks shall maintain detailed records of all donor's oocytes, sperm, or embryos used or unused, the manner and technique of their use in such manner as may be prescribed and they need to submit the required information to the National Registry when established. When these Clinics use human gametes and embryos they need to follow the regulations as specified. Pre-implantation Genetic testing shall be used to screen the human embryo for known, pre-existing, heritable, or genetic diseases only. The clinic shall not offer to provide a couple or woman with a child of a pre-determined sex.

RIGHTS OF CHILD BORN THROUGH ASSISTED REPRODUCTIVE TECHNOLOGY

The child born through assisted reproductive technology shall be deemed to be a biological child of the commissioning couple and the said child shall be entitled to all the rights and privileges available to a natural child

only from the commissioning couple under any law for the time being in force. A donor shall relinquish all parental rights over the child or children who may be born from his or her gamete.

OFFENCES AND PENALTIES

The clinic, or bank or agent thereof, shall not issue, publish, distribute, communicate or cause to be issued, published, distributed, or communicated any advertisement in any manner including Internet, regarding facilities of sex-selective assisted reproductive technology, shall be punishable with imprisonment for a term which shall not be less than five years but may extend to ten years or with fine which shall not be less than ten lakh rupees but may extend to twenty-five lakh rupees or with both.

COGNIZANCE OF OFFENCES

No Court shall take cognizance of any offence punishable under this Act, save on a complaint made by the National Board or the State Board or by an officer authorized by it. No Court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any offence punishable under this Act.

OFFENCES BY CLINICS OR BANKS

Where an offence under this Act has been committed by any clinic or bank, the executive head of such clinic or bank shall be deemed to be guilty of an offence and shall be liable to be proceeded against and punished accordingly.

POWER OF CENTRAL GOVERNMENT TO ISSUE DIRECTIONS TO THE NATIONAL BOARD, NATIONAL REGISTRY AND APPROPRIATE AUTHORITY

The Central Government may, from time to time issue to the National Board, the National Registry, and the appropriate authority with respect to the Union territory, such directions as it may think necessary in the interest of the sovereignty and integrity of India, security of the State, friendly relation with foreign States, public order, decency or morality.

POWER OF STATE GOVERNMENT TO ISSUE DIRECTIONS TO STATE BOARD

The State Government may, from time to time issue such directions to the State Board and the appropriate authority concerning the State Government as it may think necessary in the interest of the sovereignty and integrity of India, security of the State, friendly relation with foreign States, public order, decency or morality.

APPLICATION OF OTHER LAWS NOT BARRED

The provisions of this Act shall be in addition to, and not in derogation of, the provisions of the Pre-conception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 (57 of 1994) and the Clinical Establishment (Registration and Regulation) Act, 2010 (23 of 2010) or of any other law for the time being in force.

POWER TO REMOVE DIFFICULTIES

The Central Government is endowed with powers to remove difficulties in the Act by publishing the same in the Official Gazette as contained therein.

AMENDMENT TO THE SURROGACY REGULATION RULES, 2022

The Surrogacy Regulation Rules, 2022 was amended in the year 2023. Under old Rule 7 the fertilization of a donor oocyte was to be done by the sperm of the husband. This Rule was substituted with a New Rule viz. (I) Couple undergoing Surrogacy must have **both gametes from the intending couple** and donor gametes are not allowed. (II) Single Woman (widow/divorcee) undergoing Surrogacy must use self-eggs and donor sperms to avail surrogacy procedure. The above rule permitted the use of the intending couple's gametes, which barred couples with specific medical conditions.

The above rule was challenged in the Hon'ble Supreme Court of India by a woman Petitioner with Mayer-Rokitansky-Kuster-Hauser syndrome, an infertility caused by the congenital disorder, a condition that prevented this woman from producing eggs and undergoing surrogacy using a donor egg. The Hon'ble Supreme Court of India stayed the operation of this amendment to the Surrogacy Rules, concerning the Petitioner and allowed her to use a donor egg for surrogacy.

This led to the amendment of the Surrogacy (Regulation) Rules, 2022 on 21st February 2024, by the Ministry of Health and Family Welfare, Government of India by notification of the Surrogacy (Regulation) Amendment Rules, 2024. Earlier, the Couple undergoing Surrogacy was supposed to have both gametes from the intending couple but donor gametes were not allowed. Through this amendment, along with the earlier condition, a new provision has been inserted allowing one donor gamete if the District Medical Board certifies that either of the intending couples suffers from some medical condition. It will be necessary that the child to be born must have at least 1 gamete from the intending couple.

EXCLUSIONS OF CERTAIN CATEGORIES OF PEOPLE UNDER THE SURROGACY LAW THAT REQUIRE REDRESSAL BY THE LAWMAKERS

1. Prohibition of Homosexuals

The Law relating to Marriages states that marriage between individuals who identify as heterosexuals are only recognized by the Government. As a result, homosexual couples are not allowed to use surrogacy to become parents.

2. Ending Pregnancy by the Surrogate without approval is not possible

Upon signing a surrogacy agreement, the surrogate is required to bring the pregnancy to delivery. Without the necessary approval from the relevant authority, a surrogate cannot terminate the pregnancy.

3. Children born out Overseas of Surrogate Mothers

A child born to an Indian couple who uses a surrogate mother outside India will not be entitled to citizenship in India.

4. Genetic Relationship

Surrogacy Law mandates, that the embryo utilized for surrogacy must be genetically related to the intended parents. It may have genetic ties with a woman or man, or both. It is not permitted to donate embryos in surrogacy agreements.

5. Widow or Divorcee

If a Widow or Divorcee woman is between the ages of 35 and 45, should be eligible to contribute her eggs for surrogacy under the surrogacy law.

6. Death of Surrogate Parents:

In the unfortunate event of the death of the surrogate parent couple before the baby is born, the surrogacy contract's designated nominees will be responsible for rearing the baby.

7. Child's entitlement to know as to where they came from

When the child turns eighteen years old, children born via surrogacy is entitled to know where they came from. They also have a right to know the surrogate mother's identity. It may have genetic ties with the woman, the man, or both.

8. Disqualification of Single and Cohabiting Partners

According to the provisions of the Surrogacy Act, unmarried or cohabiting partners are not allowed to get into surrogacy; only legally married couples within specific age ranges are allowed. This has an institutional bias in favor of marriage.

9. Couples with chronic illnesses

The Act ignores the Couples with chronic illnesses.

INDIAN JUDICIAL VIEWS ON SURROGACY

The legal environment in India on surrogacy has been moulded by several courts. Some of the noteworthy cases are:

(i) Union of India v. Justice K.S. Puttaswamy (2018)

In this case, the Court opined that requiring an infertility certificate is an infringement on one's right to privacy. It further held that requiring such a certificate from a district medical board is against the moral and ethical norms of society, highlighting how crucial it is to protect fundamental rights.

(ii) Union of India v. Baby Manji Yamada (2008)

In this case, a Japanese couple visited India and got into surrogacy services. A girl child was born out of Surrogacy. After this the couple had problems in the marriage and it resulted in divorce. The father wanted custody of the girl child. Being a single father, he cannot adopt the girl child due to legal restrictions, so the Hon'ble Supreme Court awarded the girl child's grandma parenting rights. This

case demonstrates the importance of having a controlled legal framework for surrogacy.

(iii) Anand Municipality v. Jan Balaz (2008)

An Indian surrogate mother who gave birth to twins was hired by a German couple. Traveling required the twins to have Indian passports. However, the lack of citizenship caused issues with passport-issuing authorities. Directions were given to Authorities by the Hon'ble Supreme Court to permit the twins to leave the Country. The intended parents were later able to adopt the twins with the help of German authorities, underscoring the necessity of surrogacy agreements to have an international consensus.

(iv) Chandigarh Administration v. Suchita Srivastava (2009)

In the above case, the court upheld the mentally challenged woman's right to reproductive autonomy in a case where she was sexually assaulted and conceived; this included the ability to take the pregnancy to its full term, give birth and maintain her privacy and dignity. These rights were protected by invoking Article 21 of the Constitution of India.

CONCLUSION

Surrogacy Law as a whole is an evolving law, especially in India. The Law, Rules and Regulations contain various provisions and requirements that need to be adhered to by Medical Fraternity and other support groups operating within the Medical System. Failure to comply with the provisions and its requirements will lead to unnecessary complications and may invite prosecution/penalties from the authorities. Needless to mention it also aims to protect the rights of the child, surrogate, and the parents too. So, it is necessary to comply with the legal requirements to its letter and spirit.

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3

LEGAL WORLD



- DELHI CLOTH & GENERAL MILLS CO. LTD v UNION OF INDIA & ORS.[SC]
- MOHAMMED ENTERPRISES (TANZANIA) LTD v FAROOQ ALI KHAN & ORS [SC]
- ASSISTANT COMMISSIONER CGST v. PRADEEP KABRA RESOLUTION PROFESSIONAL [NCLAT]
- WPIL LTD v. GAMMON INDIA LTD [NCLAT]
- CHIEF REVENUE CONTROLLING OFFICER CUM INSPECTOR GENERAL OF REGISTRATION, & ORS v P. BABU [SC]
- MYPREFERRED TRANSFORMATION AND HOSPITALITY PVT LTD v. FARIDABAD IMPLEMENTS PVT. LTD[SC]
- RAJESH GEORGE v. HONDA MOTORCYCLE & SCOOTER INDIA PVT. LTD [CCI]
- BEACH MINERAL PRODUCERS ASSOCIATION v IREL (INDIA) LTD [CCI]
- WHATSAPP LLC v. COMPETITION COMMISSION OF INDIA & ORS. [NCLAT]



Corporate Laws

Landmark Judgement

LMJ 02:02:2025

DELHI CLOTH & GENERAL MILLS CO. LTD v UNION OF INDIA & ORS.[SC]

Batch of Writ Petitions & Civil Appeals

D.A. Desai, V. Balakrishna Eradi & R.B.Misra, JJ. [Decided on 21/07/1983]

Equivalent citations: AIR 1983 SC 937; [1983]54 Comp Cas 674 (SC); (1983) 2 Comp LJ 281 (SC);1983 (2)SCALE 16; (1983) 4 SCC 166.

Companies (Acceptance of Deposit) Rules, 1975- rule 3A- obligation to deposit 10% of the deposits maturing during the year ending 31st March next following-whether constitutionally valid-Held, yes.

Brief facts:

In this group of writ petitions, constitutional validity of Rule 3A of the Companies (Acceptance of Deposit) Rules, 1975 ('Deposits Rules' for short) introduced by Companies (Acceptance of Deposits) Amendment Rules, 1978 and incidentally of Section 58A of the Companies Act, 1956 ('Act' for short) inserted by Companies (Amendment) Act, 1974 was challenged.

The challenge proceeds on diverse grounds which may be briefly summarised. The contention put in the forefront was that in the absence of guidelines both Section 58A and the Rule 3A of the Deposits Rules enacted in exercise of the power conferred by Section 58A confer arbitrary and uncanalised powers and hence are violative of Article 14. Contravention of Article 14 was canvassed for the additional reason that the power to exempt from the application of the rule confers wide discretion so that it can be used arbitrarily to pick and choose with the result that equality before law is denied. Further the obligation to deposit 10% of the deposits maturing during the year ending 31st March next following has no rational nexus to the object sought to be achieved by the provisions and is either in excess of the requirement or irrelevant and in any case arbitrary. The next in order of priority came the challenge that having regard to the numerous inbuilt safeguards provided in Section 58A, the imposition of a liability to deposit 10% of the total deposits maturing in a year in the manner as required by the impugned rule, if it was enacted for the protection of the depositors, the protection is illusory and does not subserve the purpose

for which it is enacted and therefore, requirement is wholly unreasonable and imposes an unreasonable restriction on the freedom to carry on business conferred by Article 19(1)(g).

As a corollary, it was submitted that if Rule 3A is enacted not for the limited purpose of protecting depositors, but has a wider aim particularly with regard to the regulation of credit system of the country, control of circulation of money in India's economy and imposing financial discipline, it is clearly ultra vires Section 58A. As a second string to the bow, it was contended that if Section 58A enacts a legislative policy, a rule framed to carry out the policy must be relevant to the implementation of the policy so laid down, but the provision contained in Rule 3A is neither relevant nor capable of being regarded as relevant for implementation of the policy and therefore, it is ultra vires Section 58A.

Decision: Dismissed.

Reason:

Requiring the company to invest 10% of its deposits maturing in a year in deposit with prescribed institutions or in trust securities cannot be termed as deprivation of the funds of the company. It is a measure to ensure that part of the funds of a company are kept as liquid assets available for use for specified purpose. This is clearly discernible from the marginal note of Rule 3A. Regulatory measure ensuring availability of liquid asset cannot be termed as deprivation of property. It becomes an earmarked fund and it is well-known that the economic planning may provide for earmarked funds and if by voluntary self-discipline and sound economic planning financial viability is not maintained, a Welfare State with planned economy may impose statutory discipline in larger public interest. Such disciplinary measures cannot be termed deprivatory in character. Even when the money is kept in deposit, it remains the property of the company and available for its use albeit as provided in the statute. The Legislature was not unaware of a known malady that the private sector companies were becoming sick after incurring huge debts, rendering small investors destitute, heaping miseries on the weaker sections of the society and therefore if by a measure a company which is permitted to attract deposits from the public generally described as gullible simultaneously, an obligation is imposed to keep an infinitesimally small portion of assets as liquid finance available for meeting the obligations, namely repayment of deposits maturing in a given year, it cannot be said that this constitutes deprivation of company's fund. If a trust can be compelled to deposit trust funds in a manner prescribed by the statute, if a nationalised or scheduled bank is compelled to maintain requisite liquidity in respect of which a charge of deprivation of property cannot be validly made, it is difficult to entertain the submission that as a regulatory measure if a company for the benefit it enjoys of an enabling power to invite deposits from public is asked to keep in deposit 10% of the deposits maturing in a year the same would be deprivatory and therefore arbitrary.

Having cleared the ground, we must now turn to the main challenge posed on behalf of the petitioners to the constitutional validity of Rule 3A. It was urged that when a regulatory measure imposes conditions the same must fairly and reasonably relate to the objects sought to be achieved. Developing the argument it was submitted that if Rule 3A enacted in exercise of power conferred by Section 58A imposes a statutory condition to deposit 10% of the amount collected by way of deposits by a non-banking company and maturing in a given year in the manner prescribed, this condition bears no relevance to the objects sought to be achieved, the object being the protection of the depositors. And if it does not bear relevance to the object it is arbitrary.

The submission ought to be rejected on the short ground that Rule 3A does extend some protection to a depositor howsoever minimal it may be. When Rule 3A is viewed in the context of various other provisions devised to extend protection to depositors and investors it does play a small but effective part whereby liquid finance would be available to the company accepting deposits for meeting its obligation of repaying the deposits maturing during the year. Therefore, there is no merit in the submission.

It was next contended that Rule 3A is ultra vires the provision of Section 58A of the Companies Act as it is beyond the scope and ambit of the section. Developing this argument, it was submitted that if Section 58A is widely construed to encompass the mode or manner of utilisation of the funds of the company which will include the deposits made with the company, obviously Section 58A itself will be rendered unconstitutional as transgressing the permissible limits of delegated legislation. While tracing the history of the gradually increasing State control over the activities of corporate sector, it was noticed that if the State would not effectively control the activities checkmating the possible abuses individuals dealing with these economic giants would be at the mercy of the latter. May be that this 'hands off' attitude was respectable when laissez faire dictated the state approach, but a welfare state cannot remain indifferent to this sensitive field of exploitation of the weaker section.

Section 58A amongst various other things was designed to introduce some measure of control over the non-banking companies inviting and accepting deposits in the ultimate interest of the depositors, and by compelling limited liquidity in resources, the society at large was sought to be protected from the ever haunting spectre of sickness in industry often conveniently resorted to by the private sector companies. Section 58A must receive its legitimate construction in the backdrop of this fact situation. Viewed from this angle, Section 58A will enable the Central Government to prescribe conditions subject to which deposits can be accepted and one such condition would be how to readily make, a small portion of the deposit, available for repayment because while inviting and accepting deposits, it is implicit therein that repayment would be assured on the date of maturity.

A detailed analysis of the provisions, in the light of submissions would clearly negative any contention of the violation of Articles 14 and 19(1)(g) and we must reject the challenge to the constitutionality of Section 58A and the rules made thereunder. Not a single contention canvassed on behalf of the petitioners, individually or collectively, bears the scrutiny and therefore the petitions and the appeals must fail and are dismissed with costs in each matter.

LW 09:02:2025

MOHAMMED ENTERPRISES (TANZANIA) LTD v FAROOQ ALI KHAN & ORS [SC]

Civil Appeal No. 48-50 of 2025

P.S.Narasimha & Manoj Misra, JJ. [Decided on 03/01/2025]

Insolvency and Bankruptcy Code, 2016- CIRP- acceptance of resolution plan by CoC- intervention by High Court under writ jurisdiction – whether tenable-Held, No.

Brief facts:

These appeals under Article 136 of the Constitution are against the judgment of the High Court of Karnataka exercising power of judicial review interdicting Corporate Insolvency Process culminating in the acceptance of a resolution plan by the Committee of Creditors in minutes of meeting dated 11.02.2020. In this batch of matters, there are three appeals, one by the successful resolution applicant METL, the other by the Bank comprising the Committee of Creditors, and the third appeal by the Resolution Professional appointed by the adjudicating authority to conduct CIRP against Associate Decor Ltd ("Corporate Debtor").

Decision: Allowed.

Reason:

The jurisdiction and power of the Adjudicating Authority under Section 60(5)(c) has already been reiterated by this Court in *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta* (2020) 8 SCC 531 and *Gujarat Urja Vikas Nigam Ltd v. Amit Gupta* (2021) 7 SCC 209. It is important to note that CIRP proceedings commenced on 26.10.2018, six years ago, and the resolution plan of the appellant was approved in 2020, four years back. The importance of concluding the CIRP proceedings was highlighted by this Court, on a number of occasions. In a recent order in *Committee of Creditors of KSK Mahanadi Power Company Ltd. v. M/s Uttar Pradesh Power Corporation Ltd (supra)*, this Court has observed that an unjustified interference with the proceedings initiated under the Insolvency and Bankruptcy Code 2016, breaches the discipline of law.

In view of the delay in approaching the High Court, particularly when respondent no.1 himself has initiated proceedings under the Code by filing interlocutory applications seeking similar relief, we are of the opinion that the High Court committed an error in entertaining the writ petition.

Apart from delay and laches, High Court should have noted that Insolvency and Bankruptcy Code is a complete code in itself, having sufficient checks and balances, remedial avenues and appeals. Adherence of protocols and procedures maintains legal discipline and preserves the balance between the need for order and the quest for justice. The supervisory and judicial review powers vested in High Courts represent critical constitutional safeguards, yet their exercise demands rigorous scrutiny and judicious application. This is certainly not a case for the High Court to interdict CIRP proceedings under the Insolvency and Bankruptcy Code.

In view of the above, we allow these appeals and set aside the final judgment and order passed by the High Court. We further direct that the Adjudicating Authority will now commence the proceedings from where it was interdicted by the High Court and complete the same as expeditiously as possible, which is also the spirit of the Code.

LW 10:02:2025

ASSISTANT COMMISSIONER CGST v. PRADEEP KABRA RESOLUTION PROFESSIONAL [NCLAT]

Company Appeal (AT) (Insolvency) No. 844 of 2024

Ashok Bhushan, Barun Mitra & Arun Baroka. [Decided on 23/01/2025]

Insolvency and Bankruptcy Code, 2016-CIRP-resolution plan approved- appellant's claim was settled at lesser value treating it as unsecured creditor- whether the GST dues are secured debt-Held No.

Brief facts:

This Appeal has been filed against the order passed by the Adjudicating Authority (National Company Law Tribunal), Ahmedabad Bench Court-1 by which order the Resolution Plan of the Corporate Debtor- M/s. Cengres Tiles Limited has been approved by the Adjudicating Authority. The Appellant has come up in this Appeal challenging the said order.

The contention of the Appellant was that under the Resolution Plan as has been approved by the Adjudicating Authority, the Appellant has been provided only an amount of Rs.1,00,000/- as against the admitted claim of the Appellant to the extent of Rs.11,76,90,942/-. It was contended that the secured operational creditors have been paid the higher amount in the Resolution Plan and that the amount which has been earmarked to the Appellant was not in accordance with IBC and violates Section 30(2).

Decision: Dismissed.

Reason:

We have considered the submissions of the parties and perused the record. The provisions of Section 11E of the Central Excise Act, 1944 and Section 82 of the Central Goods and Services Tax Act, 2017 clearly carves on

exception with regard to provisions of Insolvency and Bankruptcy Code, 2016. In Central Excise Act, 1944, provision of Section 529A of the Companies Act, 1956 was referred.

The above provisions came for consideration before this Tribunal in *The Assistant Commissioner of Central Tax, CGST Division vs. Mr. Sreenivasa Rao Ravinuthalaca(AT)(CH)(Ins.) No. 346 of 2021* where in paragraph 8, following was laid down:-

"8. From the usage of the words 'save as provided in in Section 11E is in the nature of an exception intended to exclude the class of cases, mentioned in Companies Act, 1956, 'The Recovery of Debts due to Banks and Financial Institutions Act, 1996'. 'SARFAESI Act, 2002' and 'I&B Code, 2016'. The 'Secured Interest' as defined under the Code excludes charges created by Operation of law. Section 11E of the Central Excise Act, 1944 is distinct from the provisions of 'Gujarat VAT Act, 2003' and therefore the decision in the matter of 'State Tax Officer v. Rainbow', (Supra) cannot be made applicable to the facts of this case."

Another judgment of this Tribunal relied by Counsel for the Respondent is *Department of State Tax, Through the Dy. Commissioner of State Tax vs. Zicom Saas Pvt. Ltd. & Anr- CA (AT) (Ins.) No.246 of 2022* also fully supports the submissions of the Respondent.

We, thus, do not find any error treating the claim of the Appellant as operational debt and operational creditor is entitled for payment as per Section 30(2)(b) and present is not a case where it is contended that the amount which is offered to the Appellant is less than the liquidation value to which the Appellant would have been entitled in event of liquidation under Section 53(1) according to waterfall mechanism. We, thus, do not find any error in the order of the Adjudicating Authority approving the Resolution Plan. The Appeal is dismissed.

LW 11:02:2025

WPIL LTD v. GAMMON INDIA LTD [NCLAT]

Company Appeal (AT) (Ins.) No. 12 of 2024

Rakesh Kumar Jain, Naresh Salecha & Indevvar Pandey. [Decided on 21/01/2025]

Insolvency and Bankruptcy Code, 2016- CIRP under Section 9- petition filed after the expiry of 3 years- dismissed as time barred- Whether correct-Held, Yes.

Brief facts:

This appeal was directed against the order passed by the NCLT-II, Mumbai Bench (in short Tribunal') by which the CIRP application filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 (in short 'Code') by the Appellant against Gammon India Limited (Corporate Debtor) for the resolution of an amount of Rs. 77 20, 941/- as on 25.08.2018, has been dismissed on the ground of limitation.

Decision: Dismissed.**Reason:**

The present application has been filed under Section 9 of the Code. The limitation to file the application under Section 9 is governed by Article 137 of the Limitation Act.

The Appellant has taken the limitation from the email dated 07.10.2016 purported to be an acknowledgement of debt by the Respondent in terms of Section 18 of the Act. In such circumstances, considering the period of limitation of three years as provided under Article 137, the petition under Section 9 should have been filed by 07.10.2019. The case set up by the Appellant is that the petition could not be filed on 07.10.2019 because of holidays commencing from 02.10.2019 till 08.10.2019 and could have been filed only on 09.10.2019. The case of the Appellant is that in view of Section 4 of the Act the period during which the court was closed has to be excluded.

As per Section 4 of the Act, the Appellant deserves the protection of Section 4 of the Act but the fact is otherwise as has been conveyed by the Respondent that the application has been filed on 10.10.2019 instead of 09.10.2019. The very fact that the Appellant purchased court fee from Bharatkosh on 09.10.2019 at 04:24PM and at that time there was no procedure for online filing and all the applications were required to be filed by presenting the same before the registry of the Tribunal by way of a hard copy, the application could not have been filed on 09.10.2019 itself. It is otherwise clear from the certified copy attached by the Respondent with its affidavit dated 03.01.2025 that the petition was filed by the Appellant on 10.10.2019 vide diary no. 7074 of 2019 which was examined by the registry on the same day and objection was raised which was alleged to have been removed by the Appellant on 11.10.2019 for the purpose of refiling. Thus, in view of the aforesaid factual circumstances the application having been filed on 10.10.2019 was beyond the period of limitation as envisaged under Article 137 of the Act and was clearly time barred.

Now the second question would arise as to whether the Appellant can exclude the period of 10 days out of the total period of three years on account of sending the notice under Section 8 of the Code and rely upon Section 15(2) of the Act and the decision of the Hon'ble Supreme Court in the case of Disha Constructions (Supra)?

Section 8(1) provides that the OC may issue a notice demanding payment which may be replied within a period of 10 days of the receipt by the CD but Section 9(1) provides that application under Section 9 can only be filed after the expiry period of notice of 10 days under Section 8(1) of the Code. The Appellant has relied upon Section 15 of the Act to contend that the appellant had given notice as prescribed under the Code which is sine qua non for filing the application under Section 9 of the code, therefore, the Appellant was required to await the expiry of 10 days from the date of delivery of the notice to file the application under Section 9 of the code which has to be excluded in terms of Section 15(2) of the Act.

Since section 15(1) only confines to the suit or an application for the execution of a decree and 15(2) is confined to only suit which requires issuance of notice and the said period of notice has to be excluded whereas the present case it is only an application under Section 9 of the Code and not a suit and is not covered by Section 15(2) of the Act.

