

CHARTERED SECRETARY

THE JOURNAL FOR GOVERNANCE PROFESSIONALS



Emerging Tools and Techniques for PCS



भारतीय कम्पनी सचिव संस्थान
**THE INSTITUTE OF
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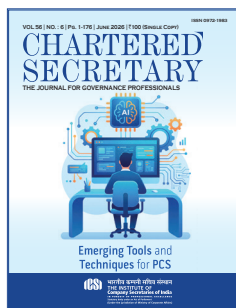


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EDITORIAL

In today's rapidly evolving corporate landscape, the role of Practising Company Secretaries (PCS) is undergoing a profound transformation. No longer confined to compliance and secretarial functions, PCS professionals are now emerging as strategic advisors, governance specialists, and champions of digital transformation. The advent of new tools and techniques is redefining how PCS deliver value to businesses, regulators, and stakeholders.

The integration of AI-driven compliance software, e-governance portals, and workflow automation tools has streamlined routine filings, secretarial audits, and board processes. These platforms not only reduce manual errors but also enhance transparency and accountability, qualities that are indispensable in corporate governance.

With the intent to acknowledge and recognise the significant contribution made by members in expanding the practicing side of CS profession, every year, the Institute observes June 15 as PCS Day. On this occasion, I congratulate practicing members and invite them to actively participate in the upcoming 27th National Conference of Practicing Company Secretaries to be held on June 13-14, 2026, at Pune on the theme, "Company Secretaries as Leaders: AI, ESG & Stewardship."

The theme for this month's Chartered Secretary Journal "**Emerging Tools and Techniques for PCS**" aptly highlights how PCS Professionals are increasingly leveraging AI-driven Technologies to monitor compliance trends, assess governance risks, and provide predictive insights. By integrating these advanced tools into their practice, PCS are strengthening their ability to guide boards with foresight.

The articles featured in this edition affirm that embracing emerging tools and techniques is not merely enhancing efficiency; it is also elevating the stature of PCS as indispensable partners in corporate growth and governance.

The Article on "**The Corporate Laws (Amendment) Bill, 2026 - Re-enactment of Section 153 of the Companies Act, 1956: Companies Not to enter Trusts in Register of Members**" brings insights on the Corporate Laws (Amendment Bill) 2026 and throws light on the proposed amendment in Section 88 of the Companies Act, 2013 which seeks to re-introduce the essence of Section 153 of the Companies Act, 1956. The Articles on "**Digital Personal Data Protection Act, 2023: Compliance Architecture and Emerging Professional Implications**", "**Cybersecurity and Data Protection Compliance: The Practising Company Secretary as the Vanguard of Corporate Cyber Governance**" and "**DPDP Rules 2025 and the Company Secretary as Data Governance Officer: Navigating India's New Data Protection Landscape**" delve on how the Digital Personal Data Protection Act (DPDPA), 2023 establishes India's first unified framework for digital privacy, requiring organizations to adopt consent-centric data practices, robust compliance systems, and governance safeguards and how it reshapes professional roles across legal, compliance, IT security, and corporate governance. The Articles on "**Forensic Secretarial Audit: When Compliance Becomes Detection**" and "**Forensic Secretarial Audit and Fraud Detection: Emerging Tools and Techniques for Practicing Company Secretaries**" shed light on how Secretarial Audits are evolving beyond routine compliance checks into a more investigative, forensic discipline. The Article "**Role of Practising Company Secretaries in Startup and Tech Ecosystems: From Entity Formation to Strategic Exit**" highlights how Company Secretaries are not just compliance officers but strategic partners who guide Startups through their entire lifecycle. A thought provoking article "**From Custodian to Architect: Emerging Digital Tools, Analytical Models and the Transformation of Practising Company Secretaries' Work in India**" enlightens readers on how the profession of Company Secretaries is undergoing a paradigm shift. It emphasizes that Company Secretaries are evolving into architects of governance systems, leveraging digital tools and analytical models. The Articles on "**Cloud-Based Compliance and Documentation Systems: A Strategic Imperative for the Modern Practising Company Secretary in India's Evolving Regulatory Ecosystem**" and "**Cloud-Based Compliance and Documentation: The Company Secretary's Governance Framework in the Digital Age**" provide in depth view on how digital transformation through cloud platforms is redefining the compliance function for Company Secretaries. Invigorating Articles, "**From Quill to Query: Reinventing the Practising Company Secretary in the Age of AI and Automation - A White Paper for the Indian PCS Community**" and "**Voice of the PCS: What Practicing Company Secretaries Really Need from Technology and How AI is Beginning to Answer?**", bring forth a compelling vision of how technology is transforming the very identity of Company Secretaries as digitally empowered, AI-driven governance strategists, redefining their role in corporate ecosystems.

I invite my fellow professionals through these enlightening viewpoints to empower themselves with tools and emerging technologies, while being guided by global best practices and driven by foresight.