In this regard reference may be had to the decision of the Hon'ble Supreme Court in the case of *Gaurav Hargovindbhai Dave Vs. Asset Reconstruction Company (India) Ltd.* 86 Anr., (2019) 10 SCC 572 and the decision of this Court in the case of *Rourkela Steel Syndicate Vs. Metistech Fabricators Pvt. Ltd.* 2023 SCC Online NCLAT 1101 in which it has been held that the application under Section 7 or 9 is not a suit.

Hence, the argument of the appellant in this regard is not acceptable and the decision in the case of Disha Constructions (Supra) is also not applicable. In view of the aforesaid discussion, we do not find any error in the impugned order and the same is hereby dismissed.



LW 12:02:2025

**CHIEF REVENUE CONTROLLING OFFICER CUM
INSPECTOR GENERAL OF REGISTRATION, & ORS
v P. BABU [SC]**

Civil Appeal Nos. 75-76 of 2025

**J.B. Pardiwala & R. Mahadevan, JJ.
[Decided on 03/01/2025]**

Indian Stamp Act, 1882- Section 47A- determination of value -undervaluation of sale deeds- deeds valued at higher value without following the prescribed procedure- High Court disallowed the valuation determined by the authorities whether correct-Held, Yes.

Brief facts:

These appeals are at the instance of the Chief Revenue Controlling Officer-cum-the-Inspector General of Registration and two other Revenue Officers, seeking to challenge the judgment and order passed by the High Court of Judicature at Madras.

The respondent herein was the purchaser. He got the two sale deeds executed through the original owner of the property in question. The market value of the entire property covered in both the sale deeds was Rs.1,20,000/- and Rs.1,30,000/- respectively. The stamp authorities

were of the view that the sale deeds were undervalued and referred the sale deeds to the Collector for determining the value of the properties. The Special Deputy Collector (Stamps) on conclusion of the inquiry fixed the market value of the property covered under DOC No.488/2002 at Rs.10,36,937/- and the property covered under DOC No.487/2002 at Rs.51,16,600/-. The respondent purchaser challenged this valuation before the High Court which allowed the challenge. The appellants feeling dissatisfied with the impugned judgment and order passed by the High Court have come up before the Supreme Court.

Decision: Dismissed.

Reason:

Thus what weighed with the High Court is the fact that the Form I notices failed to assign any reasons as to why the documents could be said to be undervalued. In other words, what was the basis for the Special Deputy Collector (Stamps) to say that sale consideration shown in the two sale deeds was not correct. According to the High Court, there was no basis or any relevant materials on record to take the view that the two documents were undervalued except the spot inquiry and local inspection.

The only contention raised by the learned counsel appearing for the appellants is that it is not mandatory to assign reasons in the notice issued in Form I.

Under Section 47-A(1) and under Section 47-A(3), if the Registering Authority has reason to believe that the instrument of conveyance did not reflect the correct market value of the property, then the Registering Authority has the power to refer the same to the Collector for determination of market value of the property and the Collector, on reference, under Section 47-A(1), may determine the market value of such property in accordance with the procedure prescribed. Enquiry by the Registering Authority is a pre-condition for making reference to the Collector for determination of market value of the property. The determination of market value without Notice of hearing to parties is liable to be set aside. When the Registering Authority finds that the value set forth in an instrument was less than the minimum value determined in accordance with the Rules, in that event, the Registering Authority is empowered to refer the instrument to the Collector for determination of market value of such property and the Stamp Duty payable thereon.

Availability of material is the foundation or the basis, for any authority to arrive at any decision whatsoever. The basis of a thing is that on which it stands, and on the failure of which it falls and when a document consisting partly of statements of fact and partly of undertakings for the future is made the basis of a contract of insurance, this must mean that the document is to be the very foundation of the contract, so that if the statements of fact are untrue, or the promissory statements are not carried out, the risk does not attach.

It appears that the High Court followed its Full Bench decision in *G. Karmegnam v. The Joint Sub-Registrar,*

Madurai reported in 2007 (5) CTC 737 and other Division Bench decisions on the point in question more particularly the contention that Form I must contain some reasons for saying that the document is undervalued.

We are in complete agreement with the view taken by the Full Bench of the High Court. It is not permissible for the Registering Officer to undertake a roving enquiry for the purpose of ascertaining the correct market value of the property. If the Registering Officer is bona fide of the view that the sale consideration shown in the sale deed is not correct and the sale is undervalued, then it is obligatory on the part of the Registering Authority as well as the Special Deputy Collector (Stamps) to assign some reason for arriving at such a conclusion. In such circumstances, if the document in question is straightway referred to the Collector without recording any prima facie reason, the same would vitiate the entire enquiry and the ultimate decision. In the case on hand, it is not in dispute that the Form I notices did not contain any reason. It also appears that the Collector (Stamps) in his order also failed to indicate the basis on which the sale consideration shown in the two sale deeds was undervalued.

The scheme of the Stamp Act and the relevant rules makes it abundantly clear that the Collector is obligated to communicate the provisional order to the parties concerned in respect of fixation of the correct value of the property and also the duty payable in Form II. In the case on hand, Form II was issued. To that extent, there is no dispute. However, after the issue of Form II, the parties concerned have to be given an opportunity to submit their representation in respect of determining the market value of the subject property. Thereafter, as contemplated in Rule 7 of the Rules 1968, the Collector, after considering the representation if received in writing and the submissions that might have been urged at the time of hearing or even in the absence of any representation from the parties concerned, proceed to pass the final order. It appears from the material on record that in the case on hand, the Collector (Stamps) directly issued the final order without complying with sub-rules (2), (3) and (4) respectively of Rule 4 and also without following Rule 6 of the Rules 1968. This could be said to be in violation of the Rules 4 and 6 respectively of the Rules 1968.

We are of the view that no error not to speak of any error of law could be said to have been committed by the High Court in passing the impugned order.

LW 13:02:2025

MYREFERRED TRANSFORMATION AND HOSPITALITY PVT LTD v. FARIDABAD IMPLEMENTS PVT. LTD[SC]

Civil Appeal No. 336 of 2025 [@SLP (C) No. 9996 of 2024]

P. S.Narasimha & Pankaj Mithal,JJ. [Decided on 10/01/2025]

Arbitration and Conciliation Act,1996- Section 34-proviso- challenge to award- 3 months period of

limitation expired on the last day of courts working-petition filed immediately on the day of opening of court- whether benefit of additional 30 days can be given -Held,No.

Brief facts:

The appellants received the arbitral award on 14.02.2022. The 3- month limitation period for filing the application under Section 34(3) of the ACA expired on 29.05.2022, on which date the court was functioning, but closed after five days for vacation commencing from 04.06.2022 to 03.07.2022. The application under Section 34 was filed immediately on the court's reopening, i.e. 04.07.2022. The High Court single judge under Section 34 and the High Court division bench under Section 37 dismissed the petition as barred by limitation. Under these circumstances, the issue before us is whether the benefit of the additional 30 days under the proviso to Section 34(3), which expired during the vacation, can be given when the petition is filed immediately after reopening in exercise of power under Section 4 of the Limitation Act, 1963.

Decision: Dismissed.

Reason:

Before proceeding with our analysis, it is necessary to frame issues to systematically address the submissions of the learned counsels and the questions of law arising in this case regarding the applicability of Section 4 of the Limitation Act and Section 10 of the GCA to the condonable period under Section 34(3):

- i. Do the provisions of the Limitation Act apply to Section 34 proceedings, and to what extent?
- ii. Does Section 4 of the Limitation Act apply to Section 34(3) as per an analysis of the statutory scheme as well as precedents of this Court on the issue? If Section 4 applies, does it apply only to the 3-month limitation period or also the 30-day condonable period?
- iii. In light of the answer in (ii), will Section 10 of the GCA apply to Section 34(3), and if so, in what manner?

The answers to these issues will determine whether the Section 34 application in the present case was filed within the condonable period of 30 days.

In our view, the above construction of limitation statutes is quite stringent and unduly curtails a remedy available to arbitrating parties to challenge the validity of an arbitral award. This must be addressed by the Parliament.

The substantive remedies available under Sections 34 and 37 of the ACA are, by their very nature, limited in their scope due to statutory prescription. It is therefore necessary to interpret the limitation provisions liberally, or else even the limited window available to parties to challenge an arbitral award will be lost. The remedy under Section 34 is precious, and courts will keep in mind the need to secure and protect such remedy while applying limitation provisions. If this limited remedy is denied

on stringent principles of limitation, it will cause great prejudice and has the effect of (a) denying the remedy, and (b) in the long run, it will have the effect of dissuading contracting parties from seeking resolution of disputes through arbitration. This is against public policy.

However, the difficulty arises as the judgments affirming the applicability of Section 4 of the Limitation Act equate the expression "prescribed" in that section and Section 29(2) of the Limitation Act only with the main period of limitation (3 months). The problem with this construction is that the special law, i.e., Section 34(3) of the ACA, along with its proviso does not prescribe the period of limitation in the manner that a period is specified in the Schedule of the Limitation Act. The statutorily prescribed period under Section 34(3) of the ACA is 3 months, and an additional 30 days. In our opinion, it will be wrong to confine the period of limitation to just 3 months by interpreting it as the "prescribed period" and excluding the balance 30 days under the proviso to Section 34(3) as not being the prescribed period through a process of interpretation.

The purpose of applying the Limitation Act to special laws is to vest in the court the power to exercise discretion or to grant the benefit of exclusion. In such cases, when the Limitation Act applies, the discretion of the court as contemplated under its provisions, commencing from Sections 4 to 24, must be given full effect. In this light, the additional period of 30 days specifically provided under the ACA loses its efficacy and purpose, and becomes untenable due to the current position of law. This takes us to a fundamental question as to the meaning of "express exclusion" of certain provisions of the Limitation Act by the ACA. In *Popular Construction* (supra), the Court came to the conclusion that Section 34(3) proviso "impliedly" – as against the specific expression "expressly" in Section 29(2) of the Limitation Act – excludes Section 5 of the Limitation Act.

Once the Court commenced disapplying provisions of the Limitation Act to the ACA on the ground of implied exclusions, it is only a matter of interpretation to include or exclude provisions from Sections 4 to 24 of the Limitation Act on a case-to-case basis. Thus, for example, while the Court held that Sections 5 and 17 of the Limitation Act are excluded from Section 34(3), it came to the conclusion that Sections 4, 12, and 14 of the Limitation Act are applicable. In a way, the applicability of provisions from Sections 4 to 24 of the Limitation Act and the manner in which they apply are at the doorstep of the court, rather than being determined by a clear and categorical statutory prescription. This is perhaps the reason why the Parliament has used the expression "express exclusion" in Section 29(2) of the Limitation Act. We are conscious of the fact that it is too late in the day to hold that "express exclusion" will not include implied exclusion. It is for the legislature to take note of this position and bring about clarity and certainty. We say no more, for the overbearing intellectualisation of the Act by courts has become the bane of Indian arbitration.

For the reasons set forth above, the application preferred by the appellant under Section 34 of the ACA stands dismissed as it was filed beyond the condonable period of 30 days, which conclusively and absolutely expired on 28.06.2022. For the reasons stated above, we affirm the judgment and order passed by the High Court.



Competition Laws

LW 14:02:2025

RAJESH GEORGE v. HONDA MOTORCYCLE & SCOOTER INDIA PVT. LTD [CCI]

Case No. 16 of 2024

Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Anurag.

[Decided on 14/01/2025]

Competition Act, 2002- Section 4- abuse of dominance- dealers required to abandon other scooter manufacturers dealership- dumping of unpopular models- whether abuse of dominance- Held,No.

Brief Facts:

The Informant has raised allegations against the OP, which are: (i) coercing the Informant to abandon dealership of Suzuki with an intention to drive out competitors and foreclose competition, (ii) dumping of offbeat and unpopular models of two-wheelers by the OP without any order placed by the Informant, and (iii) unilateral and arbitrary termination of dealership by the OP. These conducts have been alleged to be in the nature of abuse of dominant position as provided under Section 4 of the Act.

Decision: Dismissed.

Reason:

At the outset, the Commission would examine the maintainability of filing of Information under Section 19 of the Act from the viewpoint of limitation period. The Commission notes that the Act was amended in 2023, wherein limitation period of 3 years has been introduced for entertaining an Information under Section 19 of the Act.

The Commission has perused the reasons provided by the Informant that he did not approach the Commission earlier because as per his existing agreement he was continuing as a dealer of the OP till 22.01.2024. The other reason provided by the Informant was that he did not want

to miss the opportunity to be appointed as the dealer of the OP as its products enjoyed greater market dominance than that of two wheelers manufactured by Suzuki. The Commission notes that the dealership agreement between the Informant and the OP was entered into the year 2017 after termination of his dealership agreement with Suzuki. The Informant started encountering problems with the OP from the year 2018 itself as evidenced through letter dated 14.04.2018 addressed to the OP by the Informant. The Commission also notes that the dealership agreement between the parties was revised in the year 2021.

Considering the averment of the Informant that he was coerced to abandon the dealership of Suzuki in the year 2018 and resultantly he chose to enter into dealership agreement with the OP, the cause of action accordingly, appears to have arisen in the year 2018 itself. In view of the same, the Commission observes that the reasons offered by the Informant prima-facie do not seem to be plausible for condonation of delay in filing of the Information. Notwithstanding the same, the Commission has analyzed the allegations levelled by the Informant within the framework of the Act to assess if there was any contravention or not.

With regard to the Informant's allegations of dumping of unpopular/offbeat models and unilateral termination of the agreement with the Informant, the Commission observes that these kinds of allegations seem to be related to transactions which are commercial in nature, which ordinarily do not invite attention under the provisions of the Act. Purchase and sale of a particular model or a particular make by any authorized agency of a vehicle manufacturer relate to the business-related aspects of the agreement and they themselves do not give rise to any anti-competitive conduct. Further, clause 2.2 of the dealership agreement dated 11.11.2021 states that the authorized main dealer shall sell the products as permitted by the company from time to time.

As far as the Informant's allegation of unilateral and arbitrary termination of dealership by the OP is concerned, the Commission observes that clause 27 of the Dealership Agreement dated 11.11.2021 provides terms and conditions for termination of dealership including termination of the agreement forthwith by written notice to the authorized main dealer upon breach of any of the conditions of the agreement. The termination email refers to the evaluation with respect to the improvement in overall sales/services of the OP's products and cites lack of improvement in the quality parameters. It has been stated in the OP's email that requisite standard of requirement has not been met by the Informant. It also appears that several warning letters, improvement letters, letter of caution, etc. (letters dated 12.10.2021, 15.03.2022, 14.07.2022, 07.03.2023 and 11.09.2023) were sent to the Informant in this regard. All these inter se correspondences between the parties reflect the commercial disputes arising out of the agreement and such transactional issues do not fall within the purview of the Act. At this juncture, the Commission notes that the Informant exercised his choice in becoming a

dealer of Suzuki earlier and of the OP later and choosing dealership of any company is a matter of choice for any dealer who enters into a contractual relationship with a manufacturer on acceptable terms and conditions. Such contractual relationship is usually entered into with the consent of both the parties and are guided by the terms and conditions contained in the contract.

In light of the above, the Commission directs that the matter be closed forthwith.

LW 15:02:2025

BEACH MINERAL PRODUCERS ASSOCIATION v IREL (INDIA) LTD [CCI]

Case No. 26 of 2022

Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Anurag.

[Decided on 17/01/2025]

Competition Act, 2002- Section 4- abuse of dominance- sale of beach sand Ilmenite- allegations of discriminatory conditions of sale and excessive/discriminatory pricing, - whether abuse of dominance- Held, No.

Brief facts:

The Informant, a society, comprising members involved in beach minerals industries, filed the present Information alleging that the OP, a Mini Ratna, Category I, Central Public Sector Undertaking ('PSU'), engaged in mining and production of certain minerals, rare earths and chemicals, is abusing its dominant position in the relevant market of 'mining and supply of Beach Sand Ilmenite in India'.

As per the Informant, post 2018, the OP is the sole producer/ miner of a Beach Sand Mineral ('BSM') viz. 'Beach Sand Ilmenite' in India. The members of the Informant, who are dependent on the OP for Ilmenite and other BSM, are facing a major crisis in the form of shortage of supply of Ilmenite. The OP often does not respond to Expression of Interest ('EoI') issued by domestic consumers of Ilmenite, and rather responds with a Standard Quantity Sales Contract ('SQSC') which contains a pre- determined quantity (most of the time lower than demanded). In the absence of any choice, the domestic consumers are forced to accept the extraneous conditions mentioned in the SQSC. Further, the OP supplies adequate quantity of Ilmenite to foreign companies/ multi-nationals, which also contributes to inadequate supply of Ilmenite for domestic consumers.

As per the Informant, such practices of the OP amount to imposition of unfair or discriminatory conditions in the sale of Ilmenite, in violation of the provisions of Section 4(2)(a) (i) of the Act. The CCI caused investigation through the DG.

Decision: Dismissed.

Reason:

The Commission has perused the investigation report submitted by the DG and the evidence collected by the

DG, the suggestions/ objections to the investigation report and the brief synopsis filed by the OP, and also heard the oral arguments made by the learned senior counsel representing the OP.

Based on various factors mentioned under Section 19(4) of the Act, including market share, regulatory entry barriers, and limited countervailing buying power of customers etc., the Commission agrees with the DG that the OP is in a dominant position in the relevant market.

As the OP has been found to be in a dominant position in the relevant market, the Commission proceeds to examine the three types of abusive conduct on part of the OP, as alleged in the Information:

I. Imposition of discriminatory conditions in sale of Ilmenite and denial of market access by inadequate supply of Ilmenite in contravention of Section 4(2)(a) (i) and Section 4(2)(c) of the Act. The Informant has alleged that the OP exports the bulk of its Ilmenite which leads to inadequate supply in the domestic market. However, the OP has argued that it prioritises domestic demand over exports and only exports surplus material, that too only from the OSCOM unit. Further, as per the MoU entered into between the OP and the GoI, the OP has been given the target to achieve 50% of the sales turnover from exports.

Consequently, the application of "essential facilities" doctrine and the findings of DG that the OP is adopting discriminatory conditions in sale of Ilmenite in contravention of provisions of Section 4(2)(a)(i) and 4(2) (c) of the Act, are not made out. It is also noted that the allegation that the OP supplies more quantity to foreign companies/ multinationals than what is supplied to domestic consumers is also not substantiated as evidenced from the Annual Report of the OP for 2021-22 and from the MoU copies submitted to the DG. Based on the aforesaid discussion, the Commission is of the opinion that there is no evidence available on record to prove that the OP has contravened the provisions of Section 4(2)(a) (i) and 4(2)(c) of the Act on this count.

II. Excessive Pricing in contravention of Section 4(2)(a) (ii) of the Act.

After considering the arguments put forth by the parties, the Commission is of the considered view that pricing decisions take into account market dynamics, demand-supply equilibrium, other avenues of procurement of the same product, bargaining power between buyer and seller, etc. In the present matter, based on the price comparison of IREL's domestic market price vis-à-vis its export price and import price of Ilmenite, the price of the OP does not appear to be excessive. Sufficient evidence has not been brought on record to establish a case of excessive pricing in this matter.

In view of the same, the Commission is in disagreement with the DG and is unable to come to a finding that the OP was indulging in excessive pricing of Ilmenite in contravention of the provisions of Section 4(2)(a)(ii) of the Act.

III. Discriminatory pricing in contravention of Section 4(2)(a)(ii) of the Act.

With respect to the allegation regarding discriminatory pricing between domestic and foreign consumers, the DG, upon analysis of export and domestic prices of the OP, observed that price discrimination between exports vs. domestic sales is not substantiated by the evidence at hand.

In the absence of any contrary evidence put forth by the Informant before the Commission, the Commission is in agreement with the finding of DG. Moreover, in view of the Commission, any such comparison is erroneous as supply and demand conditions for Ilmenite would be distinct within India and outside.

Consequently, holistically considering the facts and circumstances of the matter, the material available on record, and based on foregoing analysis, the Commission is of the view that though the OP is covered under the ambit of 'enterprise' prescribed under Section 2(h) of the Act and is found to be in a dominant position in the relevant market of 'mining and sale of Beach Sand Ilmenite in India', no case of contravention of provisions of Section 4(2)(a)(i), 4(2)(a)(ii) or 4(2)(c) of the Act is made out against the OP in the present matter. Accordingly, the matter is directed to be closed forthwith.

LW 16:02:2025

WHATSAPP LLC v. COMPETITION COMMISSION OF INDIA & ORS. [NCLAT]

I.A No. 280 of 2025 in Competition App. (AT) No. 1 of 2025 with connected appeal No.2 of 225

Ashok Bhushan, Barun Mitra & Arun Baroka. [Decided on 23/01/2025]

Competition Act, 2002- Section 4 and 26- sharing of user data- CCI issued directions with respect to sharing of user data "for advertising purposes" and "for purposes other than advertising"- 5 years ban imposed on sharing of user data "for advertising purposes" – monetary penalty also imposed- appellants sought stay of these directions- Whether stay can be granted – Held Yes for the 5 year ban only.

Brief facts:

IA No.280 of 2025 has been filed by WhatsApp LLC praying to stay the effect and operation of the impugned order dated 18.11.2024 passed by the Competition Commission of India (CCI) and to pass any other order that it deems fit and proper in the facts and circumstances of the case.

After hearing the parties and other interveners, the CCI passed an order on 18.11.2024 (impugned in the present Appeals) holding breach of Section 4(2) of the Competition Act, 2002. The Commission in exercise of powers under Section 27(a) of the Act issued various directions in consequence of contravention of the

provisions of Section 4 of the Act. The Commission also imposed monetary penalty of Rs.213.14 Crores on the Meta directed to deposit the penalty within 60 days. The Commission further directed for making necessary changes within period of three months. WhatsApp and Meta aggrieved by the said order have come up in these Appeals.

Decision: Partly Allowed.

Reason:

We need to first notice the directions and order issued by the Commission in the impugned order. In exercise of jurisdiction under Section 26(a) of the Competition Act, 2002, the Commission issued directions in paragraph 247.1 to 247.3. The directions in paragraph 247.1 are directions with regard to share of initial data "for advertising purposes" and directions in paragraph 247.2 are with respect to sharing of WhatsApp user data "for purposes other than advertising". Five years' ban have been imposed only with respect to share of user data for advertising purposes. The Commission has also imposed monetary penalty of Rs. 213.14 Crore in paragraph 263 of the impugned order.

The question to be considered as on date is as to what extent Appellants are entitled for any interim order as prayed in the IA. We have noticed above that directions which have been issued in paragraph 247.1 and 247.2 are with respect to "for advertising purposes" and "for purpose other than advertising". Insofar as sharing of user data for advertising purposes, the said is going on from 2016 when 2016 privacy policy was enforced. The ban of five years which was imposed in paragraph 247.1 may lead to the collapse of business model which has been followed by WhatsApp LLC. It is also relevant to notice that WhatsApp is providing WhatsApp services to its user free of cost. We have also noticed that the Hon'ble Supreme Court has not granted interim order staying 2021 privacy policy and Digital Personal Data Protection Act, 2023 has also been passed and is likely to be enforced which may cover all issues pertaining to data protection and data sharing. We are of the prima facie view that the ban of five years imposed in paragraph 247.1 need to be stayed. We, however, are of the view that the directions issued by the CCI under paragraph 247.2 and 247.3 need not be stayed and they need to be complied with. The only limited interim order which we are inclined to grant is to stay the direction in paragraph 247.1 by which five years' ban has been imposed. The direction in paragraph 247.1 are stayed.

Now coming to the penalty, the Commission in paragraph 263 has imposed penalty of Rs.213.14 Crores only. It is submitted by Counsel for the Appellant that 25% penalty has already been deposited. We are of the view that subject to deposit of 50% of penalty (after taking into consideration 25% already deposited), the direction in paragraph 263 need to be stayed. We direct the Appellant to deposit 50% of penalty as indicated above within two weeks from today.

4

FROM THE GOVERNMENT



- GUIDELINES FOR FUNDING RESEARCH AND STUDIES, WORKSHOPS AND CONFERENCES ETC. UNDER THE PLAN SCHEME "CORPORATE DATA MANAGEMENT" OF THE MINISTRY OF CORPORATE AFFAIRS
- FRAMEWORK FOR MONITORING AND SUPERVISION OF SYSTEM AUDIT OF STOCK BROKERS (SBs) THROUGH TECHNOLOGY BASED MEASURES
- (1) PARAMETERS FOR EXTERNAL EVALUATION OF PERFORMANCE OF STATUTORY COMMITTEES OF MARKET INFRASTRUCTURE INSTITUTIONS (MIIs); AND (2) MECHANISM FOR INTERNAL EVALUATION OF PERFORMANCE OF MIIs AND ITS STATUTORY COMMITTEES
- DETAILS/CLARIFICATIONS ON PROVISIONS RELATED TO ASSOCIATION OF PERSONS REGULATED BY THE BOARD, MIIs, AND THEIR AGENTS WITH PERSONS ENGAGED IN PROHIBITED ACTIVITIES
- FORMAT OF DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DTs
- DEVELOPMENT OF WEB-BASED PORTAL: ISPOT (INTEGRATED SEBI PORTAL FOR TECHNICAL GLITCHES) FOR REPORTING OF TECHNICAL GLITCHES
- DISCLOSURE OF RISK ADJUSTED RETURN - INFORMATION RATIO (IR) FOR MUTUAL FUND SCHEMES
- TIMELINE FOR REVIEW OF ESG RATING PURSUANT TO OCCURRENCE OF 'MATERIAL EVENTS'
- REVISE AND REVAMP NOMINATION FACILITIES IN THE INDIAN SECURITIES MARKET
- PROCEDURE FOR SEEKING WAIVER OR REDUCTION OF INTEREST IN RESPECT OF RECOVERY PROCEEDINGS INITIATED FOR FAILURE TO PAY PENALTY
- GUIDELINES FOR RESEARCH ANALYSTS
- GUIDELINES FOR INVESTMENT ADVISERS
- MEASURES FOR EASE OF DOING BUSINESS FOR CREDIT RATING AGENCIES (CRAs) -TIMELINES (MODIFICATION TO CHAPTER II AND CHAPTER III OF THE MASTER CIRCULAR FOR CREDIT RATING AGENCIES DATED MAY 16, 2024)
- MEASURE FOR EASE OF DOING BUSINESS - SETTLEMENT OF ACCOUNT OF CLIENTS WHO HAVE NOT TRADED IN THE LAST 30 DAYS
- FRAMEWORK FOR IMPOSING MONETARY PENALTY AND COMPOUNDING OF OFFENCES UNDER THE PAYMENT AND SETTLEMENT SYSTEMS ACT, 2007
- PRIVATE PLACEMENT OF NON-CONVERTIBLE DEBENTURES (NCDs) WITH MATURITY PERIOD OF MORE THAN ONE YEAR BY HFCs – REVIEW OF GUIDELINES
- GUIDELINES ON SETTLEMENT OF DUES OF BORROWERS BY ARCs
- PREVENTION OF FINANCIAL FRAUDS PERPETRATED USING VOICE CALLS AND SMS – REGULATORY PRESCRIPTIONS AND INSTITUTIONAL SAFEGUARDS
- COVERAGE OF CUSTOMERS UNDER THE NOMINATION FACILITY
- FOREIGN EXCHANGE MANAGEMENT (MODE OF PAYMENT AND REPORTING OF NON- DEBT INSTRUMENTS) (THIRD AMENDMENT) REGULATIONS, 2025
- FOREIGN EXCHANGE MANAGEMENT (FOREIGN CURRENCY ACCOUNTS BY A PERSON RESIDENT IN INDIA) (FIFTH AMENDMENT) REGULATIONS, 2025
- FOREIGN EXCHANGE MANAGEMENT (DEPOSIT) (FIFTH AMENDMENT) REGULATIONS, 2025
- MASTER DIRECTION - RESERVE BANK OF INDIA (NON-RESIDENT INVESTMENT IN DEBT INSTRUMENTS) DIRECTIONS, 2025
- MASTER DIRECTION – RESERVE BANK OF INDIA (CREDIT INFORMATION REPORTING) DIRECTIONS, 2025



Corporate Laws

01 Guidelines For Funding Research and Studies, Workshops and Conferences etc. Under The Plan Scheme "Corporate Data Management" of The Ministry of Corporate Affairs

INTRODUCTION:

- 1.1. "Funding Research and Studies, Workshops and Conferences etc." is conceived as a component part of a Central Sector Plan Scheme, titled "Corporate Data Management" proposed to be implemented by the Ministry of Corporate Affairs (MCA). The major focus is to utilize the wealth of data available with the Ministry of Corporate Affairs by way of sponsoring Research Studies and Surveys etc. in areas related, *inter alia*, to corporate growth in overall macro-economic perspective.
- 1.2. This would also include funding of Seminars, Workshops, Conferences, Symposia and Publications (Reports, Books and Monographs) which extract knowledge primarily from the MCA database and other sources, having implications for corporate governance and faster, sustainable and inclusive growth.
- 1.3. This is to be implemented by the Research and Analysis (R&A) Division of the Ministry, under the supervision of a "Technical Committee" constituted under Paragraph 2.5 below.
- 1.4. The procedure for approving grant-in-aid, monetary ceilings, advances, instalments etc. would be as prescribed in the following paragraphs. Aspects not directly covered in these guidelines will be regulated by the provisions of the General Financial Rules of the Government of India.
- 1.5. The primary objective of "Funding Research and Studies, Workshops and Conferences etc." is to better utilise the repository of corporate sector data available with the Ministry under the MCA21 e-governance system, with a view to extract knowledge from data that will eventually inform policy and facilitate decision making in a market driven economy.
- 1.6. "Funding Research and Studies, Workshops and Conferences etc." will have two components viz: (i)

Funding Research and Studies, Workshops and Conferences etc. through outside agencies (ii) In-house research in R&A Division, MCA by engaging Young Professionals.

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

02 Framework for Monitoring and Supervision of System Audit of Stock Brokers (SBs) through Technology based Measures

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/TPD/CIR/2025/10 dated 31.01.2025]

1. SEBI vide Master Circular No. SEBI/HO/MRD2/PoD-2/CIR/P/2023/171 dated October 16, 2023 in Clause 8.2 of Chapter 2 has specified the comprehensive framework for System Audit for Stock Brokers (SBs)/Trading Members (TMs). Considering the complexities of technology and system used by stock brokers and emanating technology risk thereof, there is a need to further strengthen the system audit framework. Therefore, it has been decided to introduce technology based mechanism to monitor and supervise the way in which the system audits are conducted and to prescribe eligibility criteria for the empanelment of auditors to ensure that audits are conducted in a stipulated manner.
2. Based on the discussions with Stock Exchanges (SEs) and Technical Advisory Committee (TAC) of SEBI as well as in Intermediary Advisory Committee (IAC) wherein representative of ICAI was also invited, the following guidelines shall be prescribed for the conduct of system audit of SBs.
3. **Monitoring and Supervision of System Audit process through online mechanism:**
 - 3.1 Stock Exchanges shall develop web portal/ web based platform and create technology based mechanisms to monitor and supervise the entire system audit lifecycle of a stock broker.
 - 3.2 Stock Exchanges shall monitor process of carrying out of system audit of SBs through online monitoring mechanism. As part of the monitoring mechanism, exchanges shall capture the geo location of the auditor to ensure that physical visit is carried out by auditor in the premises of the stock broker.
 - 3.3 The web based monitoring & supervision framework shall be accessed by the auditor during the audit. Exchanges shall ensure that only the authorized auditor or person of the audit firm shall have access to the web portal while conducting audit through secure OTP mechanism.
4. **Standardization System Audit Process and Audit Report:**

Pre audit requirements:

 - 4.1 In order to ensure that the appointed auditor conducts the audit, Stock Exchanges shall monitor the process of carrying out of system audit through web portal in following manner:
 - 4.2 SBs are mandated to provide following details through web portal before the commencement of system audit:

- Details of audit members such as name, address, registration no., membership no., PAN, qualification, mobile number etc.
- Date of appointment of auditor, period of audit, copy of auditor appointment letter.
- Audit plan including proposed dates for physical visit by auditor, list of proposed coverage of IT systems/processes,
- SBs/TMs name, address, PAN, SEBI registration no. etc.

VISHAL PADOLE
General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

03 (1) Parameters for external evaluation of Performance of Statutory Committees of Market Infrastructure Institutions (MIIs); and (2) Mechanism for internal evaluation of Performance of MIIs and its Statutory Committees

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/POD-III/CIR/P/2025/12 date 30.01.2025]

1. Regulation 29 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereafter referred to as “SECC Regulations, 2018”) and Regulation 30 of the SEBI (Depositories and Participants Regulations, 2018 (hereafter referred to as “D&P Regulations, 2018”) provides for the constitution of following statutory committees by every recognised Stock Exchange, recognised Clearing Corporation and Depository (collectively referred as Market Infrastructure Institutions (MIIs):
 - 1.1. Functional Committees
 - 1.1.1. Member Committee
 - 1.1.2. Nomination and Remuneration Committee
 - 1.2. Oversight Committees
 - 1.2.1. Standing Committee on Technology
 - 1.2.2. Regulatory Oversight Committee
 - 1.2.3. Risk Management Committee
 - 1.3. Investment Committee
2. Regulation 33(6) of the SECC Regulations, 2018 and Regulation 31(6) of the D&P Regulations, 2018 states that every MIIs shall appoint an independent external agency to evaluate its performance and the performance of its statutory committees within such periodicity and in such a manner as may be specified by the Board.
3. The guidelines on “Parameters for Performance Evaluation of Market Infrastructure Institutions”

have been issued vide SEBI Circular No. SEBI/HO/MRD/POD-III/CIR/P/2024/127 dated September 24, 2024.

4. In order to bring consistency and uniformity with respect to evaluations to be done by the external agency, the matter with regard to broad criteria, the weightage for each criterion, sub-parameters under each criterion, etc. was discussed at the Industry Standards Forum (ISF) of MIIs. Further, for each sub-parameter, sample Key Performance Indicators (KPIs), both quantitative and qualitative in nature, were identified in consultation with the ISF.

HRUDA RANJAN SAHOO
Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

04 Details/clarifications on provisions related to association of persons regulated by the Board, MIIs, and their agents with persons engaged in prohibited activities

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2025/11 dated 29.01.2025]

1. Securities and Exchange Board of India (Intermediaries) (Amendment) Regulations, 2024, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Fourth Amendment) Regulations, 2024 and Securities and Exchange Board of India (Depositories and Participants) (Second Amendment) Regulations, 2024 have been published in the Official Gazette on August 29, 2024.
2. These regulations *inter alia* provide that persons regulated by the Board, MIIs (stock exchanges, clearing corporations, depositories), and agents of such persons/MIIs shall not have any direct or indirect association with another person who-
 - (i) provides advice or any recommendation, directly or indirectly, in respect of or related to a security or securities, unless the person is registered with or otherwise permitted by the Board to provide such advice or recommendation; or
 - (ii) makes any claim, of returns or performance expressly or impliedly, in respect of or related to a security or securities, unless the person has been permitted by the Board to make such a claim.

The person regulated by the Board (including recognised stock exchanges, clearing corporations and depositories) is required to ensure that any person associated with it or its agent does not engage in the activities mentioned in clauses (i) or (ii) above.

It has been clarified that the term “another person” shall not include a person who is engaged solely in investor education, provided that such a person does not, directly or indirectly, indulge in any activity as referred to in clauses (i) or (ii) above.

3. In this regard, the details/clarifications on the provisions are provided in the form of frequently asked questions at Annexure A. This is intended to provide guidance for compliance to persons regulated by the Board, MIIs, and their agents on their association with another person.
4. This circular is issued in exercise of powers conferred under section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 36 of Securities and Exchange Board of India (Intermediaries) Regulations, 2008, Regulations 50 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and Regulation 96 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.
5. This circular is available on the SEBI website at www.sebi.gov.in under the category "Legal →Circulars".

ARADHANA VERMA
General Manager

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05 **Format of Due Diligence Certificate to be given by the DTs**

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2025/009 dated 28.01.2025]

1. SEBI vide notification dated July 10, 2024, amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ('NCS Regulations') inter-alia specifying the format of Due diligence certificate to be submitted by the DTs in case of secured and unsecured debt securities.
2. While Chapter II of Master Circular for DTs specifies the format for due diligence certificate in case of secured debt securities (which is in line with that specified under NCS Regulations), it does not specify the same in case of unsecured debt securities.
3. In line with the format specified under NCS Regulations, the following is specified in case of unsecured debt securities:
 - 3.1. At the time of filing the draft offer document with the stock exchanges, Issuer shall submit to the Stock Exchange, a due diligence certificate obtained from the Debenture Trustee as per the format specified in Annex-A.
 - 3.2. At the time of filing of listing application, Issuer shall submit to the Stock Exchange, a due diligence certificate obtained from the Debenture Trustee as per the format specified in Annex-B.
4. Further, pursuant to the amendment, the following paras of Chapter II of Master Circular for DTs are modified as under:

- 4.1. Para 2.3.1.(a) shall read as under:

"The Debenture Trustee may furnish prescribed under regulations 40.1.(a) and 44.(3). (a) of the SEBI NCS Regulations....."

- 4.2. Para 2.3.1.(b) shall read as under:

"At the time of the issuance of the prescribed under regulations 40.1.(a) and 44.(3). (a) of the SEBI NCS Regulations....."

5. This circular shall be applicable with immediate effect.
6. This circular is issued with the approval of competent authority, in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 2A of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Regulation 55 of NCS Regulations, Regulation 29 of SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 and Regulation 101(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.
7. This Circular is available on the website of the Securities and Exchange Board of India at www.sebi.gov.in under the category "Legal" and under the drop down "Circulars".

SARIKA KATARIA
Deputy General Manager

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06 **Development of Web-based portal: iSPOT(Integrated SEBI Portal for Technical glitches) for reporting of technical glitches**

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/TPD/CIR/P/2025/08 dated 28.01.2025]

1. SEBI has stipulated the Standard Operating Procedure for handling of technical glitches by Market Infrastructure Institutions (MIIs) and payment of financial disincentive thereof as follows:
 - 1.1 Annexure XI of Chapter 2 of Master Circular dated December 30, 2024 for Stock Exchanges and Clearing Corporations.
 - 1.2 Clause 4.70.5.A of SEBI Master Circular for Depositories dated December 03, 2024.
 - 1.3 Annexure-ZE of SEBI Master Circular for Commodity Derivatives Segment dated August 04, 2023.
2. Presently, the MIIs (i.e. Stock Exchanges, Clearing Corporations and Depositories), are required to report information about technical glitches and submit the Root Cause Analysis (RCA) reports to SEBI on the dedicated email ID i.e. techglitch@sebi.gov.in.

3. In order to streamline the reporting process of technical glitches across MIIs and creation of centralized repository of technical glitches, SEBI has developed a web-based portal, i.e. Integrated SEBI Portal for Technical Glitches (iSPOT), for submission of preliminary and final RCA reports of technical glitches by the MIIs.
4. This would help to improve the data quality, traceability of historical submissions related to technical glitches at the end of SEBI and MIIs, system generated reports for monitoring of various compliance requirements in a more focused manner and automated intimation to MIIs for submission of RCA report within SEBI defined timelines pursuant to submission of preliminary report by concerned MII. The said portal has been integrated with SEBI Intermediary(SI) portal for ease of access to MIIs. iSPOT can be accessed by MIIs by using the existing login credentials of SI portal.
5. In view of the above, Clause 2.2 of Annexure XI of Chapter 2 of SEBI Master Circular dated December 30, 2024, Clause 4.70.5.A.2.2 of SEBI Master Circular dated December 03, 2024 and Clause 2.2 of Annexure–ZE of SEBI Master Circular dated August 04, 2023 has been modified as under: -

The preliminary and RCA report of technical glitch shall be shared by the MII with SEBI through a dedicated web based portal of SEBI viz. iSPOT
6. The provision of the Circular shall come into force from February 03, 2025.
7. MIIs are required to take necessary steps to put in place systems for implementation of the Circular, including necessary amendments to the relevant bye-laws, rules and regulations, if any.
8. This Circular is being issued in exercise of the powers conferred by Section 11(1) of Securities and Exchange Board of India Act, 1992 read with Regulation 51 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and Section 19 of the Depositories Act, 1996 read with Regulation 97 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to protect the interest of investors in securities market and to promote the development of, and to regulate the securities market.
9. The Circular is issued with the approval of Competent Authority.
10. This Circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Circulars”.

ANSUMAN DEV PRADHAN
General Manager

07 Disclosure of Risk adjusted Return - Information Ratio (IR) for Mutual Fund Schemes

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/IMD/IMD-PoD-2/P/CIR/2025/6 dated 17.01.2025]

1. The extant provisions of the SEBI (Mutual Funds) Regulations, 1996 (hereinafter referred to as “MF Regulations”) and Master Circular specified thereunder inter alia mandate filing of periodic information regarding schemes’ performance by AMCs. Apart from the same, appropriate disclosures pertaining to scheme returns are also made voluntarily, in various other documents / disclosures by AMCs.
2. In addition to the above, a need has been felt to mandate disclosure of the “Risk Adjusted Return” (RAR), which shall represent a more holistic measure of a scheme’s performance.
3. Considering the significance of volatility of performance in determining the suitability of MF schemes, Information Ratio (IR) is an established financial ratio to measure the RAR of any scheme portfolio. It is often used as a measure of a portfolio manager’s level of skill and ability to generate excess returns, relative to a benchmark and also attempts to identify the consistency of the performance by incorporating standard deviation/ risk factor into the calculation.
4. In order to bring more transparency in disclosures made by AMCs and aid better decision making by investors, proposed disclosure of IR as a financial metric to measure the RAR of a scheme portfolio, was placed for public consultation and deliberated in Mutual Funds Advisory Committee (MFAC).
5. Based on the recommendation of MFAC and analysis of public feedback, the following has been decided:
 - A. **Disclosure of Information Ratio**
 - 5.1.1. Mutual Funds/ AMCs shall disclose IR of a scheme portfolio on their website along with performance disclosure, on a daily basis.
 - 5.1.2. AMFI shall ensure that such disclosure shall be available on its website in a comparable, downloadable (spreadsheet) and machine readable format.
 - 5.1.3. IR disclosure shall be applicable only for equity oriented schemes.
 - B. **Methodology for calculation of IR for each category of Mutual Fund schemes**
 - 5.1.4. In order to bring uniformity across different MFs, the following shall be taken into account for calculation of IR for Equity oriented Mutual Fund schemes.
 - IR shall be calculated as under:

(Portfolio Rate of Returns less Benchmark Rate of Returns) / Standard Deviation of Excess Return

Excess Return= Portfolio Rate of Returns less Benchmark Rate of Returns

- Benchmark used in the above formula shall be the Tier 1 benchmark currently used by the equity oriented Mutual Fund schemes.
- Volatility/Standard deviation shall be calculated on the basis of daily return values.
- Daily portfolio return shall be calculated using arithmetic function.

C. Awareness amongst Investors:

- 5.1.5. In order to ensure better understandability about IR by investors, adequate steps shall be undertaken by AMCs and AMFI to educate investors about RAR, IR and their significance in scheme performance evaluation. In addition, an allocation shall be earmarked from the budget for investor education, leveraging social/mass media channels to maximize outreach and impact.

D. Format for disclosure:

- 5.1.6. The format for disclosure of IR on the websites of AMCs and AMFI shall be accessed through the following link:
https://www.sebi.gov.in/sebi_data/commondocs/jan-2025/AnnexureA_to_circular_1_p.xlsx
- 5.1.7. In the aforesaid format, a hyperlink to the AMFI website for IR column shall be embedded, providing clear and concise explanation on the following, in easy-to-understand language:
- 5.1.7.1. Explaining IR
- 5.1.7.2. Formula for calculation of IR
- 5.1.7.3. Interpretation of IR with sufficient illustrations covering various scenarios.
- 5.1.8. In order to ensure uniformity in explanation of IR across the MF industry, AMCs shall provide a hyperlink in the aforesaid format on their websites, redirecting to the AMFI website providing detailed explanation of the IR.

LAKSHAYA CHAWLA
Deputy General Manager

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08 Timeline for Review of ESG Rating pursuant to occurrence of 'Material Events'

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2025/007 dated 17.01.2025]

1. Para 10.1 of the Master Circular for ESG Rating Providers (ERPs) SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/45 dated May 16, 2024 ("Master Circular") provides the following in respect of material events requiring a review of the ESG ratings:

"10.1.1. Regulation 28L(g) of CRA Regulations require an ERP to have efficient systems to track material developments related to environmental, social and governance factors to ensure timely and accurate ESG ratings.

10.1.2. Material developments in this respect shall be any event that results in a change of the ESG profile of the rated company. Such material developments shall include, but not be restricted to, publication of Business Responsibility and Sustainability Reporting (BRSR) or controversy/ penalty in environmental, social or governance areas.

10.1.3. ERPs shall carry out a review of the ESG ratings upon the occurrence of or announcement/ news of such material developments, and immediately, but not later than 10 days of occurrence of the said event."

2. ERPs have made a representation to SEBI, highlighting the operational challenges faced in undertaking review of ESG ratings for a large pool of listed companies pursuant to publication of BRSR by such companies, within the specified timeline of 10 days. Considering the same, in order to promote Ease of Doing Business, it has been decided to provide relaxation in the timeline for review of ESG rating pursuant to publication of BRSR. Accordingly, Para 10.1.3. of the Master Circular stands modified as below:

"ERPs shall carry out a review of the ESG ratings upon the occurrence of or announcement/ news of such material developments immediately, but not later than 10 days of occurrence of the said event. However, review of the ESG rating pursuant to publication of BRSR by the rated entity shall be carried out immediately, but not later than 45 days of the publication of the BRSR."

3. The circular shall be applicable with immediate effect.
4. This circular is issued with the approval of competent authority, in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 28H of CRA Regulations to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.
5. This Circular is available on the website of the Securities and Exchange Board of India at www.sebi.gov.in under the category "Legal" and under the drop down "Circulars".

SARIKA KATARIA
Deputy General Manager

09 Revise and Revamp Nomination Facilities in the Indian Securities Market

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/OIAE/OIAE_IAD-3/P/ON/2025/01650 dated 10.01.2025]

1. In order to revise and revamp the norms for nomination for demat accounts and mutual fund (MF) folios and to prevent the generation of unclaimed assets in the Indian securities market, SEBI came out with a consultation paper in February, 2024, seeking comments from the public on various aspects of nomination.

Pursuant to the approval of the Board for amending the respective regulations¹, the existing nomination facilities in the Indian securities market, to the extent of aforesaid, are being revised.

2. This circular covers various aspects of nomination, grouped under two sections – i.e. Section A and B, to be complied by the entities addressed in this circular, hereinafter collectively referred to as Regulated entities, as follows; Section A: Reiteration of existing norms to ensure a uniform approach across Securities Market.

2.1. Rule of survivorship.

2.1.1. In case of joint accounts / holdings, upon demise of one or more joint holder(s), the regulated entity shall transmit the assets held to the surviving holder(s) vide name deletion.

2.1.2. The surviving member(s) shall receive the assets as owner(s) and not as a trustee.

2.1.3. Surviving joint holders shall be entitled to continue with, or change or cancel the nominations made previously.

2.1.4. The mode of operation (of the joint account), namely that of the first named holder OR anyone or survivor OR either or survivor basis OR joint, etc. shall be unaffected by the rule of survivorship.

2.1.5. The norms applicable for operation of the account / folio shall be mutatis mutandis applicable for nomination.

S. MANJESH ROY
General Manager

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10 Procedure for seeking waiver or reduction of interest in respect of recovery proceedings initiated for failure to pay penalty

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/RRD_PoD_TPD/P/CIR/2025/05 dated 10.01.2025]

1. Section 28A of the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), Section 23JB of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and Section 19IB of the Depositories Act, 1996 ('Depositories Act') (collectively referred as "relevant securities laws provisions") provide that during the exercise of powers for recovery of dues, provisions of Sections 220 to 227, 228A, 229, 232, the Second Schedule and the Third Schedule to the Income-tax Act, 1961 and the Income-tax (Certificate Proceedings) Rules, 1962, as in force from time to time, in so far as may be, shall apply with necessary modifications, as if the said provisions and the rules made thereunder were the provisions of these Acts and refer to the amount due under these Acts instead of income-tax under the Income-tax Act.

2. Section 220(2) of the Income-tax Act, 1961 empowers the Recovery Officer of SEBI to recover the outstanding amount along with the applicable interest as specified therein. Section 220(2A) of the Income-tax Act, 1961 confers powers on the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner to reduce or waive the amount of interest paid or payable. 3. In line with the above, the Board has delegated the power to waive or reduce the interest levied only in respect of recovery proceedings initiated for failure to pay penalty, to the Competent Authority provided hereunder:

a) Panel of Executive Directors of SEBI, where the amount of interest sought to be waived or reduced is less than Rs. 2 crores;

b) Panel of Whole-time Members, in other cases.

4. Further, the Board has approved that the waiver or reduction of interest shall not be applicable in the following cases and the same shall be returned forthwith: a) where interest for failure to remit fees to the Board is levied on the intermediaries in accordance with respective intermediary regulations; b) where the interest on the amount directed to be disgorged or refunded is levied in accordance with the orders passed under section 11, 11B, 11(4) of the SEBI Act.

KIRTIKUMAR P. JADHAV
Deputy General Manager

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11 Guidelines for Research Analysts

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2025/004 dated 08.01.2025]

1. Securities and Exchange Board of India (SEBI), after considering the inputs from public consultation, has reviewed the framework for regulation of Research Analysts (RAs) and has notified Securities and Exchange Board of India (Research Analysts) (Third Amendment) Regulations, 2024 (hereinafter referred to as "amendments to RA Regulations") on December 16, 2024. These amendments have come into force on the date of notification i.e. on December 16, 2024.
2. The Research Analysts shall ensure compliance with the aforesaid amendments to RA Regulations and the following guidelines specified under the amended SEBI (Research Analysts) Regulations, 2014 (hereinafter referred to as "RA Regulations"):

i. Qualification and certification requirements

Regulation 7 of the RA Regulations specifies the minimum qualification and certification requirements for RAs. It is clarified that the revised qualification requirements shall not be required to existing individual RAs, Principal officer of non-individual

RAs or research entity, individuals employed as research analysts and partners of research analyst, if any, engaged in providing research services.

However, they shall hold NISM certifications and comply with other conditions specified under Regulation 7(3) of the RA Regulations.

ii. Deposit requirement:

- a. As per Regulation 8 of the RA Regulations, a research analyst shall maintain a deposit of such sum, as specified by the SEBI from time to time. The deposit requirements shall be based on the maximum number of clients of RA on any day of the previous financial year, as under:

No. of Clients	Deposit
Up to 150 clients	₹ 1 lakh
151 to 300 clients	₹ 2 lakh
301 to 1,000 clients	₹ 5 lakhs
1,001 and above clients	₹ 10 lakhs

- b. The deposit shall be maintained with a scheduled bank marked as lien in favor of Research Analyst Administration and Supervisory body (RAASB), in the manner and form as may be specified by RAASB.
- c. The deposit amount may be revised for any change in applicable amount of deposit, based on the maximum number of clients in the previous financial year, latest by 30th April of the subsequent financial year.
- d. The deposit requirements shall be reviewed by SEBI from time to time.
- e. The existing RAs shall ensure compliance with the deposit requirement latest by April 30, 2025. For the new applicants seeking registration as RA, the deposit requirement shall become effective immediately from the date of this circular.

ARADHANA VERMA
General Manager

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12

Guidelines for Investment Advisers

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2025/003 dated 08.01.2025]

1. Securities and Exchange Board of India (SEBI), after considering the inputs from public consultation, has reviewed the framework for regulation of Investment Advisers (IA) and has notified Securities and Exchange Board of India (Investment Advisers) (Second Amendment) Regulations, 2024 (hereinafter referred to as “amendments to IA Regulations”) on December 16, 2024. These amendments have come into force on the date of notification i.e. on December 16, 2024.