Happy Reading !

CS Asish Mohan
(Editor - Chartered Secretary)



CS Pawan G. Chandak, President, The ICSI and CS Asish Mohan, Secretary, The ICSI met with Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry to discuss new avenues for Company Secretaries for a globally competitive and universally accessible professional framework.



CS Pawan G. Chandak, President, The ICSI along with CS Manish Gupta, Former President, The ICSI and Dr. Ashok Kumar Mishra, Central Council Member (Govt. Nominee), The ICSI met with Shri Ravi Mital (IAS Retd.), Chairperson, Insolvency and Bankruptcy Board of India (IBBI) to discuss key issues in the insolvency and governance landscape.



CS Pawan G. Chandak, President, The ICSI accompanied by CS Dhananjay Shukla, Immediate Former President, The ICSI inaugurated the 1st ICSI Contact Centre in Bihar at Ram Dayalu Singh College, Muzaffarpur on May 07, 2026.



2nd ICSI Contact Centre at Marwari College Bhagalpur, Bihar, inaugurated by CS Pawan G. Chandak, President, The ICSI in the presence of CS Dhananjay Shukla, Immediate Former President, The ICSI.



CS Dwarakanath C., Vice-President, The ICSI at the ICSI Outreach Programme for NGOs on Registration and Listing on Social Stock Exchanges in Bengaluru, Karnataka on May 15, 2026.



CS Dhananjay Shukla, Immediate Former President, The ICSI met with Shri Mithilesh Tiwari, Hon'ble Minister of Education, Bihar.

ICSI delegation led by CS Asish Mohan, Secretary, The ICSI attended the meeting on implementation of Corporate Mitra Scheme, chaired by Shri Rahul Jain, Joint Secretary, MCA.



SIRC of The ICSI conducted the Tamil Nadu State Conference of Company Secretaries on the theme: “Metamorphosis: Sector Specific Governance Architect” on May 16-17, 2026. CS Pawan G. Chandak, President, The ICSI was the Chief Guest and CS Dwarakanath C., Vice-President, The ICSI, was the Guest of Honour. CS Mohan Kumar A. and CS Venkata Ramana R., Central Council Members, The ICSI also graced the programme.



SIRC of The ICSI organised a Press Conference on May 16, 2026.



Pune Chapter of The ICSI conducted a technical training session for GST Officers of Pune-II Commissionerate. The session was led by CS Devendra Deshpande, Former President, The ICSI.



ICSI-IGPI organised a 3-Day Internal Audit Excellence Programme for Agriculture Insurance Company of India Limited from May 4-6, 2026 at ICSI, Noida.



Bhubaneswar Chapter of The ICSI organised the 3rd CS State Conference of Odisha on May 23-24, 2026 at Puri, Odisha on the theme “**प्राधान्यम् - Transcending Compliance, Empowering Leadership**”. Prof. (Dr.) Lalit Kumar Deb, Hon’ble Member, Odisha State Law Commission was the Chief Guest and Prof. (Dr.) Satyanarayan Acharya, Hon’ble Vice Chancellor, Odia University, Puri was the Special Guest. CS Sandip Kumar Kejriwal and CS Rupanjana De, Central Council Members, The ICSI graced the occasion.



6th Batch of CLDP-Phase-I conducted by Indore Chapter of The ICSI from April 28 to May 15, 2026. CS Ashish Karodia, Central Council Member, The ICSI graced the programme.



Chandigarh Chapter of The ICSI held a Sports Day celebration on May 03, 2026.



Chandigarh Chapter Committee of NIRC of The ICSI held a welcome meeting for the newly-joined RD, NR-II and a farewell programme for the outgoing RD.



SIRC of The ICSI organised a programme on Stakeholder Consultation Series on Ease of Doing Business on May 06, 2026. Shri Gyaneshwar Kumar Singh, DG & CEO, IICA graced the programme.



Indore Chapter of The ICSI organised a full-day Seminar on "IPO: Altering Regulatory and Legal Landscape in India" on May 23, 2026 at Indore.

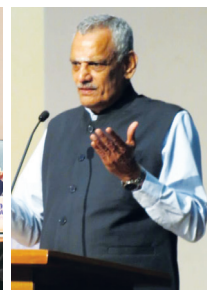


Half Day Seminar organised by Gurugram Chapter of ICSI on May 23, 2026.



EIRC of The ICSI participated in SAPE Education Fair 2026 held at Netaji Indoor Stadium, Kolkata from May 16-18, 2026.

GLIMPSES FROM ICSI CCGRTs



Shri Amarjeet Singh, Whole-Time Member, SEBI and CS B. Narasimhan, Former President, The ICSI addressed the Capacity Building Workshop on Sustainable Governance at ICSI-CCGRT, Kolkata. Mr. Vikas SS, General Manager and Regional Director of the Eastern Regional Office, SEBI, Kolkata also graced the event.