2. The investment advisers shall ensure compliance with the aforesaid amendments to IA Regulations and the following guidelines specified under the amended SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “IA Regulations”):

i. Deposit requirement:

- a. As per Regulation 8 of the IA Regulations, an investment adviser shall maintain a deposit of such sum, as specified by SEBI from time to time. The deposit requirements shall be based on the maximum number of clients of IA on any day of the previous financial year, as under:

No. of Clients	Deposit
Up to 150 clients	₹ 1 lakh
151 to 300 clients	₹ 2 lakh
301 to 1,000 clients	₹ 5 lakhs
1,001 and above clients	₹ 10 lakhs

ARADHANA VERMA
General Manager

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13

Measures for Ease of Doing Business for Credit Rating Agencies (CRAs) –Timelines (Modification to Chapter II and Chapter III of the Master Circular for Credit Rating Agencies dated May 16, 2024)

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2025/002 dated 07.01.2025]

1. The Master Circular for CRAs SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/47 dated May 16, 2024 (“Master Circular”), inter alia, prescribes certain timelines to be followed by CRAs for review of ratings and publication of press release.
2. One of the recommendations of the Working Group of CRAs for Ease of Doing Business (“WG”) pertains to modification of approach on specifying timelines from “days” to “working days” in respect of certain requirements prescribed in the Master Circular. The WG submitted the process flow involved in complying with the relevant requirements within the extant timelines. Further, CRAs depend on external entities such as bankers and debenture trustees, particularly in order to conclusively establish and substantiate delays and defaults in debt servicing, where it is difficult to obtain written confirmation on holidays/ non-working weekends.
3. In order to promote Ease of Doing Business and bring about uniformity in dealing with rating reviews and publication of Press Release by CRAs, it has been decided to modify the following paras of the Master Circular as below:

SARIKA KATARIA
Deputy General Manager

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14 Measure for ease of doing business - Settlement of Account of Clients who have not traded in the last 30 days

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2025/1 dated 06.01.2025]

1. SEBI, vide Circular no. SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021 (hereinafter mentioned as 'Circular') and Clause 47 of Master Circular for Stock Brokers dated August 09, 2024 (hereinafter mentioned as 'Master Circular'), issued guidelines regarding settlement of running account of client's funds by stock brokers.
2. Currently, in terms of clause 5.4 of the Circular dated June 16, 2021 and clause 47.4 of the Master Circular, the account of clients who have not done any transaction in the last 30 days are required to be settled by the Trading Member (TM) within next three working days. It has been represented by Brokers' Industry Standards Forum (ISF) that this requirement necessitates TM to identify such clients daily, potentially leading to the daily settlement of client funds and resulting in procedural inefficiencies. It has further been represented that since the client funds are anyway upstreamed to the clearing corporation, there is a need to revisit the time for settling such client's funds.
3. Based on the above coupled with the recommendations received from Brokers' ISF and with a view to facilitate ease of doing business as well as to safeguard the investors' interest, it has been decided to revise the requirement of mandatory settlement of such clients' funds. Accordingly, it has been decided that the funds of such clients who have not traded in last 30 calendar days shall be settled on the upcoming settlement dates of monthly running account settlement cycle as notified by Exchanges in the annual calendar issued by them from time to time.
4. In view of the same, Clause 5.4 of the Circular dated June 16, 2021 and Clause 47.4 of the Master Circular stands modified as under:

For the clients having credit balance, who have not done any transaction in the 30 calendar days since the last transaction and any amount of such client's funds is lying with member for more than such 30 calendar days, the entire credit balance of client shall be returned to the client by TM, on the upcoming settlement dates of monthly running account settlement cycle (irrespective of settlement cycle preferred by the client) as stipulated by stock exchanges.

However, if the client trades after 30 calendar days and before aforesaid upcoming settlement dates of monthly running account settlement cycle, the settlement of account of client shall continue to be done by the Trading member as per the preference of quarterly/monthly as indicated by the client for running account settlement.

5. The provisions of this circular shall come into force with immediate effect.
6. Stock Exchanges shall:
 - 6.1. bring the provisions of this circular to the notice of their members and also disseminate the same on their websites;
 - 6.2. make necessary amendments to the relevant Bye-laws, Rules and Regulations for the implementation of the above direction;
7. This circular is issued in exercise of powers conferred under Section 11(1) of Chapter IV of the Securities and Exchange Board of India Act, 1992 read with Regulation 30 of Chapter VII of SEBI (Stock Brokers) Regulations, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
8. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'.

ARADHANA VERMA
General Manager

15 Framework for imposing monetary penalty and compounding of offences under the Payment and Settlement Systems Act, 2007

[Issued by the Reserve Bank of India vide RBI/2024-25/108 EFD. CO.No.1/02.08.001/2024-25 dated 30.01.2025]

Please refer to the Circular DPSS.CO.OD. No.1328/06.08.005/2019-20 dated January 10, 2020 on the 'Framework for imposing monetary penalty on authorised payment system operators/ banks under the Payment and Settlement Systems Act, 2007'.

2. Keeping in view the amendments¹ to the provisions of the Payment and Settlement Systems Act, 2007 (PSS Act), and with the objective of rationalising and consolidating enforcement action by Reserve Bank of India, it has been decided to amend the instructions contained in the framework.
3. The revised framework (enclosed) shall supersede the aforementioned Circular and come into effect from the date of this Circular.

MINAL A. JAIN
Chief General Manager

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16 Private Placement of Non-Convertible Debentures (NCDs) with maturity period of more than one year by HFCs – Review of guidelines

[Issued by the Reserve Bank of India vide RBI/2024-25/107 DOR.FIN.REC. No.58/03.10.136/2024-25 dated 29.01.2025]

Please refer to Chapter XI of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 wherein guidelines on private placement of NCDs by HFCs have been prescribed.

2. On a review, it has been decided that the Guidelines on Private Placement of NCDs (with maturity more than one year) by NBFCs, as contained in para 58 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (as amended from time to time) shall be applicable, mutatis-mutandis, to HFCs. Accordingly, the existing guidelines under Chapter XI of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 stand repealed. The revised guidelines shall be applicable to all fresh private placements of NCDs (with maturity more than one year) by HFCs from the date of this circular.
3. The Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 is being modified as detailed in Annex.

J.P. SHARMA
Chief General Manager

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17 Guidelines on Settlement of Dues of borrowers by ARCs

[Issued by the Reserve Bank of India vide RBI/2024-25/106 DoR.SIG.FIN. REC.56/26.03.001/2024-25 dated 20.01.2025]

Please refer to paragraph 15 of the Master Direction – Reserve Bank of India (Asset Reconstruction Companies) Directions, 2024 dated April 24, 2024 which prescribes guidelines on settlement of dues payable by the borrowers of the ARCs. On a review, it has been decided to revise these guidelines and the amended paragraph 15 of the Master Direction ibid is provided in the Annex.

2. This circular is issued in exercise of the powers conferred by Sections 9 and 12 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002). The revised provisions shall come into effect from the date of this circular.
3. Master Direction – Reserve Bank of India (Asset Reconstruction Companies) Directions, 2024 is being updated accordingly.

J.P. SHARMA
Chief General Manager

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18 Prevention of financial frauds perpetrated using voice calls and SMS – Regulatory prescriptions and Institutional Safeguards

[Issued by the Reserve Bank of India vide RBI/2024-25/105 CEPD.CO.OBD. No.S1270/50-01-001/2024-25 dated 17.01.2025]

The proliferation of digital transactions, while offering convenience and efficiency, has also led to a surge in frauds, a pressing concern underscoring the need for

concerted action. The mobile number of a customer has emerged as a ubiquitous identifier, instrumental in account authentication and verification process, receiving sensitive payment communication, such as OTPs, transaction alerts, account updates, etc. The mobile number, however, can also be misused by scammers in multiple ways for committing various types of online and other frauds.

2. With a view to mitigate the potential misuse of mobile numbers, Regulated Entities (REs) are advised to:
 - a) Utilize the Mobile Number Revocation List (MNRL)¹ available on the Digital Intelligence Platform (DIP) developed by Department of Telecommunications (DoT), Ministry of Communications, Government of India to monitor and clean their customer database. To enhance fraud risk monitoring and prevention, the REs are further advised to develop Standard Operating Procedures (SOP) incorporating the required action to be taken including, inter alia, updating the registered mobile number (RMN) after due verification; enhanced monitoring of accounts linked to these revoked mobile numbers for preventing the linked accounts from being operated as Money Mules and / or being involved in cyber frauds, etc.
 - b) Provide the verified details of their customer care numbers to DIP for enabling DoT to publish them on the “Sanchar Saathi” portal (<https://sancharsaathi.gov.in/>). The details may be shared on the DoT email adg.diu-dot@gov.in
 - c) Undertake transactional / service calls only using ‘1600xx’ numbering series, when operationalized; undertake promotional voice calls only through phone numbers using ‘140xx’ numbering series; follow the “Important Guidelines for sending commercial communication using telecom resources through Voice Calls or SMS” issued by Telecom Regulatory Authority of India (TRAI) and annexed to this circular. REs are also advised to undertake awareness measures in this regard through emails, SMS and other modes, including in vernacular languages.
3. All REs are advised to ensure compliance with the above instructions expeditiously.

DR. NEENA R. JAIN
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

19 Coverage of customers under the nomination facility

[Issued by the Reserve Bank of India vide RBI/2024-25/104 Ref.No.DoS.CO.PPG/SEC.13/11.01.005/2024-25 dated 17.01.2025]

As you are aware, the nomination facility is intended to minimise the hardship and facilitate expeditious settlement of claims of the family members on the death

of depositor/s. Instructions on nomination facility for Scheduled Commercial Banks (SCBs) (Excluding RRBs), Primary (Urban) Co-operative Banks (UCBs) and Deposit taking NBFCs have been incorporated in Master Circular on “Customer Service in Banks”¹, Master Circular on “Customer Service – UCBs”² and Master Direction on “Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016”³, respectively. The extant instructions also mandate banks to give wide publicity and provide guidance to deposit account holders on the benefits of the nomination facility.

2. However, on the basis of Reserve Bank’s supervisory assessment, it is observed that in a large number of deposit accounts, nomination is not available. To avoid inconvenience and undue hardship to survivors/ family members of deceased depositors, we reiterate the need to obtain nomination in case of all existing and new customers having deposit accounts, safe custody articles and safety lockers, as the case may be.
3. The Customer Service Committee (CSC) of the Board/ Board of Directors shall review, on a periodic basis, the achievement of nomination coverage. Progress in this regard shall be reported by the SEs in Reserve Bank’s DAKSH portal on a quarterly basis starting from March 31, 2025. Further, the frontline staff in the branches may be suitably sensitised for obtaining nomination as well as appropriate handling of claims of deceased constituents and dealing with nominees/ legal heirs. The Account Opening Forms may be modified suitably (if not already done) with provision for the customers to avail or opt out of nomination facility.
4. Apart from directly notifying the customers, SEs are advised to publicise the benefits of using the nomination facility through various media, including launching of periodical drives towards achieving a full coverage of all eligible customer accounts.

TARUN SINGH

Chief General Manager

20 Foreign Exchange Management (Mode of Payment and Reporting of Non- Debt Instruments) (Third Amendment) Regulations, 2025

[Issued by the Reserve Bank of India vide Notification No. FEMA 395(3)/2025-RB dated 14.01.2025]

In exercise of the powers conferred by Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India hereby makes the following amendments to the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 [Notification No. FEMA.395/2019-RB dated October 17, 2019] (hereinafter referred to as 'the Principal Regulations) namely:-

1. Short Title & Commencement.-- (1) These Regulations may be called the Foreign Exchange Management (Mode of Payment and Reporting of Non- Debt Instruments) (Third Amendment) Regulations, 2025.
- (2) They shall come into force from the date of their publication in the Official Gazette.
2. In the principal regulations, in regulation 3.1, for the existing provision at Sl. No. I, II, VI, VII, VIII and IX the following shall be substituted, namely:

DR. ADITYA GAIHA

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

21 Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Fifth Amendment) Regulations, 2025

[Issued by the Reserve Bank of India vide Notification No. FEMA 10(R) (5)/2025-RB dated 14.01.2025]

In exercise of the powers conferred by Section 9 and clause (e) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendments to the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2015 [Notification No. FEMA 10(R)/2015-RB dated January 21, 2016] (hereinafter referred to as 'the principal regulations'), namely:

1. Short Title and Commencement: -
 - (i) These regulations may be called the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Fifth Amendment) Regulations, 2025.
 - (ii) They shall come into force from the date of their publication in the Official Gazette.
2. In the principal regulations, in regulation 5, after sub-regulation (C) the following sub-regulation (CA) shall be inserted, namely:-

“CA. A person resident in India, being an exporter, may open, hold and maintain a Foreign Currency Account with a bank outside India, for realisation of full export value and advance remittance received by the exporter towards export of goods or services. Funds in this account may be utilised by the exporter for paying for its imports into India or repatriated into India within a period not exceeding the end of the next month from the date of receipt of the funds after adjusting for forward commitments, provided that the realisation and repatriation requirements as specified in Regulation 9 of Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 are also met.”

DR. ADITYA GAIHA

Chief General Manager

22 Foreign Exchange Management (Deposit) (Fifth Amendment) Regulations, 2025

[Issued by the Reserve Bank of India vide Notification No. FEMA 5(R) (5)/2025-RB dated 14.01.2025]

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), the Reserve Bank of India makes the following amendment in the Foreign Exchange Management (Deposit) Regulations, 2016 (Notification No. FEMA 5 (R)/2016-RB dated April 01, 2016) (hereinafter referred to as 'the principal regulations'), namely:-

1. Short Title and Commencement: -
 - (i) These regulations may be called the Foreign Exchange Management (Deposit) (Fifth Amendment) Regulations, 2025.
 - (ii) They shall come into force from the date of their publication in the Official Gazette.
2. In the principal regulations, within sub-regulation (4), of regulation 5, after the words "authorised dealer in India" the words "or its branch outside India" shall be inserted.
3. In the principal regulations, after regulation 8, the following shall be inserted namely:-

"9. Transfer of funds between repatriable Rupee accounts:-

Notwithstanding anything contained in these regulations, the transfer of funds, for all bona fide transactions, between repatriable Rupee accounts maintained in accordance with these regulations is permitted."
4. In the principal regulations in schedule 4, the existing paragraph 1 shall be substituted by the following namely:-

"A person resident outside India, having business interest in India, may open a Special Non-Resident Rupee Account (SNRR account), with an authorised dealer in India or its branch outside India for the purpose of putting through permissible current and capital account transactions with a person resident in India in accordance with the rules and regulations framed under the Act, and for putting through any transaction with a person resident outside India.

DR. ADITYA GAIHA
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

23 Master Direction - Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025

[Issued by the Reserve Bank of India vide RBI/2024-25/126 FMRD.FMD. No.10/14.01.006/2024-25 dated 07.01.2025]

In exercise of the powers conferred under Section 6, read with Section 47 of the Foreign Exchange Management Act,

1999, the Reserve Bank has issued the following regulations to regulate non-resident investment in debt instruments in India:

- a. Foreign Exchange Management (Permissible Capital Accounts Transactions) Regulations, 2000 notified vide Notification No. FEMA 1/2000-RB dated May 03, 2000, as amended from time to time;
 - b. Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 notified vide Notification No. FEMA 3(R)/2018-RB dated December 17, 2018, as amended from time to time; and
 - c. Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide Notification No. FEMA. 396/2019-RB dated October 17, 2019, as amended from time to time.
2. The Reserve Bank has also been issuing necessary directions in the form of A.P. (DIR Series) Circulars under the aforesaid regulations as also directions under Section 45W of the Reserve Bank of India Act, 1934, at various times relating to non-resident investment in debt instruments in India. Such Directions issued through various circulars, as set out in Annex – 1 to these Directions, have been consolidated and issued in this Master Direction.
 3. AD Category-I banks may bring the contents of the Master Direction to the notice of their constituents.
 4. The Master Direction has been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and Section 45W of the Reserve Bank of India Act, 1934 and are without prejudice to permissions/ approvals, if any, required under any other law.

DIMPLE BHANDIA
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

24 Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025

[Issued by the Reserve Bank of India vide RBI/DoR/2024-25/125 DoR. FIN.REC.No.55/20.16.056/2024-25 dated 06.01.2025]

The Reserve Bank of India (RBI) has, from time to time, issued several instructions / directives to its regulated entities (REs) on credit information reporting.

2. The enclosed Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025 consolidates the instructions issued to REs on reporting of the credit information.
3. These Directions are issued by RBI in exercise of the powers conferred under Section 11 of the Credit Information Companies (Regulation) Act, 2005.

J. P. SHARMA
Chief General Manager

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NEWS FROM THE INSTITUTE



- MEMBERS RESTORED DURING THE MONTH OF DECEMBER 2024
- CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF DECEMBER 2024
- NEW ADMISSIONS
- UPLOADING OF PHOTOGRAPH AND SIGNATURE
- OBITUARIES
- CHANGE / UPDATION OF ADDRESS



Institute News

MEMBERS RESTORED DURING THE MONTH OF DECEMBER 2024

SL. NO.	NAME	MEMB NO.	REGION
1	CS MAHESH KUMAR TAPARIA	ACS - 15899	WIRC
2	CS SUNITA YADAV	ACS - 43103	NIRC
3	CS RUSHIL PRALHAD MANGALVEDHEKAR	ACS - 54473	WIRC
4	CS KARAN GULATI	ACS - 31781	NIRC
5	CS MAYANK AGRAWAL	ACS - 47743	WIRC
6	CS DIVYA MIRCHANDANI	ACS - 52591	SIRC
7	CS MANISHA	ACS - 52732	NIRC
8	CS RONAK TANWAR	ACS - 66990	NIRC
9	CS ANIL KUMAR CHADDHA	FCS - 2869	NIRC
10	CS EKTA AGRAWAL	ACS - 68248	NIRC
11	CS VIPIN KUMAR TIWARI	ACS - 10837	NIRC
12	CS KANAIYA SHAMJI BHADRA	ACS - 20833	WIRC
13	CS NEHA AGRAWAL	ACS - 29696	EIRC
14	CS DIXITA CHITRANJAN PANDIT	ACS - 46057	WIRC
15	CS SANKARA-NARAYANAN A	ACS - 57972	SIRC
16	CS TABASSUM RUWABALI KHAN	ACS - 34626	WIRC
17	CS RIYA ARORA	ACS - 39623	EIRC
18	CS ASHOK KUMAR PATRA	FCS - 7659	NIRC
19	CS SHILPI GUPTA	ACS - 30676	NIRC
20	CS MUNISH KUMAR	ACS - 43710	NIRC
21	CS RESHMA AGRAWAL	ACS - 45317	WIRC
22	CS JITENDRA KUMAR PANDA	ACS - 26804	EIRC
23	CS MEGHA MODI	ACS - 39088	WIRC
24	CS MEGHA MODI	ACS - 39088	WIRC
25	CS PRAKHAR AGRAWAL	ACS - 53031	NIRC
26	CS PRANAV MADHAVAN NAIR	ACS - 54034	WIRC
27	CS ASHIMA AGRAWAL	ACS - 45416	NIRC
28	CS CHARU BHADOURIA	ACS - 23860	NIRC

29	CS GAURAV DAGA	ACS - 56354	NIRC
30	CS BHUVANESH KUMAR SHARMA	ACS - 17073	NIRC
31	CS MANISH RAKESH	ACS - 29424	NIRC
32	CS D SELVAKUMAR	ACS - 36683	SIRC
33	CS R SUBASHINI	FCS - 6152	SIRC

CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF DECEMBER 2024

SL. NO.	NAME	MEMB NO	COP NO.	REGION
1	CS SAURABH AWASTHI	FCS - 9404	10822	NIRC
2	CS VENKATESWARAN REVATHY	ACS - 31620	19420	WIRC
3	CS AKSHAY KRIPLANI	ACS - 59129	22567	NIRC
4	CS MUSKAN AGRAWAL	ACS - 64236	24468	WIRC
5	CS ADITYA VIKRAM SHOREWALA	FCS - 13268	25725	SIRC
6	CS DEEPAK KUMAR SHAH	ACS - 69992	27015	SIRC
7	CS SHIVANI CHAWLA	ACS - 21288	27443	NIRC
8	CS SHAKTI KUMAR	ACS - 50326	26946	NIRC
9	CS VINITA VASHISTH	ACS - 47399	19140	NIRC
10	CS HENNA SHARMA	ACS - 50260	18208	NIRC
11	CS KALU RAM KUMAWAT	ACS - 64220	24028	NIRC
12	CS RAJEEV VARMA	FCS - 10820	20843	SIRC
13	CS ANITHA CHRISTINA MIGAEL	ACS - 30946	14796	SIRC
14	CS PARTH HITESH MARU	ACS - 66463	24911	WIRC
15	CS SRINIVASA RAO KILARU	FCS - 13362	19947	SIRC
16	CS TANVI MALHOTRA	ACS - 46127	21543	NIRC
17	CS YASHIKA MUKESH BATRA	ACS - 71084	27062	WIRC
18	CS JYOTI	ACS - 47726	20003	NIRC
19	CS PRAKASH CHANDRA JOSHI	FCS - 7229	27665	NIRC
20	CS RUPALI KULSHRESTHA	ACS - 41565	24106	NIRC
21	CS ASHU	ACS - 54418	26642	NIRC
22	CS RINKI ARORA	ACS - 51399	26557	NIRC
23	CS RAVEENA AGRAWAL	ACS - 37670	15571	WIRC
24	CS SHALINI MITRA	ACS - 25884	9699	NIRC
25	CS SHILPA SHARMA	ACS - 58065	25744	WIRC
26	CS SWATI SHARMA	ACS - 52021	19179	NIRC
27	CS KAVITHA RAMESH KUMAR	ACS - 53147	23060	SIRC
28	CS SOUMYA SINGH	ACS - 51846	19057	NIRC
29	CS ANAND	ACS - 73280	27447	EIRC
30	CS DHARA JAYANTIBHAI BHESANIYA	ACS - 67651	25295	WIRC
31	CS PRASHANT KISHORE SHARMA	ACS - 21775	7902	WIRC

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 AND SIGNATURE

Members are requested to ensure that their latest scanned passport size front-facing colour photograph (in formal wear) and signature in .jpg format (each on light-colored background of not more than 200 kb file size) are uploaded on the online portal of the Institute.

Online Steps for Uploading of photo and signature.

- Use ONLINE SERVICES tab on www.icsi.edu
- Select Member Portal from dropdown
- Login using your membership number e.g. A1234/F1234
- Enter your password
- Under My Profile --- Click on View and Update
- Upload/update the photo and signature as required
- Press Save button

OBITUARIES

Chartered Secretary deeply regrets to record the sad demise of the following members:

CS V Sridhara Navada (08.02.1938 - 21.10.2024), a Fellow Member of the Institute from Bengaluru.

CS Jayant Gupta (13.11.1972 - 12.11.2024), a Fellow Member of the Institute from Ghaziabad.

CS V R Agnihotri (01.05.1936 - 07.12.2024), a Fellow Member of the Institute from Mumbai.

May the Almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the departed souls rest in peace.

MESSAGE



CS Professional: An ethical Compass for Corporate Sustainability

CHANGE / UPDATION OF ADDRESS

The members are requested to check and update (if required) your professional and residential addresses ONLINE only through Member Login. Please indicate your correspondence address too.

The steps to see your details in the records of the Institute:

1. Go to www.icsi.edu
2. Click on **MEMBER** in the menu
3. Click on **Member Search** on the member home page
4. Enter your membership number and check
5. The address displayed is your Professional address (Residential if Professional is missing)

The steps for online change of address are as under:

1. Go to www.icsi.edu
2. On the Online Services ----select **Member Portal** from dropdown menu
3. Login using your membership number e.g. A1234/F1234
4. Under **My Profile** --- Click on View and update option and check all the details and make the changes required and save
5. To change the mobile number and email id click the side option "**Click Here to update Mobile Number and E-mail Id**"
6. Check the residential address and link the Country-State-District-City and check your address in the fields Add. Line1/Add. Line2 & Add. Line3 (Click Here to change residential address)
 - a) Select the Country[#]
 - b) Select the State
 - c) Select the City
 - d) Submit the Pincode which should be 6 digits without space.
 - e) Then click on "Save" button.
7. Select the appropriate radio button for Employment Status and check your address in the fields Add. Line1/ Add. Line2 & Add. Line3 click the link on the right (Click Here to change Professional address)
 - a) Select the Country[#]
 - b) Select the State
 - c) Select the City
 - d) Submit the Pincode which should be 6 digits without space.
 - e) Then click on "Save" button.
8. Go back to the Dashboard and check if the new address is being displayed.

[#]in case of Foreign Country and State is not available in options then Select "**Overseas**" – A pop-up will open and you can add the "City, District, State" of that Country alongwith Zipcode

Members are required to verify and update their address and contact details as required under Regulation 3 of the CS Regulations, 1982 amended till date

For any further assistance, we are available to help you at <http://support.icsi.edu>



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

Documents downloadable from the DigiLocker Platform

The National Digital Locker System, launched by Govt. of India, is a secure cloud based platform for storage, sharing and verification of documents and certificates. In the wake of digitization and in an attempt to issue documents to all the members in a standard format and make them electronically available on real-time basis, the Institute of Company Secretaries of India had connected itself with the DigiLocker platform of the Government of India. The initiative was launched on 5th October, 2019 in the presence of the Hon'ble President of India.

In addition to their identity cards and Associate certificates, members can also now access and download their Fellow certificates and Certificates of Practice from the Digilocker anytime, anywhere.



How to Access:

- Go to <https://digilocker.gov.in> and click on Sign Up
- You may download the Digilocker mobile app from mobile store (Android/iOS)

How to Login:

- Signing up for DigiLocker with your mobile number.
- Your mobile number is authenticated by an OTP (one-time password).
- Select a username & password. This will create your DigiLocker account.
- After your DigiLocker account is successfully created, you can voluntarily provide your Aadhaar number (issued by UIDAI) to avail additional services.

How to Access your Documents digitally:

Members can download their digital ID Card / ACS / FCS / COP certificate(s) by following the steps given below:

1. Log in to <https://www.digilocker.gov.in> website
2. Go to Central Government and select Institute of Company Secretaries of India
3. Select the option of ID card / Membership Certificate / Practice Certificate
4. For ID Card, enter your membership number e.g. ACS 12345 / FCS 12345.
5. For membership certificate, Enter your membership and select ACS / FCS from drop down.
6. For COP certificate enter your COP number e.g. 12345 and select COP.
7. Click download / generate.
8. The ID Card / Membership certificate / Practice Certificate can be downloaded every year after making payment of Annual Membership fees.

ICSI speeds up disposal of Disciplinary Cases

Members of ICSI are subject to disciplinary mechanism as provided in the Company Secretaries Act, 1980 ('the Act') and the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 ('the Rules'). The disciplinary mechanism is guided by the principles of natural justice and follows the prescribed procedure. The mechanism involves formation of prima facie opinion of Director (Discipline) in accordance with First Schedule or Second Schedule of the Act, its placing before the Disciplinary Committee or Board of Discipline, as the case may be and hearing opportunities to be provided at various stages before imposing penalties/punishment as per the Act/ Rules. There is only one Board of Discipline and one Disciplinary Committee in ICSI.

While ICSI has been consistently disposing off the disciplinary cases against its members, Disciplinary Committee has further speeded up the disposal of disciplinary cases during the year 2024 creating a record, never achieved before. We thank the Disciplinary Committee members for their contributions in achieving this landmark.

The Disciplinary Committee consists of President as Presiding Officer, two members nominated by the Central Government and two Members elected from amongst the members of the Council. The Disciplinary Committee during the year 2024 has been stringent in imposing quantum of punishment on the erring members including imposition of maximum fine of Rs. 5 lakh and permanently removal from the register of members, which is the testimony of the zero-tolerance disciplinary approach and strengthened regulatory mechanism of ICSI in ensuring proper Compliance regime coupled with enhanced governance systems.

Disposal of Cases by Disciplinary Committee

Year (calendar year)	No. of meetings	Total Disposal	Cases in which members held guilty and penalty imposed	Quantum of fine and period of removal
2019	19	42	16	Fine - Rs. 5 thousand to Rs. 1 Lakh Removal - upto three years
2020	7	16	10	
2021	14	54	42	
2022	9	21	15	
Total	49	133	83	
2023*	6	7	5	Removal - from 6 months to Permanent Fine - Rs. 5 thousand to Rs. 5 lakh
2024	29	190	111	
2025 (upto 18.01.2025)	02	29	22	
Total	37	226	138	

*The mandatory requirement of two Government Nominees was fulfilled in October, 2023.

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MISCELLANEOUS CORNER



- GST CORNER
- ETHICS IN PROFESSION
- CG CORNER
- ESG CORNER
- GIST OF ROC ADJUDICATION ORDERS

ENABLING APPLICATION FOR RECTIFICATION AS PER NOTIFICATION 22/2024-CT, DATED 08.10.2024

The Central Government, based on the recommendations of the 54th GST Council, issued **Notification No. 22/2024 – CT** dated **08.10.2024**, allowing registered persons to file an application for rectification of demand orders issued under **Section 73/74** of the CGST Act. This applies to cases where an order was issued confirming a demand due to wrongful availment of ITC in contravention of **Section 16(4)**, but where the ITC is now permissible under the newly inserted **Section 16(5) and/or 16(6)**.

A dedicated functionality is now available on the GST Portal for taxpayers to submit their **rectification application**. To access this:

1. Log in to the GST Portal
2. Navigate to **Services > User Services > My Applications**
3. Select **“Application for Rectification of Order”** under Application Type
4. Click **NEW APPLICATION**

A **hyperlink** is provided on the Portal to download **Annexure A** in Word format. This proforma must be completed with details of the demand order related to the wrongful availment of ITC and uploaded while filing the rectification application.

For a detailed **step-by-step process**, refer to: https://tutorial.gst.gov.in/downloads/news/step_by_step_process_filing_rectification_application.pdf.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/568>

ADVISORY ON BIOMETRIC-BASED AADHAAR AUTHENTICATION AND DOCUMENT VERIFICATION FOR GST REGISTRATION APPLICANTS IN RAJASTHAN

This advisory outlines key updates regarding the GST registration process in Rajasthan. Please take note of the following:

1. **Amendment to Rule 8 of CGST Rules, 2017:** GST applicants may now be identified on the common portal based on data analysis and risk parameters, requiring biometric-based Aadhaar authentication, a photograph, and verification of original documents uploaded with the application.
2. **Implementation in Rajasthan:** This functionality, developed by GSTN, was implemented in Rajasthan on January 7, 2025.
3. **Authentication and Document Verification Process:** Upon submission of Form GST REG-01, applicants will receive an e-mail with one of the following links:
 - (a) OTP-based Aadhaar Authentication – Applicants can proceed with Aadhaar authentication as per the existing process.
 - (b) Appointment Booking for Biometric Authentication – Applicants must visit a designated

GST Suvidha Kendra (GSK) for biometric Aadhaar authentication and document verification, as per the details provided in the e-mail.

4. **Appointment Booking:** Applicants receiving the appointment booking link must schedule a visit to the designated GSK using the provided e-mail link. This feature is now available for applicants in Rajasthan.
5. **Confirmation and Visit to GSK:** After booking an appointment, applicants will receive a confirmation e-mail. They must visit the designated GSK at the scheduled time and carry the following:
 - A copy (hard/soft) of the appointment confirmation e-mail.
 - Jurisdiction details as mentioned in the intimation e-mail.
 - Original Aadhaar Card and PAN Card.
 - Original versions of documents uploaded with the application, as specified in the intimation e-mail.
6. **Completion of Biometric Authentication:** The biometric authentication and document verification will be conducted at the GSK for all the required individuals as per the GST application Form GST REG-01.
7. **Timeframe for Biometric Authentication:** Applicants must complete biometric verification within the timeframe specified in the intimation e-mail. ARNs will be generated only after successful biometric authentication and document verification.
8. **GSK Operating Hours:** GSKs will function as per the operational guidelines set by the state administration.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/569>

ADVISORY ON EXTENSION OF DUE DATE W.R.T GSTR 1 AND GSTR 3B

Due Date for filing of GSTR-1 and GSTR-3B have been extended by two days. For details refer to [Notification No. 01/2025 – \(CT\)](#) dt. 10th January, 2025 and [Notification No. 02/2025 – \(CT\)](#) dt. 10th January, 2025 issued by CBIC.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/571>

GENERATION DATE FOR DRAFT GSTR 2B FOR DECEMBER 2024

In light of the extended due dates for filing GSTR-1 and GSTR-3B returns for the month of December 2024 (Quarter Oct-Dec 2024) as per Notifications No. 01/2025 and 02/2025 dated 10th January 2025, the Draft GSTR-2B for the month of December 2024 (Quarter Oct-Dec 2024) will now be generated on 16th January 2025 in accordance with the rule 60 of CGST Rules, 2017.

Taxpayers can recompute their Draft GSTR-2B if any action is taken in IMS after the generation of the same GSTR-2B on or after 16th January 2025.

Source: <https://services.gst.gov.in/services/advisoryand-releases/read/572>

ADVISORY ON WAIVER SCHEME UNDER SECTION 128A

Please refer to the advisory issued by GSTN on **December 29, 2024**, regarding the Waiver Scheme. You may access it at: <https://services.gst.gov.in/services/advisoryandreleases/read/564>

- Both **Form GST SPL-01** and **Form GST SPL-02** are now available on the GST portal. Taxpayers are advised to file their applications under the Waiver Scheme accordingly.
- A key eligibility condition for availing the waiver requires **withdrawal of appeal applications** filed against the relevant demand order, notice, or statement. In this regard:
 - The **withdrawal option for appeal applications (APL-01) before the First Appellate Authority** is available on the GST portal.
 - However, for **APL-01 applications filed before March 21, 2023**, the withdrawal option is **not available** on the portal. Taxpayers in such cases must submit a withdrawal request to the concerned Appellate Authority, which will then forward it to GSTN through the State Nodal Officer for backend processing.
- Any difficulties faced by taxpayers can be reported via <https://selfservice.gstsystem.in> by raising a ticket under the category **"Issues related to Waiver Scheme."**

Source: <https://services.gst.gov.in/services/advisoryandreleases/read/573>

IMPLEMENTATION OF MANDATORY HSN CODE SELECTION IN GSTR-1 & GSTR-1A

Following the successful rollout of **Phase I and Phase II, Phase III** of the implementation for **Table 12 of GSTR-1 & GSTR-1A** will take effect from the **February 2025 return period**. Key changes in this phase include:

- Dropdown Selection for HSN Codes:** Manual entry of HSN codes has been replaced with a **dropdown menu**, ensuring accurate selection.
- Bifurcation of Table 12:** The table is now divided into **two tabs—B2B and B2C**—to facilitate separate reporting of these supplies.
- Validation of Supply Values & Tax Amounts:** New validations have been introduced for supply values and tax amounts in both tabs.
 - Initially, these validations will be in **warning mode only**, meaning they will not block the filing of GSTR-1 & GSTR-1A if failed.

Source: <https://services.gst.gov.in/services/advisoryandreleases/read/574>

ADVISORY ON BUSINESS CONTINUITY FOR E-INVOICE AND E-WAYBILL SYSTEMS

This advisory outlines the alternate mechanisms and business continuity plans for both the **e-Invoice** and **e-Waybill** systems.

If you have not yet integrated these mechanisms into your systems, GSTN recommends coordinating with your system

integrators, IRPs, ERPs, GSPs, or ASPs to enable these redundancies, ensuring they are operational when required.

Multi-IRPs for e-Invoice Reporting

To ensure continuity, six **Invoice Registration Portals (IRPs)** are operational:

- NIC-IRP 1: <https://www.einvoice1.gst.gov.in>
- NIC-IRP 2: <https://www.einvoice2.gst.gov.in>
- Cygnnet IRP: <https://einvoice3.gst.gov.in>
- Clear IRP: <https://einvoice4.gst.gov.in>
- EY IRP: <https://einvoice5.gst.gov.in>
- IRIS IRP: <https://einvoice6.gst.gov.in>

NIC-IRP 1 & 2 are interoperable, allowing seamless switching during service disruptions. You can test this functionality in the NIC sandbox: <https://einv-apisandbox.nic.in>. If NIC-IRP is unavailable, other IRPs may be used.

Dual Portals for e-Waybill Services

Redundancy is also provided for **e-Waybill services** with two portals:

- eWaybill1: <https://ewaybill1.gst.gov.in>
- eWaybill2: <https://ewaybill2.gst.gov.in>

Unified Authentication Token

A single authentication token can be generated via **NIC-IRP** or **e-Waybill portals**, and it will be valid across all NIC portals, eliminating the need for separate tokens.

API Interoperability for Seamless Operations

Taxpayers using APIs can configure their systems for cross-portal operations:

- Access **NIC1 e-Invoice services via NIC2**: Pass "NIC1" in the "irp" API header for APIs at <https://api.einvoice2.gst.gov.in>
- Access **NIC2 e-Invoice services via NIC1**: Pass "NIC2" in the "irp" API header for APIs at <https://api.einvoice1.gst.gov.in>

Supported e-Invoice APIs for cross-operation:

- Get IRN Details
- Cancel IRN
- Get IRN Details by Document
- Generate e-Waybill by IRN
- Get e-Waybill details by IRN

For **e-Waybill cross-operation**, the following APIs are available:

- Get e-Waybill details
- Part B update APIs

Recommended Actions for Taxpayers

- Direct API Access:** Verify that your systems support cross-portal interoperability.
- Coordination with Service Providers:** Ensure alternate mechanisms are integrated with your system through IRPs, ERPs, GSPs, or ASPs.

3. **Explore Additional IRPs:** Utilize available IRPs in addition to NIC-IRP 1 & 2.

This advisory aims to ensure uninterrupted operations during service disruptions. For further assistance, please contact your system integrators, service providers, or the GST helpdesk. More details are available on the respective IRPs and e-Waybill portals.

Source: <https://services.gst.gov.in/services/advisoryandread/leases/read/575>

ADVISORY ON INTRODUCTION OF E-WAY BILL (EWB) FOR GOLD IN KERALA

A new option for generating **E-Way Bills (EWB)** for gold has been introduced in the EWB system, effective **January 20, 2025**. This feature allows taxpayers in **Kerala** to generate EWBs for goods under **Chapter 71** (excluding imitation jewellery), for intrastate movement, in line with the notification issued by the Government of Kerala.

Key Points for Taxpayers:

1. **Scope of Coverage:**
 - The EWB can be generated for goods under **Chapter 71**, excluding **HSN 7117 (Imitation Jewellery)**, using the new “**EWB for gold**” option.
 - This feature is applicable only for the **intrastate movement** of these goods within Kerala.
2. **EWB for Imitation Jewellery (HSN 7117):**
 - Taxpayers can continue generating EWBs for **Imitation Jewellery (HSN 7117)** using the regular option in the EWB system.

For further assistance or queries, taxpayers may contact the **GST Helpdesk** or refer to the detailed user guide available on the **EWB portal**.

Source: <https://services.gst.gov.in/services/advisoryandread/leases/read/576>

ATTENTION – HARD LOCKING OF AUTO-POPULATED LIABILITY IN GSTR-3B

1. Refer to the advisory dated **October 17, 2024**, regarding the restriction on editing the auto-populated liability in **GSTR-3B** from the **January 2025 tax period**.
2. Based on multiple requests from the trade, seeking more time, the decision to make the auto-populated liability non-editable in **GSTR-3B** will **not be implemented** for the January tax period on the GST portal.
3. Please note that this change will be introduced soon, and the trade will be informed accordingly. Taxpayers are advised to prepare for the upcoming change.

Source: <https://services.gst.gov.in/services/advisoryandread/leases/read/578>

ADVISORY FOR BIOMETRIC-BASED AADHAAR AUTHENTICATION AND DOCUMENT VERIFICATION FOR GST REGISTRATION APPLICANTS IN TAMIL NADU AND HIMACHAL PRADESH

This is to inform you about recent updates concerning the GST registration process. Please keep the following points in mind during your registration:

1. **Amendment to Rule 8 of the CGST Rules, 2017:** The rule now allows for identification of applicants based on data analysis and risk parameters. This includes **Biometric-based Aadhaar Authentication** and photograph capture, along with the verification of original documents uploaded with the application.
2. **Implementation in Tamil Nadu and Himachal Pradesh:** This functionality, developed by GSTN, was rolled out in **Tamil Nadu** and **Himachal Pradesh** on **January 28, 2025**.
3. **Appointment Booking and Document Verification:** After submitting Form **GST REG-01**, applicants will receive one of the following links via email:
 - (a) A link for OTP-based Aadhaar Authentication
 - (b) A link to book an appointment at a **GST Suvidha Kendra (GSK)**, along with GSK details and jurisdiction, for **Biometric-based Aadhaar Authentication** and document verification
4. **If you receive the OTP-based Aadhaar Authentication link** (point 3a), you can proceed with the application as per the existing process.
5. **If you receive the appointment link** (point 3b), you must book an appointment to visit the designated GSK using the provided link.
6. **Appointment Booking Availability:** The appointment booking feature is now available for **Tamil Nadu** and **Himachal Pradesh** applicants.
7. **Appointment Confirmation:** Once the appointment is booked, you will receive a confirmation email. You must visit the designated GSK according to the scheduled time.
8. **Documents to Carry for GSK Visit:**
 - A copy (hard or soft) of the appointment confirmation email
 - Details of jurisdiction as per the intimation email
 - Original Aadhaar and PAN cards
 - Original documents uploaded with the application, as mentioned in the intimation email
9. **Biometric Authentication and Document Verification:** These will be completed at the GSK for all individuals listed in **GST REG-01**.
10. **Appointment Selection:** Ensure that you select an appointment for biometric verification within the maximum allowable period as indicated in the intimation email. ARNs will be generated once the authentication and document verification are completed.
11. **GSK Operation:** The operating days and hours of GSKs will follow the guidelines provided by the state administration.

Source: <https://services.gst.gov.in/services/advisoryandread/leases/read/579>

Due Diligence in Form INC-22

The expression “*professional and other misconduct*” as defined in Section 22 of the Company Secretaries Act, 1980 shall be deemed to include any act or omission provided in any of the Schedules, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Director (Discipline) under sub-section (1) of Section 21 to inquire into the conduct of any member of the Institute under any other circumstances.

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.

Company Secretaries in Practice are expected to thoroughly check all the attachments and details filled therein before certifying e-forms to be filed with the Regulators.

CASE STUDY:

1. A complaint of professional or other misconduct was received against one Practicing Company Secretary (hereinafter referred to as ‘the Respondent’) *inter-alia* alleged various irregularities in e-forms certified by the Respondent for a private limited company (herein after referred to as ‘the company’), as under: -
 - (i) Form INC-22 (1st Form): (a) The Board resolution in respect of shifting the registered office of the company was not attached; (b) No objection certificate for use of premises was not given by the owner/lessor; (c) Lease deed was not notarized; (d) There were many unfilled blanks in the lease deed; and (e) There was only one witness to the lease deed. His signature and address were not there in the lease deed.
 - (ii) Form INC-22 (2nd Form): (a) No objection certificate for use of premises was not given by the owner/lessor; (b) Lease deed was not notarized; (c) There were many unfilled blanks in the lease deed; and (d) There was only one witness to the lease deed. His signature and address were not there in the deed.
 - (iii) Form INC-22 (3rd Form): (a) Incorrect address mentioned in Board resolution attached to the form; (b) No objection certificate for use of premises was not given by the owner/lessor; (c) Lease deed was not notarized; (d) There were many unfilled blanks in the lease deed; and (e) There was only one witness to the lease deed. His signature and address were not there in the lease deed.
 - (iv) Form SPICe INC-32: The Respondent has mentioned his incorrect membership number while certifying and attesting Form SPICe INC-32 of the company.
2. The Respondent has stated that the intimation regarding situation of registered office of the company was not filed by the company. Accordingly, at first the company filed form INC-22 (1st Form) alongwith late fee for the intimation of situation of its registered office at the said place. Thereafter, the company filed another form INC-22 (2nd Form) for intimation of shifting of its registered office. After three days, it came to the notice of the company that while submitting Form INC-22 (2nd Form) a wrong pin code was entered in the said form instead of correct pin code, due to typographical error. Therefore, to rectify this mistake, the company filed another Form INC-22 (3rd Form) just to correct the pin code of the registered office address of the company. After setting up of manufacturing unit and registered office the company has never shifted its registered office to some other place and regularly paying its rent for the premises to the lessor.
3. The Respondent has submitted that due to oversight while filing aforesaid forms INC-22, wrong documents were attached and copy of lease deed without notarization was attached. Further, as per applicable rules and regulations, if lease deed is attached in Form INC-22, then NOC from the owner/lessor is not required to be attached in the form. The Respondent has stated that it is regrettable that inadvertent errors had occurred in the attachment of documents, including unnotarized lease deed and wrong pin code in forms INC-22. The Respondent has admitted certifying aforesaid forms INC-22 with incomplete documents due to oversights.
4. The Respondent has further clarified that at the time of incorporation of the company, he was the Associate Member of the ICSI and now he is the Fellow Member of the ICSI. Accordingly, he had mentioned his then membership number in SPICe Form INC-32 of the company.
5. The Complainant has stated that the Respondent has admitted that he has certified aforesaid forms with wrong attachments and details. The Complainant has agreed with the explanation provided by the Respondent regarding mention of his different membership numbers.
6. The Respondent admitted the errors in the aforesaid forms INC-22 certified by him before the Disciplinary Committee and pleaded ‘Guilty’ to the charges.
7. The Disciplinary Committee after considering the admission of ‘Guilty’ by the Respondent, 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 due diligence.
8. The Disciplinary Committee, after giving an opportunity of being heard to the Respondent, passed an order of ‘Reprimand’ and Fine of ₹15000 (Rupees Fifteen Thousand) to the Respondent. □

Evolving Role of Chief Sustainability officer in Corporate Sector

Environmental, Social and Governance issues, once considered a bit part in a Company's core strategy and operations now dominate discussions about how business stays relevant in the years ahead. The number of companies appointing a Chief Sustainability Officer (CSO) has grown significantly over the last few years.

A CSO deals with matters concerning to both internal and external stakeholders. The internal stakeholders encompass of business units, employees and corporate functions. The external stakeholders include customers, suppliers, investors, competitors and society.

It is to be noted that with CSO gaining grounds, its roles and responsibilities are still being defined or evolving. It's critical for executives and boards to ensure that the CSO's role is balanced among all three elements of ESG. In this regard, it is of substantial academic interest to refer the article titled, "The 8 Responsibilities of Chief Sustainability Officers" published in Harvard Business Review¹ focusing on responsibilities of a CSO. The eight responsibilities are as under:

1. **Ensuring regulatory compliance:** The CSO anticipates regulatory trends and their implications and establish adherence to the sustainability laws and regulations that apply to each industry, process, and type of business. Assess risk management. He/she also enacts internal policies.
2. **ESG monitoring and reporting.:** Collect data and metrics following the reporting standards. Benchmark with industry peers. Prepare the completion and communications of company ESG report.
3. **Overseeing the portfolio of sustainability projects:** The CSO acts as a project management officer and undertakes planning, coordinating, reviewing progress, and tracking results to coordinate various operational efforts.
4. **Managing stakeholders' relationships:** To promote ongoing dialogue with internal and external stakeholders in order to develop constructive, transparent relationships.
5. **Building organizational capabilities:** The role of CSO is to identify gaps and adopt appropriate educational initiatives for upskilling and/or sourcing the missing capabilities and identify innovative ways to scale the new capabilities. Post, identification share and disseminate knowledge and best practices.
6. **Fostering cultural change:** The CSO help to define and communicate purpose to drive the

transformation, Champion cultural change across the entire organization through education. Promote mindset shifts based on concrete behaviors. Establish routines to reinforce the change, for a credible "walk the talk" from leaders.

7. **Scouting and experimenting:** To Promote openness toward the external innovation ecosystem. Explore emerging sustainability technologies, solutions, and practices. Test the applicability and learn from experiments. Scale up adoption in the broader organization.
8. **Embedding sustainability into processes and decision making:** Revise key processes and related criteria/metrics/tools for decisions. Coach decision makers to manage complex trade-offs.

Examples of Indian Companies that have appointed CSO:

Mahindra Group has appointed the Group Chief Sustainability Officer which has been instrumental in shaping the group's refreshed 'Planet Positive' sustainability strategy.²

Tata Sons have a Group Chief Sustainability Officer possessing expertise and a proven track record in sustainable business practices.³

Aditya Group has appointed Chief Sustainability Officer for Aditya Birla Group that helps to build sustainable businesses energises and to translate it into actionable goals.⁴

ArcelorMittal Nippon Steel India, a joint venture between ArcelorMittal and Nippon Steel, two of the world's leading steelmakers has appointed Chief Sustainability Officer.⁵

Waaree Energies Limited have appointed as Chief Sustainability Officer to drive Environmental, Social and Governance Practice.⁶

1. Farri Elisa, Cervini Paolo and Rosani Gabriele (2023). "The 8 Responsibilities of Chief Sustainability Officer", Harvard Business Review, access from <https://hbr.org/2023/03/the-8-responsibilities-of-chief-sustainability-officers>
2. <https://www.mahindra.com/news-room/press-release/en/mahindra-group-announces-appointment-of-anvit-todi-as-group-chief-sustainability-officer>
3. <https://www.tatasustainability.com/AboutUs/MeetTheTSGTeam>
4. <https://www.adityabirla.com/our-story/leadership/women-leadership/>
5. <https://www.amns.in/press-releases/arcelormittal-nippon-steel-india-appoints-dr-arvind-bodhankar-as-chief-sustainability-officer>
6. <https://waaree.com/blog/news/waaree-energies-limited-appoints-prabhu-narayan-singh-as-chief-sustainability-officer-to-drive-environmental-social-and-governance-practices/>



PUBLICATIONS 2024



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SR. NO.	NAME OF THE PUBLICATION	YEAR OF PUBLICATION	PRICE (₹) (Excluding postage)
1.	HANDBOOK ON CORPORATE REPORTING AND DISCLOSURES	2024	300
2.	FAQS ON THE ICSI (MANAGEMENT AND DEVELOPMENT OF COMPANY SECRETARIES IN PRACTICE) GUIDELINES, 2023	2024	100
3.	INSPECTION, INQUIRY & INVESTIGATION UNDER THE COMPANIES ACT, 2013	2024	300
4.	MASTER GUIDE FOR PREVENTION OF OPPRESSION AND MISMANAGEMENT	2024	750
5.	SETTING UP OF UNITS IN IFSC	2024	200
6.	NBFC – A QUICK REFERENCER	2024	275
7.	GUIDANCE NOTE ON LOAN TO DIRECTORS AND LOAN, INVESTMENT, ISSUE OF GUARANTEE AND SECURITY BY COMPANIES (SECTIONS 185 & 186 OF THE COMPANIES ACT, 2013)	2024	90
8.	CHARTERED SECRETARY COLLECTOR SERIES - ESG AND SOCIAL AUDIT	2024	700
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10.	HANDBOOK ON BUSINESS RESPONSIBILITY AND SUSTAINABILITY VERSION 2.0	2024	1000
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18.	SS-2 - SECRETARIAL STANDARD ON GENERAL MEETINGS	2024	70
19.	GUIDANCE NOTE ON ANNUAL SECRETARIAL COMPLIANCE REPORT	2024	300
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21.	CHARTER OF BOARD OF DIRECTORS	2024	100
22.	CHARTERED SECRETARY COLLECTOR SERIES - OPPRESSION AND MISMANAGEMENT	2024	500
23.	CHARTERED SECRETARY COLLECTOR'S SERIES - CORPORATE SOCIAL RESPONSIBILITY	2023	500
24.	CHARTERED SECRETARY COLLECTOR'S SERIES - MICRO SMALL AND MEDIUM ENTERPRISES	2023	500
25.	COMPANY LAW - EXPOLRING PROCEDURAL DIMENSIONS [VOL I,II,III]	2023	3500
26.	HANDBOOK ON PRODUCER COMPANIES	2023	500
27.	ONE PERSON COMPANY - A REFERENCER	2023	400
28.	READY RECKONER FOR PRIVATE COMPANIES	2023	350
29.	ICSI (MANAGEMENT AND DEVELOPMENT OF COMPANY SECRETARIES IN PRACTICE) GUIDELINES, 2023	2023	200
30.	FAQS ON SECTION 8 COMPANIES	2023	225
31.	HANDBOOK ON IFSCA	2023	300
32.	FAQS ON SEBI (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014	2023	300
33.	FAQS ON SEBI (REAL ESTATE INVESTMENT TRUSTS) REGULATIONS, 2014	2023	300
34.	CHARTER OF AUDIT COMMITTEE	2023	150

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35.	GUIDANCE NOTE ON RELATED PARTY TRANSACTIONS	2023	250
36.	MANUAL ON STRUCTURED DIGITAL DATABASE (SSD) COMPLIANCE CERTIFICATION	2023	100
37.	GST COMPLIANCES - A READY RECKONER	2022	250
38.	COMPANIES ACT, 2013 WITH RULES (RS. 585 AFTER DISCOUNT, ONLY FOR MEMBERS)	2022	900
39.	GUIDANCE NOTE ON PREVENTION OF INSIDER TRADING	2022	300
40.	GUIDANCE NOTE ON INDEPENDENT DIRECTORS	2022	300
41.	KEY DIGITAL TECHNOLOGIES: A HANDBOOK FOR PROFESSIONALS	2021	150
42.	REFERENCER ON SEBI (DELISTING OF EQUITY SHARES) REGULATIONS, 2021	2021	150
43.	GUIDANCE NOTE ON CORPORATE SOCIAL RESPONSIBILITY	2021	300
44.	GUIDANCE NOTE ON GENERAL MEETING	2021	300
45.	GUIDANCE NOTE ON MEETING OF THE BOARD OF DIRECTORS	2021	300
46.	GUIDANCE NOTE ON ICSI AUDITING STANDARDS	2021	200
47.	ICSI - AUDITING STANDARDS (CSAS-1 TO CSAS-4)	2021	50
48.	HANDBOOK ON THE CODE ON WAGES, 2019	2020	175
49.	GUIDANCE NOTE ON DIVIDEND	2019	150
50.	GUIDANCE NOTE ON REPORT OF THE BOARD OF DIRECTORS	2019	200
51.	MODEL CODE FOR MEETINGS OF NON-CORPORATE ENTITIES	2019	50
52.	SS 4 - SECRETARIAL STANDARD ON REPORT OF THE BOARD OF DIRECTORS	2018	50
53.	SS-3 SECRETARIAL STANDARD ON DIVIDEND	2017	50
54.	MODEL GOVERNANCE CODE FOR MEETINGS OF GRAM PANCHAYATS	2017	50
55.	ESSENTIAL RULES OF INTERPRETATION OF STATUTES FOR COMPANY SECRETARIES	2014	400
Weblink for Purchase - https://www.icsi.edu/home/icsipublications/			

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1.	COMPILATION OF SEBI (SAST) INFORMAL GUIDANCE	2024	300	https://pmny.in/PAYUMN/mr71nxFJAfFR
2.	HANDBOOK ON LIMITED LIABILITY PARTNERSHIP	2023	300	https://pmny.in/WINIRH72M75j
3.	COMPILATION OF ROC AND RD ORDERS (MCA) UNDER THE COMPANIES ACT, 2013	2023	450	https://pmny.in/Qr75YL6TLoyj
4.	COMPILATION OF INFORMAL GUIDANCE BY SEBI	2023	300	https://pmny.in/PAYUMN/LIFMsgzOW2YX
5.	CROSS-BORDER MERGERS & ACQUISITIONS (MAKING THE DEAL REAL)	2023	400	https://pmny.in/PAYUMN/BIVM7gjOt3xY
6.	BOARD DIVERSITY AND ITS IMPACT ON COMPANY'S PERFORMANCE	2023	400	https://pmny.in/PAYUMN/MlrlGoyNNpMj

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7.	COMPETITION ACT AND ISSUES PERTAINING TO IPRs	2023	400	https://pmny.in/PAYUMN/qr41exbJAVAF
8.	COMPILATION OF SEBI (LODR) INFORMAL GUIDANCE	2023	150	https://pmny.in/PAYUMN/VJV5Qlp7VfKQ
9.	COMMENTARY ON LAW RELATING TO DIRECTORS AND KMP: AN INTEGRATED APPROACH	2023	800	https://pmny.in/PAYUMN/gr1Ex1J3gy6
10.	HANDBOOK ON INSIDER TRADING	2023	400	https://pmny.in/PAYUMN/tlfRlw4MfZ2J
11.	RULES AND TOOLS FOR INTERPRETATION OF STATUTES	2021	750	https://pmny.in/PAYUMN/iJF5hlv7DD9G
12.	APPROACH TO PROJECT FINANCE AND UNDERSTANDING FINANCIAL STATEMENTS	2021	350	https://pmny.in/PAYUMN/HINYkpKKOuQc
13.	LEGAL & PROFESSIONAL WRITING – DRAFTING IN PLAIN LANGUAGE	2020	350	https://pmny.in/PAYUMN/VrrjKcgCsYdq

ICSI-RVO PUBLICATIONS

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1.	VALUATION OF SECURITIES OR FINANCIAL ASSETS	2024 (UPDATED VERSION)	999	https://rzp.io/l/BPsY6vJ	https://rzp.io/l/FoNESW2
2.	MCQS - VALUATION OF SECURITIES OR FINANCIAL ASSETS	2020	750	https://rzp.io/l/D6U0iyRtpS	https://rzp.io/l/FEyOaP3w
3.	GUIDANCE NOTE ON PREPARATION OF VALUATION REPORTS	2023	750	https://rzp.io/l/xwNEZDHxYt	
4.	VALUATION OF LAND AND BUILDING ASSETS	2022	999	https://rzp.io/l/0UQK9fk	https://rzp.io/l/1CVIM4ravg

ICSI-IIP PUBLICATIONS

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1.	INSOLVENCY AND BANKRUPTCY CODE, 2016	2024	500
2.	INSOLVENCY AND BANKRUPTCY (RULES AND REGULATIONS)	2024	600
3.	IBC DIGEST - A COMPENDIUM OF RESEARCH OUTCOMES	2024	390
4.	COMPREHENSIVE GUIDE - FOR LIMITED INSOLVENCY EXAMINATION	2024	990
5.	VOLUNTARY LIQUIDATION - A HANDBOOK	2024	600
6.	A COMPENDIUM ON INSOLVENCY PROFESSIONALS	2022	1000
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https://www.icsi.edu/media/webmodules/ICSI_Publication_Catalogue_Detaild_01012025.pdf





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corporate governance"

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Motto
इष्टार्थं कृते तप्यते, ब्रह्मैवेत्यु कृते क्लृप्तः।

Mission
"To develop high calibre
professionals facilitating
good corporate governance"

PREVENTION OF MONEY-LAUNDERING ACT, 2002

Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Guidelines

Prevention of Money-laundering Act, 2002 casts certain obligations on the reporting entities and Financial Intelligence Unit- INDIA have implemented AML & CFT Guidelines effective from June 19, 2023 for Professionals including Company Secretaries in Practice to establish an efficient reporting mechanism to prevent money laundering, terrorist financing and proliferation financing.

Reporting Entity

(As notified by Ministry of Finance vide its notification dated May 03, 2023)

Company Secretaries in Practice, carrying out the following Financial Transactions in the course of his/her profession would be termed as 'Reporting entity' under PMLA and Rules made thereunder:

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



Applicable Laws/Rules/Regulations

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

Registration of Reporting Entities

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

Do's for Reporting Entities

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

ICSI PMLA Portal

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

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

Steps to Register

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

For queries e-mail at: pmla@icsi.edu

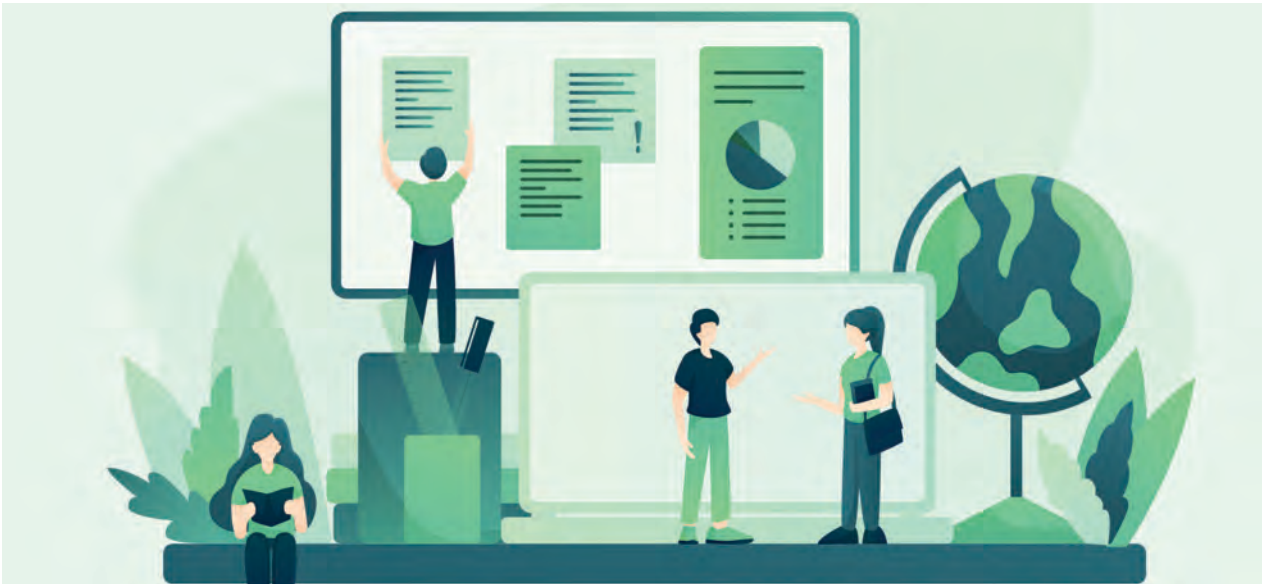
CS Dhananjay Shukla
President, The ICSI

CS Pawan G Chandak
Vice President, The ICSI

CS Asish Mohan
Secretary, The ICSI

Connect with ICSI

www.icsi.edu | | Online Helpdesk : <http://support.icsi.edu>



IAASB, IESBA UNVEIL NEW GLOBAL STANDARDS AND GUIDANCE TO STRENGTHEN SUSTAINABILITY REPORTING

The International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) have introduced integrated standards to strengthen sustainability reporting and assurance practices. The standards aim to equip global markets with interoperable guidelines for assurance, ethics, and independence in sustainability engagements and address risks like greenwashing, fraud, and non-compliance with laws and regulations.

These standards establish expectations for ethical behaviour in sustainability reporting and assurance and provide specific requirements for practitioners and organizations in relation to assurance engagements on sustainability information.

Sustainability assurance practitioners are expected to have relevant skills, knowledge and experience to perform sustainability assurance engagements and have appropriate training to ensure their assurance skills are continually up to date with relevant developments.

Source: <https://ifacweb.blob.core.windows.net/publicfiles/2025-01/IESSA%20-%20Final%20Pronouncement.pdf>

PUBLIC CONSULTATION ON THE BRAZILIAN SUSTAINABLE TAXONOMY

Brazil's Ministry of Finance has initiated a public consultation on the Brazilian Sustainable Taxonomy (TSB), a document for classifying and defining the compatibility of economic activities and investments with sustainability and climate-change mitigation objectives.

The TSB aims to ensure that investors, both domestic and foreign, know how to classify products or operations as

sustainable when considering investments in Brazil. It will also help investors identify sustainable practices for reporting purposes and to access specific financing, such as lines of credit or debt issuance. The TSB also provides guidelines for efficient practices in areas such as energy and land use.

The first stage of this public consultation addresses the method for selecting economic activities considered sustainable, including the criteria for mitigating environmental impacts and sustainable land use. In addition, the monitoring, reporting and verification system, which aims to monitor the flow of capital allocated to activities classified as sustainable and the minimum safeguards proposal will be available for public review.

The first stage of the public consultation will remain open until January 31, 2025 and the second stage public consultation will open from 1st February, 2025 to 31st March, 2025 under which selected technical criteria for mitigating and adapting to climate change, specific safeguards and detailed information for each sector will be presented.

Source: <https://www.jdsupra.com/legalnews/public-consultation-on-the-brazilian-7201716/>

UK GOVERNMENT TO LAUNCH DEPOSIT RETURN SCHEME (DRS) OFFERING CASH REFUNDS FOR PLASTIC AND METAL CONTAINERS

The UK Government has announced the launch of a Deposit Return Scheme (DRS) which will be operational from October 2027. The scheme aims to incentivize consumers to recycle single-use drink containers, targeting higher recycling rates and reduced litter. DRS will tackle the waste of 30 billion single-use drink containers sold annually to protect marine and wildlife

ecosystems. The scheme is expected to create 21,000 new jobs and drive £10bn investment over the next decade. The Deposit Management Organisation, a not-for-profit, industry-led body, will oversee the scheme.

Industry leaders have expressed support for the initiative while acknowledging the challenges of implementation. DRS operate in over 50 countries worldwide, with Europe reporting an average 90% return rate. Germany leads with a 98% return rate, demonstrating the system's efficacy. The DRS is positioned to transform waste management across the UK, delivering economic, environmental, and societal gains.

Source: <https://esgnews.com/uk-government-confirms-launch-of-deposit-return-scheme-offering-cash-refunds-for-plastic-and-metal-containers/>

ETIHAD RAIL INTRODUCES CERTIFICATES FOR CARBON EMISSION REDUCTION

Ethiad Rail, the operator of the UAE National Railway Network, has introduced the region's first-ever "CO₂ Emission Avoidance and Reduction Certificates." The initiative quantifies and validates carbon savings achieved by businesses using rail over other transport modes, underscoring rail's environmental advantages. For comparison, rail freight emissions are calculated against truck emissions, highlighting rail's lower environmental impact.

Ethiad Rail aims to transport 60 million tonnes of cargo annually by 2030, reducing road transport emissions by 21% annually by 2050. This equates to taking 300 trucks off the roads for every train journey and eliminating 8.2 million tonnes of CO₂ annually.

Businesses adopting rail transport can use these certificates to enhance their corporate sustainability reports, improve ESG ratings, and attract environmentally conscious stakeholders. Additionally, they align operations with UAE's law on climate change effects and Net Zero by 2050 strategy.

Source: <https://esgnews.com/etihad-rail-introduces-certificates-for-carbon-emission-reduction/>

SAUDI CONSORTIUM TO CUT CARBON FOOTPRINT IN CONSTRUCTION SECTOR

Saudi Arabia unveiled the NovusCrete Consortium, which aims to drive innovation in sustainable concrete technologies and reduce the construction sector's environmental impact. The consortium comprises leading entities such as the Public Investment Fund, the Saudi Investment Recycling Co., NEOM, SIKA and ClimateCrete.

The consortium revolutionizes concrete production by integrating environmentally efficient materials and cutting-edge technologies. It focuses on developing localized and sustainable materials, including seawater-based concrete reinforced with Glass Fiber Reinforced Polymer rebars, polymer-based materials and recycled construction waste. The consortium will collaborate with

global organizations, including the American Concrete Institute, which established Committee 243 – Seawater Concrete, to develop standards, guidelines and codes for sustainable concrete practices.

Backed by Saudi Vision 2030, the initiative seeks to balance economic growth and environmental sustainability by addressing the construction sector's carbon footprint. It aims to enhance the lifespan of infrastructure, support economic localization and promote the recycling of construction and demolition waste.

Source: <https://www.esgimes.in/esg/sustainability/saudi-consortium-to-cut-carbon-footprint-in-construction-sector/>

EU PROPOSES BAN ON 'FOREVER CHEMICALS' IN CONSUMER PRODUCTS

The European Commission has proposed to ban PFAS (Perfluoroalkyl and Polyfluoroalkyl Substances) also known as "forever chemicals" in consumer products, targeting their widespread use in items like cosmetics, non-stick pans, and industrial applications.

PFAS accumulate in ecosystems, drinking water, and the human body resulting in liver damage, lower birth weights, and testicular cancer. The ban will primarily focus on consumer products, however essential industrial uses in items such as asthma inhalers and semiconductors for electric vehicles, may get exemption.

Source: <https://esgnews.com/eu-proposes-ban-on-forever-chemicals-in-consumer-products-with-limited-exemptions/>

SEC, THAILAND UPDATES THE "ESG PRODUCT PLATFORM," ADDING SRI FUNDS KEY INFORMATION TO SUPPORT SUSTAINABLE INVESTING

The Securities and Exchange Commission (SEC), Thailand has updated the ESG Product Platform, adding key information on Sustainable and Responsible Investing Fund (SRI Fund) for sustainability-themed financial products. This will ensure that capital market participants and the public can easily access information on sustainability-themed financial products from reliable sources.

The SEC aims for the ESG Product Platform to serve as a tool that enables investors to access information on sustainability-themed financial products and make investment decisions with confidence. This update introduces key information on SRI Funds, categorized by tax-benefit products such as Retirement Mutual Fund (RMF), Super Savings Fund (SSF) and Thai ESG Fund. In the next phase of developing the ESG Product Platform, the SEC plans to categorize information on Thai ESG Funds that invest in stocks of listed companies that disclose their corporate value-up plans.

Source: https://www.sec.or.th/EN/Pages/News_Detail.aspx?SECID=11515

GIST OF ROC ADJUDICATION ORDERS

1 Adjudication order for violation of Section 92(5) of the Companies Act, 2013 in the matter of FYNPE PRIVATE LIMITED

ROC Chhattisgarh issued an adjudication order dated 01st January, 2025 in the matter of Fynpe Private Limited as it failed to file its Annual Returns since incorporation and thus violating the provisions of Section 92(5) of the Companies Act, 2013. The Adjudication Authority imposed a penalty of ₹40,700 each on the company and one of the directors. Additionally, a penalty of ₹17,100 was imposed on the other director for the same default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=2smPxYl1Lry9kuE8ObAVQg%253D%253D&-type=open>

2 Adjudication order for violation of Section 137(3) of the Companies Act, 2013 in the matter of FYNPE PRIVATE LIMITED

ROC Chhattisgarh issued an adjudication order dated 01st January, 2025 in the matter of Fynpe Private Limited as it failed to file its Financial Statements since incorporation and thus violating the provisions of Section 137(1) of the Companies Act, 2013. The Adjudication Authority imposed a penalty of ₹43,700 each on the company and one of the directors. Additionally, a penalty of ₹20,100 was imposed on the other director for the same default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=L%252BaWLpQq%252BFL5rqazTxQNC-g%253D%253D&-type=open>

3 Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of TRIVENI NIDHI LIMITED

ROC Kanpur issued adjudication order dated 04th September, 2024 in the matter of Triveni Nidhi Limited as the directors failed to give proper explanations in the Director's Report for Financial Year ended 31.03.2020, thus violating the provisions of Section 134(3)(f) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹50,000 each on three directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=wilrpg7AhluI26ttkJRNuA%253D%253D&-type=open>

4 Adjudication order for violation of Section 118 of the Companies Act, 2013 in the matter of TRIVENI NIDHI LIMITED

ROC Kanpur issued adjudication order dated 04th September, 2024 in the matter of Triveni Nidhi Limited

as the company failed to maintain Minutes Books as per the provisions of Secretarial Standard 1 and 2 and thus violating the provisions of Section 118(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹25,000 upon the company and ₹5,000 each on three directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=sog%252BHZQ8yHt2gzOqQIEwvQ%253D%253D&-type=open>

5 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of SWASTIK MUTUAL BENEFITS LIMITED

ROC Kanpur issued adjudication order dated 27th August, 2024 in the matter of Swastik Mutual Benefits Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed the penalty of ₹50,000 each upon the company and on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=yJvb5H6uEhBQodJqNe546g%253D%253D&-type=open>

6 Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of SHUBHMANGAL INDIA NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 09th September, 2024 in the matter of Shubhmangal India Nidhi Limited for not filing its Financial Statements in form AOC-4 for the year end 31st March 2017 to 31st March 2021 and thus violating the provisions of Section 137(3) of the Companies Act, 2013. The Adjudication Authority imposed penalties of ₹2,00,000, ₹2,00,000, ₹1,73,900, ₹1,37,300, and ₹1,00,800 on the company for defaults in each respective financial year. Additionally, penalty of ₹50,000 each were imposed on three directors of the company for each Financial Year ending from 31st March 2017 to 31st March 2021.

<https://www.mca.gov.in/bin/dms/getdocument?mds=UBjq9yzTWAK8%252BVHvvKB4wg%253D%253D&-type=open>

7 Adjudication order for violation of Section 134(3) (q) of the Companies Act, 2013 in the matter of SHUBHMANGAL INDIA NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 09th September, 2024 in the matter of Shubhmangal India Nidhi Limited as the directors failed to include the details of directors resigned during the year in the Board Report for Financial Year 2018-19, thus violating the provisions of Section 134(3)(q) of the Companies Act, 2013. The Adjudicating Authority

imposed penalty of ₹3,00,000 upon the company and ₹50,000 each on three directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=B9bcJxtyzyQadh2a%252BLp%252Fdw%253D%253D&type=open>

8 Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of ORIENTAL INDIA KISANSHAKTI NIDHI LIMITED

ROC Kanpur issued adjudication order dated 04th September, 2024 in the matter of Oriental India Kisanshakti Nidhi Limited for not filing its Financial Statements in form AOC-4 for the year end 31st March 2018 to 31st March 2020 and thus violating the provisions of Section 137(3) of the Companies Act, 2013. The Adjudicating Authority imposed penalties of ₹2,00,000, ₹1,78,600, and ₹1,42,000 on the company for defaults in each respective financial year. Additionally, penalty of ₹50,000 each was imposed on three directors of the company for each Financial Year ending from 31st March 2018 to 31st March 2020.

<https://www.mca.gov.in/bin/dms/getdocument?mds=7pGgYv55laBS%252B4yOOhKATg%253D%253D&type=open>

9 Adjudication order for violation of Section 134(3) (q) of the Companies Act, 2013 in the matter of UMMID MUTUAL BENEFIT NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 19th September, 2024 in the matter of Ummid Mutual Benefit Nidhi Limited as the directors failed to include the details of changes in the directors in the Board Report for Financial Year 2017-18, thus violating the provisions of Section 134(3)(q) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹50,000 on the directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=7u%252FXj8%252BLQ4F0kgQwufm-Hig%253D%253D&type=open>

10 Adjudication order for violation of Section 134(3) (f) of the Companies Act, 2013 in the matter of UMMID MUTUAL BENEFIT NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 19th September, 2024 in the matter of Ummid Mutual Benefit Nidhi Limited as the directors failed to provide sufficient explanations regarding auditor's comments in the directors' report for Financial Year ended 31.03.2018 and 31.03.2019 and thus violating the provisions of Section 134(3)(f) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹50,000 on the directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=TOOm62d1u%252BP4s4xSgYwXFA%253D%253D&type=open>

11 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of UMMID MUTUAL BENEFIT NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 19th September, 2024 in the matter of Ummid Mutual Benefit Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000 each upon the company and on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=L%252BFn%252B1vtSS353kxbgTQw-2g%253D%253D&type=open>

12 Adjudication order for violation of Section 137(2) of the Companies Act, 2013 in the matter of SWASTIK MUTUAL BENEFITS LIMITED

ROC Kanpur issued an adjudication order dated 27th August, 2024 in the matter of Swastik Mutual Benefits Limited for not attaching Cash flow Statement along with the Balance sheet of the Company from the Financial Year 2014-15 to 2018-19 and thus violating the provisions of Section 137 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,00,000 each on the company and ₹25,000 on three defaulting directors for the years 2014-15 to 2017-18. Additionally, a penalty of ₹67,800 was imposed on the company and ₹25,000 on each of the three defaulting directors for the year 2018-19.

<https://www.mca.gov.in/bin/dms/getdocument?mds=mn%252FjZGRqFDP02EzKRcTz1Q%253D%253D&type=open>

13 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of SUSHAN MUTUAL BENEFITS NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 06th September, 2024 in the matter of Sushan Mutual Benefit Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000 each upon the company and on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=M%252F%252Fj%252FWX%252FJPgJkTLLD-cfT0Q%253D%253D&type=open>

14 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of SUNSTAR MUTUAL SERVICES NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 25th October, 2024 in the matter of Sunstar Mutual Benefit Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act,

2013. The Adjudicating Authority imposed penalty of ₹1,00,000 each upon the company and on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=9sqvaN8x4IAsTlnjT%252BTtrA%253D%253D&-type=open>

15 Adjudication order for violation of Section 117 of the Companies Act, 2013 in the matter of SHUBHMANGAL INDIA NIDHI LIMITED

ROC Kanpur issued adjudication order dated 29th October, 2024 in the matter of Shubhmangal India Nidhi Limited as it has failed to file Form MGT-14 for the year ended 31.03.2018 to 31.03.2021 and thus violating the provisions of Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,00,000, ₹1,76,000, ₹1,37,300 and ₹97,700 upon the company for default in each Financial Year respectively and ₹50,000 upon the three directors of the company for each Financial Year due to such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=pgT%252FwkW9lF3ZNpqM%252F-cr9pA%253D%253D&type=open>

16 Adjudication order for violation of Section 140 of the Companies Act, 2013 in the matter of SHRI RAM NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 03rd September, 2024 in the matter of Shri Ram Nidhi Limited as its auditor failed to file Form ADT-3 within 30 days of her resignation and thus violated the provisions of Section 140 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹2,00,000 on the auditor for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=TgL%252FaFVfhFLuZeZoSHGr5g%253D%253D&-type=open>

17. Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of PRIYANSHI NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 4th September 2024 in the matter of Priyanshi Nidhi Limited for failing to file its financial statements in Form AOC-4 for the financial years ending 31st March 2020 and 31st March 2021 and thus violating the provisions of Section 137 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,33,300 for the company and ₹96,800 for the subsequent year, along with a penalty of ₹50,000 each on the four defaulting directors for both years.

<https://www.mca.gov.in/bin/dms/getdocument?mds=o9FnqpkUbT84OZiWj5TjnA%253D%253D&-type=open>

18 Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of PRIYANSHI NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 4th September 2024 in the matter of Priyanshi Nidhi Limited as the directors failed to mention web address of the company on the directors' report for Financial Year ended 31.03.2018 and 31.03.2019 and thus violating the provisions of Section 134(3)(a) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹50,000 each on the three directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=lbRXj%252ByP70zrq2YMPslmZQ%253D%253D&-type=open>

19 Adjudication order for violation of Section 117 of the Companies Act, 2013 in the matter of PRIYANSHI NIDHI LIMITED

ROC Kanpur issued adjudication order dated 4th September 2024 in the matter of Priyanshi Nidhi Limited failed to file Form MGT-14 for the year ended 31.03.2018 to 31.03.2020 and thus violating the provisions of Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,00,000 and ₹1,74,100 upon the company for default in each Financial Year respectively and ₹50,000 each upon the three Directors of the company for each Financial Year for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=xdK27nK63q8OSdemh%252Bo5Kw%253D%253D&-type=open>

20 Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of PILLARS MUTUAL NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 19th September 2024 in the matter of Pillars Mutual Nidhi Limited as it has failed to file its Annual Returns for the financial years 2016-17 to 2020-21 and thus violating the provisions of Section 92 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹2,00,000, ₹2,00,000, ₹1,66,900, ₹1,30,300 and ₹93,800 for the company each year respectively. Additionally, a penalty of ₹50,000 was imposed on each of the four defaulting directors for each of the years.

<https://www.mca.gov.in/bin/dms/getdocument?mds=nVMogbZZ0JU0JtbsvkvBg%253D%253D&-type=open>

21 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of PILLARS MUTUAL NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 19th September, 2024 in the matter of Pillars Mutual Nidhi Limited for not maintaining the Registered Office

of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000 each upon the company and on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=LCBokc1re%252FR2ELhk16k7hg%253D%253D&-type=open>

22 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 19th September, 2024 in the matter of Pillars Mutual Nidhi Limited failed to file Form MGT-14 for the year ended 31.03.2015 to 31.03.2021 and thus violating the provisions of Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,00,000, upon the company for default in each Financial Year 2015 and 2016 and ₹50,000 each upon the four Directors of the company for default in each Financial Year 2015 and 2016.

<https://www.mca.gov.in/bin/dms/getdocument?mds=MIInJdj04CQTrDhmXWvQ7A%253D%253D&-type=open>

23 Adjudication order for violation of Section 161 of the Companies Act, 2013 in the matter of ORIENTAL INDIA KISANSHAKTI NIDHI LIMITED

ROC Kanpur issued adjudication order dated 4th September 2024 in the matter of Oriental India Kisanshakti Nidhi Limited for not regularising the appointment of additional director even after holding the AGM and thus violating the provisions of Section 161 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹1,00,000 each upon the three Directors of the company for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=whDpzD%252BgiMD3u5IzRFaIA%253D%253D&-type=open>

24 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of ORIENTAL INDIA KISANSHAKTI NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 04th September, 2024 in the matter of Oriental India Kisanshakti Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000 each upon the company and on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=AQFj64e5hwkuA4FTjfJPg%253D%253D&type=open>

25 Adjudication order for violation of Section 117 of the Companies Act, 2013 in the matter of ORIENTAL INDIA KISANSHAKTI NIDHI LIMITED

ROC Kanpur issued adjudication order dated 4th September 2024 in the matter of Oriental India Kisanshakti Nidhi Limited for not filing Form MGT-14 for the year ended 31.03.2017 to 31.03.2020 and thus violating the provisions of Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each upon the three Directors of the company for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=6c3k0848sp2kPXRskSVKDQ%253D%253D&-type=open>

26 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of DETHAT TRADING PRIVATE LIMITED

ROC Kanpur issued an adjudication order dated 04th September, 2024 in the matter of Dethat Trading Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000 each upon the company and on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=TbZPlvpyIH7DpWrap3x1xQ%253D%253D&-type=open>

27 Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of ZU MOULDS PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 11th October, 2024 in the matter of Zu Moulds Private Limited for its failure to take measures to identify the beneficial owner and thus violating the provisions of Section 90(4A) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company & ₹1,00,000 each upon two directors and further, a penalty of ₹35,600 on one director for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=zx5vxEDTgeWh1ma2nXOj%252Bw%253D%253D&-type=open>

28 Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of GENONE OPTECH PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 20th September, 2024 in the matter of Genone Optech Private Limited for its delay in filing e-form BEN-2 from 05.01.2019 to 01.06.2022 and thus violating the provisions of Section 90(4) of the Companies Act, 2013. The Adjudicating Authority imposed penalty

of ₹5,00,000 upon the company and ₹1,00,000 each upon three directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=xrFoGYs36xt21M%252F3xM%252B-Gvg%253D%253D&type=open>

29 Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of VONDA TECHNOLOGY PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 05th September, 2024 in the matter of Vonda Technology Private Limited for its failure to issue e-form BEN-4 for identification of the SBO and thus violating the provisions of Section 90(4A) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹1,00,000 each upon four directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=fT9JlrTAG%252FmhHnrzYd6dCA%253D%253D&-type=open>

30 Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of SEN HON LEE TECHNOLOGIES PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 11th October, 2024 in the matter of Sen Hon Lee Technologies Private Limited for its failure to issue e-form BEN-4 for identification of the SBO and thus violating the provisions of Section 90(4A) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹1,00,000 each upon two directors and ₹42,200 on the other director for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=Wuhyonsimc5STqDyg0p7vw%253D%253D&-type=open>

31 Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of NEU SCIENCE TECHNOLOGY PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 11th October, 2024 in the matter of Neu Science Technologies Private Limited for its failure to issue e-form BEN-4 for identification of the SBO and thus violating the provisions of Section 90(4A) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹1,00,000 each upon three directors and ₹56,600 on one of the directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=7eM2Fc3ZMHLfhXOX3Bz2aw%253D%253D&-type=open>

32 Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of JWORLD ELECTRONICS INDIA PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 31th December, 2024 in the matter of Jworld Electronics India Private Limited for its delay in filing e-form BEN-2 from 26.12.2020 to 26.04.2024 and thus violating the provisions of Section 90(4) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹1,00,000 each upon three directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=AILoIC0fyJfGSIFy0KN3Cg%253D%253D&-type=open>

33 Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of INCHOI TECHNOLOGY ELECTRONIC MATERIALS PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 11th October, 2024 in the matter of Inchoi Technology Electronic Materials Private Limited for its failure to issue e-form BEN-4 for identification of the SBO and thus violating the provisions of Section 90(4A) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹1,00,000 each upon three directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=jc%252FzusTp1wZ87yMY%252BmiY-BQ%253D%253D&type=open>

34 Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of SHINSUNG INDIA PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 05th September, 2024 in the matter of Shinsung India Private Limited for its delay to issue e-form BEN-4 for identification of the SBO and thus violating the provisions of Section 90(4A) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹1,00,000 each upon two directors and ₹95,200 on one of the directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=TJCQzr8wBnwlhwyUxSPIcA%253D%253D&-type=open>

35 Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of RICHENG OPTICAL ELECTRONICS PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 14th October, 2024 in the matter of Richeng Optical Electronic Private Limited for its failure to issue e-form BEN-4 for identification of the SBO and thus violating the provisions of Section 90(4A) of the

Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹1,00,000 each upon three directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=fQpFu3CJrNNd%252Bsj8KTUzrw%253D%253D&-type=open>

36 Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of HAIQI EXHIBITION PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 21th August, 2024 in the matter of Haiqi Exhibition Private Limited for its delay in filing e-form BEN-2 and thus violating the provisions of Section 90(4) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹1,00,000 each upon two directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=W%252BrQ3fIpGhUPl3YdAb%252Ba6g%253D%253D&type=open>

37 Adjudication order for violation of Section 90 of the Companies Act, 2013 in the matter of RENAISSANCE INVESTMENT SOLUTIONS ARC PRIVATE LIMITED

ROC Mumbai issued adjudication order dated 07th January, 2025 in the matter of Renaissance Investment Solutions Arc Private Limited for its failure to issue e-form BEN-4 for identification of the SBO and thus violating the provisions of Section 90(4A) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹6,00,000 upon the company and ₹1,25,000 each upon two directors for such default. Further, a penalty of ₹2,50,000 imposed on SBO for such a default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=q%252FZExGb%252Fx3XeWGNl-JqqeIg%253D%253D&type=open>

38 Adjudication order for violation of Rule 12A of Companies (Appointment and Qualification of Directors) Rules, 2014 in the matter of XINPOMING TECHNOLOGY PRIVATE LIMITED

ROC Kanpur issued adjudication order in the matter of Xinpoming Technology Private Limited for failure to file DIR-3KYC for one director and thus violating the provisions of Rule 12A of Companies (Appointment and Qualification of Directors) Rules, 2014. The Adjudicating Authority imposed penalty of ₹50,000 upon one of the directors of the company for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=m4cieHJb%252BZoyElwZ6VpHjQ%253D%253D&-type=open>

39 Adjudication order for violation of Section 188 of the Companies Act, 2013 in the matter of WATAI ELECTRONICS PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 26th December, 2024 in the matter of Watai Electronics Private Limited for failure to avail approval of shareholders in the general meeting as the company entered into Related Party Transactions with a group company for value of more than 10% of the total turnover and thus violating the provisions of Section 188(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 each upon the Company and one of the directors of the company in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=pNRhJaxoHUdvl%252F6XR%252B4%252Bbg%253D%253D&type=open>

40 Adjudication order for violation of Section 117 of the Companies Act, 2013 in the matter of UMMID MUTUAL BENEFIT NIDHI LIMITED

ROC Kanpur issued adjudication order dated 19th September, 2024 in the matter of Ummid Mutual Benefit Nidhi Limited for its failure to file Form MGT-14 for the year ended 31.03.2018 to 31.03.2020 and thus violating the provisions of Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,00,000, ₹1,71,800 and ₹1,26,900 upon the company for default in each Financial Year respectively and ₹50,000 each upon the three Directors of the company for each Financial Year for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=nYG%252FWuQjyx%252B10rBkfNAa-Jg%253D%253D&type=open>

41 Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of SWASTIK MUTUAL BENEFITS LIMITED

ROC Kanpur issued an adjudication order dated 4th September 2024 in the matter of Swastik Mutual Benefits Limited for failing to attach accounting policies along with the Balance Sheet of the company for the Financial Years 2014-15 to 2018-19 and thus violating the provisions of Section 137 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,00,000 for the company for each year 2014-15, 2015-16, 2016-17, 2017-18 and ₹67,800 for the subsequent year 2018-19, along with a penalty of ₹25,000 each on the three defaulting directors for each year.

<https://www.mca.gov.in/bin/dms/getdocument?mds=c1vS6811z3xpKAvg98ULbA%253D%253D&-type=open>

42 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of SWARNMALA NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 07th September, 2024 in the matter of Swarnmala Nidhi limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000 each upon the company and on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=zlpw3t5d8ftczBpBLcGulg%253D%253D&type=open>

43 Adjudication order for violation of Section 158 of the Companies Act, 2013 in the matter of SHUBHMANGAL INDIA NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 09th September, 2024 in the matter of Shubhmangal India Nidhi Limited for not mentioning of DIN in the financial statements for the year ended 31.03.2021 and thus violating the provisions of Section 158 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,62,700, ₹2,56,600, ₹2,08,000, ₹1,35,200 and ₹1,26,500 upon the company for each Financial year ended on 31.03.2017 to 31.03.2021 respectively and ₹1,00,000 each on three Directors for each financial year for such a default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=qKKkMSPw2fWbN1H8pR461w%253D%253D&type=open>

44 Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of DETHAT TRADING PRIVATE LIMITED

ROC Kanpur issued an adjudication order dated 4th September 2024 in the matter of Dethat Trading Private Limited for not filing its Financial Statements in form AOC-4 for the financial year ending 31st March 2021 and thus violating the provisions of Section 137 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹1,09,800 for the company and a penalty of ₹50,000 each upon the three directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=vZyPhtIfX80dUHk4W2MyJg%253D%253D&type=open>

45 Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of SHRI RAM NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 03rd September 2024 in the matter of Shri Ram Nidhi Limited for failing to attach accounting policies along with the form AOC-4 of the company for the Financial Year ending 31st March 2018 and thus violating the provisions of Section 137 of the Companies Act, 2013. The Adjudicating Authority imposed a penalty of ₹2,00,000 for the company and a penalty of ₹50,000 each upon the three directors for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=hwLgt9nRETPX1xwnt0ROsg%253D%253D&type=open>

46 Adjudication order for violation of Rule 12A of Companies (Appointment and Qualification of Directors) Rules, 2014 in the matter of SHRI RAM NIDHI LIMITED

ROC Kanpur issued adjudication order dated 03rd September 2024 in the matter of Shri Ram Nidhi Limited for failure to file DIR-3KYC for one director and thus violating the provisions of Rule 12A of Companies (Appointment and Qualification of Directors) Rules, 2014. The Adjudicating Authority imposed penalty of ₹50,000 upon one of the directors of the company for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=RSK9Bu3WRgSyJct01rG9sQ%253D%253D&type=open>

47 Adjudication order for violation of Section 184 of the Companies Act, 2013 in the matter of WATAI ELECTRONICS PRIVATE LIMITED

ROC Kanpur issued adjudication order dated 26th December, 2024 in the matter of Watai Electronics Private Limited for failure to disclose directors' interest in the companies to the Board and thus violating the provisions of Section 184(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000 upon the director for not disclosing his interest.

<https://www.mca.gov.in/bin/dms/getdocument?mds=U6iSKDw01SkkicTu2Vvmbw%253D%253D&type=open>

48 Adjudication order for violation of Section 158 of the Companies Act, 2013 in the matter of UNIONBASE NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 03rd September, 2024 in the matter of Unionbase Nidhi Limited for not mentioning of DIN in the financial statements for the year ended 31.03.2017 and thus violating the provisions of Section 158 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company for each financial year ended on 31.03.2017 to 31.03.2019 respectively and ₹1,00,000 on three Directors in default for each financial year end.

<https://www.mca.gov.in/bin/dms/getdocument?mds=HtK4ywpVpQ25R9fejG37vg%253D%253D&type=open>

49 Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of UNIONBASE NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 03rd September, 2024 in the matter of Unionbase Nidhi Limited as the directors failed to provide sufficient explanations regarding auditor's comments in the directors' report for Financial Year ended 31.03.2018 and thus violating the provisions of Section 134 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹50,000 each on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=3t9PA78sOcudkUQnyBQ3wA%253D%253D&type=open>

50 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of UNIONBASE NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 03rd September, 2024 in the matter of Unionbase Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,00,000 each upon the company and on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=WERCNgqYAixrRFqiGCYN4Q%253D%253D&-type=open>

51 Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of TRIVENI NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 04th September, 2024 in the matter of Triveni Nidhi Limited as the directors failed to provide sufficient explanations in the directors' report for Financial Year ended 31.03.2020 and thus violating the provisions of Section 134 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹50,000 each on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=wilrpg7AhluI26ttkJRNuA%253D%253D&type=open>

52 Adjudication order for violation of Section 179(3) of the Companies Act, 2013 in the matter of BCL HOMES LIMITED

ROC Chandigarh issued adjudication order dated 08th January, 2025 in the matter of BCL Homes Limited as the directors did not pass any Board Resolution for approving the Financial Statements and Board's Report and thus violating the provisions of Section 179(3) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,00,000 upon the company and ₹50,000 each on three directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=4pnUQZ4w5zlQyIZWbTc3wQ%253D%253D&-type=open>

53 Adjudication order for violation of Section 117 of the Companies Act, 2013 in the matter of BCL HOMES LIMITED

ROC Chandigarh issued adjudication order dated 08th January, 2025 in the matter of BCL Homes Limited as it failed to file Form MGT-14 and thus violating the provisions of Section 117 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,00,000 upon the company and ₹50,000 each on three directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=v8JrMIDvbHwBHvjUDQZP8g%253D%253D&-type=open>

54 Adjudication order for violation of Section 177 & 178 of the Companies Act, 2013 in the matter of BCL HOMES LIMITED

ROC Chandigarh issued adjudication order dated 08th January, 2025 in the matter of BCL Homes Limited as it has failed to constitute the audit committee and the nomination and remuneration committee and thus violating the provisions of Section 177 & 178 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 upon the company and ₹1,00,000 each on three directors in default for violation of each section separately.

<https://www.mca.gov.in/bin/dms/getdocument?mds=vrKH%252BWaBMO3NZkftFBbZ4A%253D%253D&-type=open>

55 Adjudication order for violation of Section 149(4) of the Companies Act, 2013 in the matter of BCL HOMES LIMITED

ROC Chandigarh issued adjudication order dated 08th January, 2025 in the matter of BCL Homes Limited for not complying with the provisions of Section 149(4) of Companies Act, 2013 read with Rule (1) of the companies (Appointment and Qualification of Directors) Rule, 2014. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹1,00,000 each on four directors in default for such a violation.

<https://www.mca.gov.in/bin/dms/getdocument?mds=pn%252FARPbIpP0WMi0GYgCGbw%253D%253D&-type=open>

56 Adjudication order for violation of Section 165 of Companies Act, 2013 in the matter of Mr. Kailash Nath Bhandari Ex-Director of DAHEJ HARBOUR AND INFRASTRUCTURE LIMITED

ROC Ahmedabad issued adjudication order dated 09th January, 2025 in the matter of Mr. Kailash Nath Bhandari Ex- Director of Dahej Harbour and Infrastructure Limited as he was holding directorship in more than 10 public companies and thus violating the provisions of Section 165 of Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,00,000 upon Mr. Kailash Nath Bhandari for such a violation.

<https://www.mca.gov.in/bin/dms/getdocument?mds=97ciWaxMFtIcLOGT5ENYYQ%253D%253D&-type=open>

57 Adjudication order for violation of Section 134 of the Companies Act, 2013 in the matter of BE BOLD & CONFIDENT CAREERS PRIVATE LIMITED

ROC Chandigarh issued adjudication order dated 13th January, 2025 in the matter of Be Bold & Confident Careers Private Limited as its directors failed to mention number of meetings of the Board of Directors in Boards Report for the Financial Year 2021-22 and thus violating the provisions of Section 134 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,50,000 upon the company and ₹25,000 each upon on the three directors on such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=vN2h0KEHeqjIK7QfbUITPw%253D%253D&type=open>

58 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of RAMNERA NIDHI LIMITED

ROC Kanpur issued adjudication order dated 10th January, 2025 in the matter of Ramnera Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and on two Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=omEP132P%252BluhwXmJDsmJGA%253D%253D&type=open>

59 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of PRIYANSHI NIDHI LIMITED

ROC Kanpur issued adjudication order dated 10th January, 2025 in the matter of Priyanshi Nidhi Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and on three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=GS8VGHT9R3kySpQNOEVPxQ%253D%253D&type=open>

60 Adjudication order for violation of Section 149 of the Companies Act, 2013 in the matter of SAJJAN INDIA LIMITED

ROC Mumbai issued adjudication order dated 08th January, 2025 in the matter of Sajjan India Limited for not appointing women director in its Board and thus violating the provisions of Section 149(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,57,500 upon the company and ₹1,00,000 each upon CEO and CFO of the company for such a default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=jjz7WyyvDIKiTY4PH06yx8w%253D%253D&type=open>

61 Adjudication order for violation of Section 149 of the Companies Act, 2013 in the matter of AASTHA BROADCASTING NETWORK LIMITED

ROC Mumbai issued adjudication order dated 08th January, 2025 in the matter of Aastha Broad Casting Network Limited for not appointing women director in its Board and thus violating the provisions of Section 149(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,85,000 upon the company and ₹1,00,000 on Managing Director of the company for such a default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=KON58INWJJdiRAfiEe%252FuHA%253D%253D&type=open>

62 Adjudication order for violation of Section 149 of the Companies Act, 2013 in the matter of METALLOYS RECYCLING LIMITED

ROC Mumbai issued adjudication order dated 08th January, 2025 in the matter of Metalloys Recycling Limited for not appointing women director in its Board and thus violating the provisions of Section 149(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,85,000 upon the company and ₹1,00,000 each upon three directors of the company for such a default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=QWCIOvFHrf3e5n%252BVcKJBRQ%253D%253D&type=open>

63 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of TRUTHIGH FINTECH PRIVATE LIMITED

ROC Mumbai issued adjudication order dated 07th January, 2025 in the matter of Truthigh Fintech Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and on two Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=j4lu19BGkLDueMvgHASexw%253D%253D&type=open>

64 Adjudication order for violation of Section 137 of the Companies Act, 2013 in the matter of TRUTHIGH FINTECH PRIVATE LIMITED

ROC Mumbai issued adjudication order dated 07th January, 2025 in the matter of Truthigh Fintech Private Limited for not filing its Financial Statements for the Financial Year 2020-21 and thus violating the provisions of Section 137(1) of the Companies Act, 2013. The Adjudication Authority imposed a penalty of ₹1,06,200 upon the company and a penalty of ₹50,000 each upon the six directors for the same default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=mxpZQ8HZWK%252F6S1q3i0S%252Blg%253D%253D&type=open>

65 Adjudication order for violation of Section 149 of the Companies Act, 2013 in the matter of TPI INDIA LIMITED

ROC Mumbai issued adjudication order dated 07th January, 2025 in the matter of TPI India Limited for not appointing women director in its Board immediately after the cessation of directorship and thus violating the provisions of Section 149(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹2,18,500 upon the company and ₹1,00,000 upon the Whole-time director of the company for such a default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=c0MyFZhNJ8V7FEPHSJcqug%253D%253D&type=open>

66 Adjudication order for violation of Section 92 of the Companies Act, 2013 in the matter of TRUTHIGH FINTECH PRIVATE LIMITED

ROC Mumbai issued adjudication order dated 07th January, 2025 in the matter of Truthigh Fintech Private Limited for not filing its Annual Returns for the Financial

Year 2020-21 and thus violating the provisions of Section 92 of the Companies Act, 2013. The Adjudication Authority imposed a penalty of ₹1,03,200 upon the company and a penalty of ₹50,000 each upon the six directors for the same default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=hVrHGxVQJiRSqBTq1wREbQ%253D%253D&-type=open>

67 Adjudication order for violation of Section 149 of the Companies Act, 2013 in the matter of ANHEUSER BUSCH INBEV INDIA LIMITED

ROC Mumbai issued adjudication order dated 07th January, 2025 in the matter of Anheuser Busch Inbev India Limited for not holding a separate meeting of Independent Directors in accordance with a schedule IV of the Companies Act, 2013 for the Financial Year 2021-22 and thus violating the provisions of Section 149(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹3,00,000 upon the company and ₹1,00,000 each upon four directors of the company. Further, a penalty of ₹1,00,000 each on two Company Secretaries for such a default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=gUB%252Feq5eC2FCAP7lralz9g%253D%253D&-type=open>

68 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of CHEETA MULTITRADE PRIVATE LIMITED

ROC Mumbai issued adjudication order dated 07th January, 2025 in the matter of Cheeta Multitrade Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and on two Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=1F2nD%252BAF7ssrp1MIJTOxsg%253D%253D&-type=open>

69 Adjudication order for violation of Section 149 of the Companies Act, 2013 in the matter GODREJ TYSON FOODS LIMITED

ROC Mumbai issued adjudication order dated 07th January, 2025 in the matter of Godrej Tyson Foods Limited for not appointing women director and thus violating the provisions of Section 149(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,85,500 upon the company and ₹1,00,000 each upon Managing Director, CEO, CFO and Company Secretary of the company.

<https://www.mca.gov.in/bin/dms/getdocument?mds=PFSmnH8usEhhgJYHNld2zA%253D%253D&-type=open>

70 Adjudication order for violation of Section 12(1) & (4) of the Companies Act 2013 in the matter of JSKAGRI NIDHI LIMITED

ROC Ernakulam issued adjudication order dated 16th January, 2025 in the matter of Jskagri Nidhi Limited for

not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed the penalty of ₹24,000 each upon the company and on one Managing Director in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=G69982e2HL9QSNIEc4%252BjQ%253D%253D&-type=open>

71 Adjudication order for violation of Section 149 of the Companies Act, 2013 in the matter of S S FORGINGS AND ENGINEERING LIMITED

ROC Mumbai issued adjudication order dated 07th January, 2025 in the matter of S.S. Forgings & Engineering Limited for not appointing women director and thus violating the provisions of Section 149(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,85,500 upon the company and ₹1,00,000 on the Managing Director for such a default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=WnHbTQxQjbgpPg4mFBS1LA%253D%253D&-type=open>

72 Adjudication order for violation of Section 203 of the companies Act, 2013 in the matter of UNITED TECHNOLOGIES CORPORATION INDIA PRIVATE LIMITED

ROC Delhi issued adjudication order dated 27th January, 2025 in the matter of United Technologies Corporation India Private Limited for not appointing whole-time Company Secretary and thus violating the provisions of Section 203 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 each upon the company and on four directors. Further, a penalty of ₹4,45,000, ₹4,43,000, ₹3,92,000, ₹2,50,000 and ₹1,59,000 on the five directors respectively for such a default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=hk2l6kismRgzklewXV5liA%253D%253D&-type=open>

73 Adjudication order for violation of Section 12(1) & (4) of the Companies Act, 2013 in the matter of TECHMATE TOWNSHIPS INTERNATIONAL PRIVATE LIMITED

ROC Ernakulam issued adjudication order dated 28th January, 2025 in the matter of Techmate Townships International Private Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and on one Managing Director for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=PeJoPDL3nZ88zECGZ4eOfw%253D%253D&-type=open>

74 Adjudication order for violation of Section 118 (1) of the Companies Act, 2013 in the matter of CHANDRABANGSHI NIDHI LIMITED

ROC Shillong issued adjudication order dated 28th January, 2025 in the matter of Chandrabangshi Nidhi

Limited as the company failed to maintain Minutes & Resolutions of the Board meetings and General meetings of the company since its incorporation and thus violating the provisions of Section 118(1) of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹1,50,000 upon the company and ₹30,000 on one of the director in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=9bHD6U9fjNRYB%252FITHLI5w%253D%253D&type=open>

75 Adjudication order for violation of Section 137(1) of the Companies Act, 2013 in the matter of CHANDRABANGSHI NIDHI LIMITED

ROC Shillong issued adjudication order dated 28th January, 2025 in the matter of Chandrabangshi Nidhi Limited for not filing its Financial Statements from the Financial Year 2018-19 to 2021-22 and thus violating the provisions of Section 137 of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹2,01,900, ₹1,65,300, ₹1,28,300 and ₹92,300 upon the company for default in each Financial Year respectively. Penalty of ₹60,000 was imposed upon one director of the company for each Financial Year from 2018-19 to 2021-22 for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=0S112jfZBF2hWqn8Yc5xlw%253D%253D&type=open>

76 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of CHANDRABANGSHI NIDHI LIMITED

ROC Shillong issued adjudication order dated 28th January, 2025 in the matter of Chandrabangshi Nidhi Limited for not maintaining Registered office of the company and no business Activities or books of accounts are maintained at Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and on one of the director for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=2ze8esy9iE%252BbtAOOYpaRRg%253D%253D&type=open>

77 Adjudication order for violation of Section 92(4) of the Companies Act, 2013 in the matter of CHANDRABANGSHI NIDHI LIMITED

ROC Shillong issued adjudication order dated 28th January, 2025 in the matter of Chandrabangshi Nidhi Limited for not filing its Annual Returns from the Financial Year 2017-18 to 2021-22 and thus violating the provisions of Section 137 of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹2,10,000, ₹1,98,800, ₹1,62,200, ₹1,25,700 and ₹89,200 upon the company for default in each Financial Year respectively. Penalty of ₹60,000 was imposed upon one director of the company for each Financial Year from 2017-18 to 2021-22 for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=YprmQHlhYyMfER0HwwSfQA%253D%253D&type=open>

78 Adjudication order for violation of Section 203 of the Companies Act, 2013 in the matter of GLOBAL ONE (INDIA) PRIVATE LIMITED

ROC Delhi issued adjudication order dated 31st January, 2025 in the matter of Global One (India) Private Limited for not appointing whole-time Company Secretary and thus violating the provisions of Section 203 of the Companies Act, 2013. The Adjudicating Authority imposed penalty of ₹5,00,000 each upon the company and on two directors for such a default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=su7zbuN7f21jrGG7JWVsTg%253D%253D&type=open>

79 Adjudication order for violation of Section 12 of the Companies Act, 2013 in the matter of SUN BIOTECHNOLOGY LIMITED

ROC Shillong issued adjudication order dated 31st January, 2025 in the matter of Sun Biotechnology Limited for not maintaining the Registered Office of the company and thus violating the provisions of Section 12 of the Companies Act, 2013. The Adjudicating Authority imposed the penalty of ₹1,00,000 each upon the company and on the three Directors in default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=%252BJjkmHYAFQeXKNGiTJLzhg%253D%253D&type=open>

80 Adjudication order for violation of Section 137(1) of the Companies Act, 2013 in the matter of SUN BIOTECHNOLOGY LIMITED

ROC Shillong issued adjudication order dated 31st January, 2025 in the matter of Sun Biotechnology Limited for not filing its Financial Statements from the Financial Year 2018-19 to 2020-21 and thus violating the provisions of Section 137 of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹2,02,200, ₹1,65,600 and ₹1,29,100 upon the company for default in each Financial Year respectively. Penalty of ₹60,000 was imposed upon three directors of the company for each Financial Year from 2018-19 to 2020-21 for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=euMytoX3q9duAHiWwDeGDw%253D%253D&type=open>

81 Adjudication order for violation of Section 92(4) of the Companies Act, 2013 in the matter of SUN BIOTECHNOLOGY LIMITED

ROC Shillong issued adjudication order dated 31st January, 2025 in the matter of Sun Biotechnology Limited for not filing of its Annual Returns from the Financial Year 2017-18 to 2020-21 and thus violating the provisions of Section 92(4) of the Companies Act, 2013. The Adjudication Authority imposed penalty of ₹2,10,000, ₹1,89,100, ₹1,52,500 and ₹1,60,000 upon the company for default in each Financial Year respectively. Penalty of ₹60,000 was imposed upon three directors of the company for each Financial Year from 2017-18 to 2020-21 for such default.

<https://www.mca.gov.in/bin/dms/getdocument?mds=G9mP4SGTmX1SvUwSbjwAgQ%253D%253D&type=open>



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7

BEYOND GOVERNANCE

Case Study

In order to make the Chartered Secretary Journal (CSJ) more interactive for the members and students, the Case Study section has been introduced from April issue. Each Case Study is followed by question(s) which are to be solved by member(s)/student(s). The answer(s) are to be sent to cs.journal@icsi.edu latest by 25th of each month.

The answer(s) will be reviewed by a Panel of reviewer(s). The winner will be given:

- (i) Certificate of Appreciation.
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A new section 'Crossword' containing terminologies/concepts from Companies Act, IBC, NCLT and such related areas of profession is introduced. Members/students are to send the answers of Crossword to cs.journal@icsi.edu latest by 25th of each month.

- The answer(s) will be published in the next issue of CSJ.
- The winners will be selected randomly.
- The name of three winners will be published in the next issue of CSJ.



CASE STUDY

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION CIVIL APPEAL NO. OF 2025

CUS & Ors. ...Appellants

VERSUS

M/s. XYZ Pvt Ltd & Ors..... Respondents

An appeal was filed under section 423 of the Companies Act, 2013 (hereinafter referred as “the Act, 2013”). The appellants had approached the National Company Law Tribunal seeking rectification of the Register of Members of M/s. XYZ Private Limited (hereinafter referred as “the company”), by entering their names therein under Sections 59 and 88 of the Act of 2013, and to initiate action against respondent Nos. 2, 3 and 4, for oppression and mismanagement, apart from criminal proceedings under Sections 447 and 448 of the Act of 2013 for committing fraud.

Brief Facts

1. The company was incorporated under the provisions of the Companies Act, 1956, on 28.03.2000. On 09.03.2004, respondent No.2 had entered into a share purchase agreement with one shareholder of the company and acquired 94.8% of the equity share capital of the company.
2. Thereafter, respondent Nos. 2 and 3 were appointed as Directors of the Company on 02.03.2004. The respondent No.4 became a Director of the company on 30.09.2004. While so, on 18.04.2015, the appellants acquired the equity shares held by respondent No.2 by executing Securities Transfer Deeds in Form No. SH-

3. The appellant No.1 acquired 31.72% of the shareholding, while appellant No.2 and appellant No.3, acquired 31.54% individual shareholding. Share certificates were issued to them, signed and authenticated by respondent Nos. 3 and 4. The appellants claim to have paid consideration to respondent No.2 towards the acquisition of their shares.

Argument on behalf of Appellant:

1. They shared a very congenial and cordial relationship with respondent Nos.2, 3 and 4, and they left the complete managerial control with them despite being the majority shareholders. They claim that they had no suspicion whatsoever against the said persons, but due to their failure in conducting Annual General Meetings during the financial years 2014-15, 2015-16 and 2016-17, the Registrar of Companies struck off the name of the company from the Register of Companies on 21.07.2017, in exercise of power under Section 248 of the Act of 2013.
2. It was only upon browsing the online portal, they came to know that the said persons had thereafter filed annual returns and financial statements for the years in question with false information, by erasing their shareholding from the records of the company. The appellants allege that the aforesaid persons committed various acts of oppression with the intention of grabbing the company property. They, accordingly, prayed for rectification of the Register of Members of the company, by entering their names, and to initiate appropriate action against respondent Nos. 2, 3 and 4.
3. The appellants also denied the financial transactions allegedly arranged by L. R. and the alleged fabrication

of documents by them. The signature of respondent No.2 appeared in the share transfer forms at the correct place, manifesting that the same were not fabricated on signed blank papers. As regards the shortfall in the consideration, they asserted that a portion of the stamp duty on the transfer was to be borne by respondent No.2 and it was accordingly adjusted, leading to the lesser sum being paid.

4. In the first instance, the NCLT directed *status quo* to be maintained as regards the company's assets and invited objections from the other side.

Arguments on behalf of respondent:

1. The company, respondent No.1, filed a counter opposing the grant of interim reliefs.
2. The appellants could not allege oppression and mismanagement as they were not members of the company and were, in fact, seeking rectification of the Register of Members in that regard. The transfer of shares, as claimed by the appellants, was denied and, in consequence, their *locus* to maintain the company petition was challenged.
3. Issue of limitation was also raised as the appellants' claim was that they had acquired the shares on 18.04.2015 but the company petition was filed only on 09.11.2018, i.e., after the lapse of over three years.
4. The company alleged that it had received emails from respondent Nos. 3 and 4 stating that the appellants had forged their signatures on the purported share certificates and the company asserted that the NCLT would have no jurisdiction to adjudicate such allegations of fraud and only the competent civil court could decide the same.
5. The respondent No. 2 disputed the appellants' ownership of the shares. He asserted that he never sold any shares to the appellants and that they were complete strangers to him. He claimed that he had borrowed money from one L. R., his friend, who agreed to lend him the money through banking channels. L. R. forcibly obtained his signatures on several documents, including white papers, letter heads, blank non-judicial stamp papers and green sheets, at that time. He alleged that those blank papers might have been handed over to the appellants by L. R and they fabricated the documents.
6. The format of the appellants' share certificates was not that of the company and the folio numbers therein were different, indicating that they had been fabricated by the appellants.

Key Observations of NCLT

1. Respondent No.2 had addressed letter dated 29.12.2014 to the Board of Directors of the company expressing his intention to sell his shareholding therein. A Board Meeting was held on 24.01.2015 to consider his request and it was found that there was no buyer within the existing shareholders who was

willing to purchase the shares of respondent No. 2. This was stated to have been communicated to respondent No.2 leaving it open to him to make his own arrangement for sale of his shares to outsiders. It was in these circumstances that the appellants purchased the shares of respondent No.2. By e-mail dated 20.04.2015, respondent No.3 sought the approval of the other shareholders for sale of these shares in favour of the appellants. A meeting was held on 27.04.2015 in this regard and share certificates were also issued on the said date to the appellants. These share certificates were signed by respondent Nos. 3 and 4 as Directors of the company. It was noted that respondent No. 2 had contested this claim, by asserting that respondent Nos. 3 and 4 were not even in India on the said date and that the share certificates were fabricated. Various discrepancies were pointed out by him in the said certificates, including absence of the signature of the Company Secretary.

2. The respondent No.2 did not dispute the receipt of monies from the appellants.
3. The respondent No.2 did not dispute his signatures appearing in the share certificates and share transfer forms.
4. The undisputed fact remained that the said sum was remitted into the account of respondent No.2.
5. None of respondent Nos. 3 and 4 had appeared on their behalf and they had not chosen to file any counter in support of the stand taken by them that they were not even in the country on the date in question.

But on final Orders alike, dismissing their claims, having been passed by the original and appellate forums, the observations of interim order of NCLT were ignored and hence an appeal was made before the Supreme Court under Section 423 of the Companies Act, 2013.

Decide the issues:

1. Comment on the argument of the respondent, "NCLT would have no jurisdiction to adjudicate such allegations of fraud and only the competent civil court could decide the same."
2. Is it feasible to fabricate form SH-4 and share certificates on signed blank papers?

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 2025

Bharatsinh Chandrasinh Parmar
ACS 20704

BEST ANSWER - CASE STUDY - JANUARY, 2025

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO..... OF 2025

SECURITIES AND EXCHANGE BOARD OF
INDIA..... APPELLANT

VERSUS

V K RAJ..... THE COMPANY SECRETARY,
RESPONDENT

The facts of the given case are akin to a recent judgment given by the **Hon'ble Supreme Court of India on 8th February, 2023** in the case of **Securities and Exchange Board of India....Appellant Versus. V Shankar ...Respondent**. In this case, exercising its Civil Appellate Jurisdiction in a **Civil Appeal No. 527 of 2023**, the **Hon'ble Apex Court has been pleased to allow the said Appeal and accordingly Hon'ble Apex Court set aside the impugned Order dated 1st November, 2022 of the Securities Appellate Tribunal – Mumbai, passed in Appeal No. 283 of 2022**, and further ordered that the said Appeal No 283 of 2022 shall stand restored to the file of the Securities Appellate Tribunal (hereinafter referred to as "Tribunal") for a decision afresh, and that the Tribunal shall endeavour to decide the case within a period of six months from the date on which a certified copy of this order is placed on its record. Accordingly, the full bench of the Securities Appellate Tribunal – Mumbai has been pleased to hear the matter and has on **20/09/2024 "Reserved the Order"**. Thus, in a way the facts of the present case are a matter *sub judice*. **In the given circumstances, without prejudice, purely for the academic perusal and purpose, the answer to the given case is being given herewith which is based upon the Appraisal of the binding precedent value and the ratio decidendi of this Judgment of the Hon'ble Supreme Court, and thus the Queries raised in the present case are answered hereunder:**

While answering the present case, the averments made in the pleadings and the submissions advanced by the rival parties are taken cognizance of and the same for the sake of brevity and to avoid reiteration are not reproduced once again herein.

Ans. To Query No. 1.

Comment upon the interpretation of the Tribunal w.r.t. role of the Company Secretary in the given case.

From the factual matrix of the case it is revealed that, on 3 August 2017, a notice to show cause was issued by the Whole Time Member (hereinafter referred to as "WTM") of Securities and Exchange Board of India (hereinafter referred to as "SEBI") to the XYZ Ltd., (hereinafter referred

to as the "Company") its Chairperson, Vice-chairperson and V. K. Raj, the Company Secretary, to show cause as to why an enquiry should not be held against them, followed by the imposition of a penalty. The party/ies participated in the enquiry. The WTM proceeded to hold the Company Secretary liable on the ground that he was a Company Secretary during the Financial Year 2010-11 when a buyback offer worth Rupees 270 crores was made by the Company in violation of regulatory provisions.

The WTM found that the Company Secretary had ascribed his signatures on the public announcement for buyback in his capacity as a Company Secretary. The finding against him was that as a 'statutory official' of the Company, he should have exercised due diligence and checked the veracity of the buyback offer documents and legal compliance before authenticating them and signing the public announcement which was found to have violated the provisions of the Companies Act, 1956. The WTM held the Company Secretary liable for the conduct of the Company in connection with the buyback of its equity shares without adequate free reserves which was found to have misled the investors/shareholders. Company Secretary was held liable for violating the provisions of Sections 68 and 77A of the Companies Act, 1956 and Regulations 3(a), (b), (c), (d), 4(1), 4(2)(f), (k) and (r) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 read with Sections 12A (a), (b) and (c) of the SEBI Act.

In an appeal preferred by the Company Secretary- V. K. Raj before the Tribunal, the said order of the WTM(SEBI) was set aside by the Tribunal. It has been the observation of the Tribunal that, Section 68 of the Companies Act, 1956 provides that where any person knowingly or recklessly makes a statement which is false, deceptive or misleading he would be punishable with imprisonment for a term which may extend to five years or with fine or both. Further, Section 77A provides that a company may purchase its own shares provided the buyback is authorised by its articles and that a special resolution is passed in a general meeting of the company authorising the buyback.

Clause 6 provides, that where the company has passed a special resolution or where the Board has passed a resolution to buyback its shares it shall, before making such buyback, file it with the Registrar and SEBI a declaration of solvency in the forms as may be prescribed and verified by an affidavit.

Clause 11 provides that if a company makes default in complying with the provision of Section 77 or any rules made, the company or any officer of the company who is in default shall be punishable with imprisonment or fine or both.

Now, at this juncture, the crucial question which has arisen for adjudication is whether V. K. Raj-the Company Secretary had induced others knowingly or recklessly by signing the public announcement or had committed a default under Section 77A and therefore was liable for the said penalty imposed by the WTM(SEBI)?

To answer this query, the then extant relevant provisions i.e Section 215 of the Companies Act, 1956 should be looked into which provides as under:-

"215. Authentication of balance sheet and profit and loss account.

(1) Save as provided by sub- section (2), every balance sheet and every profit and loss account of a company shall be signed on behalf of the Board of directors-

(i) in the case of a banking company, by the persons specified in clause (a) or clause (b), as the case may be, of sub-section (2) of section 29 of the Banking Companies Act, 1949 (10 of 1949);

(ii) in the case of any other company, by its, manager or secretary, if any, and by not less than two directors of the company one of whom shall be a managing director where there is one.

(2) In the case of a company not being a banking company, when only one of its directors is for the time being in India, the balance sheet and the profit and loss account shall be signed by such director; but in such a case there shall be attached to the balance sheet and the profit and loss account a statement signed by him explaining the reason for non-compliance with the provisions of- Sub-section (1).

(3) The balance sheet and the profit and loss account shall be approved by the Board of directors before they are signed on behalf of the Board in accordance with the provisions of this section and before they are submitted to the auditors for their report thereon."

Clause 1 provides that every balance sheet has to be signed on behalf of the Board of Directors by a Manager or Secretary and not less than two directors of the company, one of whom shall be the Managing Director.

Clause 3 of Section 215 provides that the balance sheet and profit and loss account shall be approved by the Board of Directors before they are signed on behalf of the Board.

Thus, a perusal of Section 215 clearly indicates that there is a fiduciary responsibility upon the Board of Directors of the Company to verify the contents of the balance sheet before approving it. Once the balance sheet and the profit and loss is approved by the Board of Directors then the ministerial task falls upon the secretary and two of the directors to sign the balance sheet under Clause (1) of Section 215.

The finding given by the WTM that one of the duties and responsibilities entrusted upon the Company Secretary is that he should have exercised utmost due diligence and should have checked the veracity of the buyback offer document before authenticating such document. **However in the opinion of the Tribunal, this finding is totally perverse.** Once the offer document and the balance sheet is approved by the Board of Directors the Company Secretary, as part of his duty and responsibility, is only to authenticate the contents indicated in the balance sheet or in the offer document and is not required to go into the veracity of the buyback offer document and its legal compliances before authenticating such document. Such duty is not part of the responsibility of the Company Secretary.

The Tribunal is further of the opinion, that the company is run and managed by its Board of Directors.

The WTM(SEBI) has found that the Board of Directors were involved in the understatement of the financial in the Annual Report and in the Offer Document relating to Buyback. Precisely, it is this Board of Directors who has violated Section 68 knowingly and recklessly inducing investors by inflating the profits of the company. The Company Secretary had no role to play except to comply with the resolution made by the Board of Directors. The Company Secretary was nowhere responsible for the false or misleading open offer made by the Company and therefore cannot be made guilty of Section 68 of the Companies Act. For the same reason, the Company has made a default in complying with the provisions of Section 77 and therefore it is the Board of Directors who is responsible for the default. Merely because the Company Secretary is also an officer in default under Section 5 of the Companies Act, 1956 does not automatically make him an officer in default for noncompliance of the provisions of Section 77A of the Companies Act, 1956. A specific finding has to be given that the Company Secretary was himself responsible for compliances under Section 77A, which is missing coupled with the fact that a clear finding has been given that the directors were solely responsible for the understatement made in the balance sheet and the misleading statements made in the open offer.

Further, there is another aspect that the Regulation 19 of the SEBI (Buyback of Securities) Regulations, 1998 provides various obligations which are required to be carried out by the Company.

Regulation 19(3) provides as under:-

"19(3) The company shall nominate a compliance officer and investors service centre for compliance with the buy-back regulations and to redress the grievances of the investors."

The aforementioned provision indicates that the Company will nominate a Compliance Officer to redress the grievances of the investors. The Company

Secretary-V.K. RAJ herein was also a Compliance Officer and thus the role of the Compliance Officer was only limited to redress the grievance to the investors.

In view of the aforesaid deliberations, it is the interpretation of the Tribunal that, the impugned order of WTM(SEBI) imposing the said penalty upon V. K. Raj-Company Secretary of XYZ Ltd. cannot be sustained and is quashed and set aside by the Tribunal and the said Appeal preferred by V. K. Raj Company Secretary before the Tribunal has been allowed and which is disposed as aforesaid.

Ans. To Query No. 2.

Is the Company Secretary justified in stating that it is duty of the Board of Directors to ensure compliance to ensure statutory compliances w.r.t. financial statements?

From the factual matrix of the case it is revealed that, the Averments and Arguments on behalf of V. K. Raj-Company Secretary-Respondent before the Hon'ble Supreme Court of India are such that:

- (i) The primary finding that has been arrived at is in regard to the failure of the Board of Directors to ensure statutory compliance;
- (ii) The respondent was acting as a Company Secretary and cannot be held liable for the default on the part of the Board of Directors;
- (iii) Moreover, the finding is that the accounts of the companies were found to be erroneous and the default lies with the Board of Directors and not with the Company Secretary.

At the same time the Hon'ble Supreme Court in the case of **Securities and Exchange Board of India.... Appellant Versus. V Shankar ...Respondent - Civil Appeal No. 527 of 2023 (Supra)**, has been pleased to interpret that, the Regulation 19(3) of the SEBI (Buyback of Securities) Regulations 1998 requires the company to nominate a compliance officer and an investors' service centre. The purpose of the nomination is twofold, namely-

- (i) to ensure compliance with the buyback Regulations; and
- (ii) to redress the grievances of investors.

That, there is a patent error on the part of the Tribunal in interpreting the Regulations. The Tribunal held that the role of the Company Secretary, compliance officer, was limited to redressing the grievances of investors. In arriving at the finding, the Tribunal has relied upon the latter part of Regulation 19(3) which deals with redressal of the grievances of investors. The crucial point which has been missed by the Tribunal is that the compliance officer is also required to ensure compliance with the

buyback regulations. Regulation 19(3) of the Regulations expressly so stipulates. Since the interpretation which has been placed by the Tribunal on the interpretation of 19(3) is contrary to the plain terms of Regulation 19(3), the Hon'ble Supreme Court set aside the impugned decision and remitted the proceedings back to the Tribunal for consideration of the facts afresh in the light of the interpretation which has been placed above on the provisions of Regulation 19(3). Thus, complying with the observation of the **Hon'ble Supreme Court of India in the case of Securities and Exchange Board of India....Appellant Versus. V Shankar ...Respondent - Civil Appeal No. 527 of 2023 (Supra)**, the saying of the Company Secretary that it is duty of the Board of Directors to ensure statutory compliances w.r.t. financial statements is not justified. However it requires further adjudication, as the said matter has now been remanded back to the Tribunal for further proceedings.



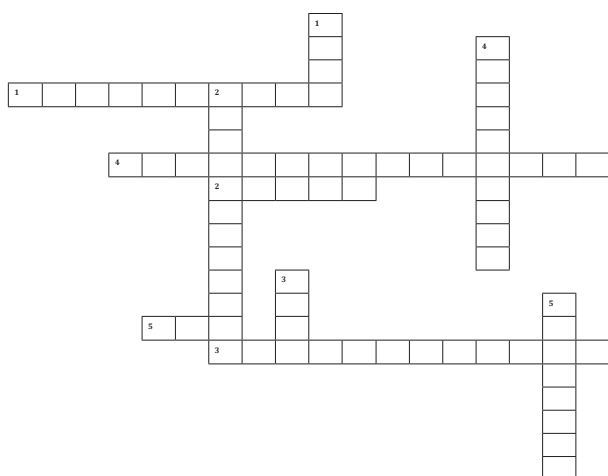
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CROSSWORD PUZZLE – COMPANY LAW - FEBRUARY 2025



ACROSS

- Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016,) "if the two estimates of a value in an asset class are significantly different" Significantly different in Liquidation Values means a difference of _____percent in liquidation value under an asset class.
- Under Companies Act, 2013, If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of _____months from the date of the requisition.
- Under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, in case of an issue of convertible debt instruments, the lead manager(s) shall submit a _____certificate from the debenture trustee as per Form B of Schedule V to the Board along with the draft offer document.
- Under the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, Subject to the provisions of section 53, the liquidator shall not commence distribution before the list of stakeholders and the _____has been filed with the Adjudicating Authority.
- Under the Real Estate (Regulation and Development) Act, 2016, A promoter shall not accept a sum more than _____percent. of the cost of the apartment, plot, or building as the case may be, as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person.

DOWNWARDS

- Under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, Any objection to inclusion or exclusion of a prospective resolution applicant in the provisional list maybe made with supporting documents within _____ days from the date of issue of the provisional list.
- Under Companies Act, 2013, If the register of members or of debenture-holders or of other security holders is closed without giving the notice, or after giving shorter notice than that so provided, or for a continuous or an aggregate period in excess of the limits specified in that sub-section, the company and every officer of the company who is in default shall be liable to a penalty of _____rupees for every day subject to a maximum of one lakh rupees during which the register is kept closed.
- Under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, The offer for buy-back shall remain open for a period of _____ working days.
- Under Companies Act, 2013, One Person Companies and other companies having members upto _____are not required to transact any business through postal ballot.
- Under Limitation Act, 1963, In computing the period of limitation for any suit, appeal or application, the day from which such period is to be reckoned, shall be _____

Winners - Crossword January 2025

1ST CS MADHURA OAK ACS-28992

2ND CS KRITI BHANDARI ACS-70133

3RD CS M PADMAVATHI ACS-65555

Crossword Puzzle – January 2025 Answers

ACROSS

- FIFTY THOUSAND
- AOC-1
- ELEVEN
- FIFTEEN
- TEN CRORE

DOWNWARDS

- FORM C
- INTERNAL AUDITOR
- NINETY
- THIRTY-THREE
- ONE THOUSAND

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