ICSI-CCGRT, Kolkata conducted the 18th CLDP, Phase-II from May 04-18, 2026. CS Sandip Kejriwal, Central Council Member, The ICSI and Convenor, CCGRT Kolkata and CS Rupanjana De, Central Council Member, The ICSI addressed the participants.



Three days Certificate Course on AI for Company Secretary was held from May 21-23, 2026 by ICSI-CCGRT, Kolkata and EIRO jointly. Shri Debashish Sen, IAS (Retd.), Former Chairman, WBHIDCO addressed the participants in the opening session.



ICSI-CCGRT, Mumbai organized the Valedictory Ceremony of the 7th CLDP – Phase II in residential mode on May 08, 2026.



ICSI-CCGRT, Manesar organised a 2 Days Non-Residential Capacity Building Workshop on ESG & BRSR Reporting on May 02-03, 2026. CS Dhananjay Shukla, Immediate Former President, The ICSI and CS Asish Mohan, Secretary, The ICSI graced the event.



ICSI-CCGRT, Manesar conducted a 7th RCLDP from April 28-May 12, 2026. CS Dhananjay Shukla, Immediate Former President, The ICSI and CS Suresh Pandey, Central Council Member, The ICSI graced the Valedictory Session.



ICSI-CCGRT, Manesar organised a Capacity Building Workshop on Inspection and Investigation under Companies Act, 2013 on May 16, 2026 in the presence of CS Dhananjay Shukla, Immediate Former President, The ICSI.



ICSI-CCGRT, Manesar conducted the 8th RCLDP from May 14-28, 2026. CS Dhananjay Shukla, Immediate Former President, The ICSI and CS Suresh Pandey, Central Council Member, The ICSI graced the Inaugural Session.



ICSI-CCGRT, Mumbai organised the Inaugural Session of the 8th CLDP – Phase II in residential mode on May 12, 2026. CS Rajesh Tarpara, Central Council Member graced the programme.

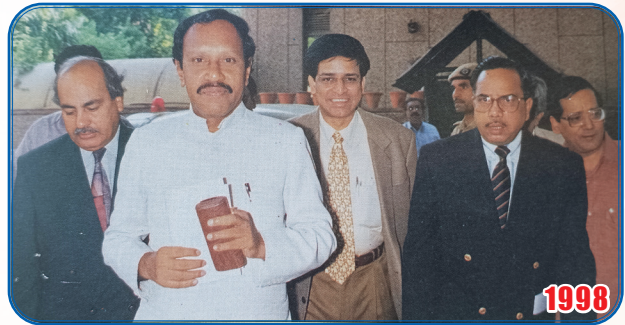
THIS MONTH THAT YEAR



1995
SIRC-COCHIN CHAPTER: Inauguration of Chapter premises - [Right] U.K. Chaudhary inaugurating the Chapter premises. [Left] U.K. Chaudhary addressing. Others seated are (L to R) Koshy Mathew, M.S. Raghavan, Dr. S.P. Narang, A. Sivadasan and Dr. K. Chandrasekaran.



1997
WIRC-PUNE CHAPTER: Felicitation of President & Vice President - Sitting (Second from L to R) Dr. K.R. Chandratre, Amit K. Sen, D.K. Prahlada Rao, J. Sridhar and Dr. S.P. Narang.



1998
Hon'ble Minister of Law, Justice & Company Affairs Dr. Thambi Durai being received and escorted to Council Room at ICSI HQ, Lodi Road.



2000
SIRC: COCHIN CHAPTER: Discussion with the Committee on Law on Insolvency, Winding up of Companies and Privatisation of Winding up Proceedings.

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*Fatum Fortes Adiuuat
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Dear Professional Colleagues,

It seems like yesterday only that we were relishing the new year festivities and planning for the year ahead. Blink of an eye – is how many of us would define these five months. And while much seems accomplished – the activities in the pipeline are pushing each other forward to play their parts and reap effective results.

Amidst the sweltering weather across most parts of the country, the significance of this month is heightened for our professional brigade. And even though the recognition accorded to practicing side is reminisced – the celebration belongs to the entire 80500+ and-counting strong force of Company Secretaries not only in India but all over the World.

While the details of the 27th National Conference of Practising Company Secretaries will follow in the next edition, I feel a tremendous warmth in my heart and adulations for the founding fathers of this profession and with them all my predecessors to the Office of the President to have taken the baton of governance to such heights where the entire nation recognizes our contribution and each Regulatory Authority extends its appreciations.

The words that “*patience and hard work always pay their due*” find their true meaning in the journey of this Institute. The ICSI whose foundations were laid in 1957 and formed as a company in 1968, found its first magnificent recognition on 15th June 1988. Exactly, 11 years later, did we start hosting the National Conference of Practising Company Secretaries.

While there is ample amazement and joy – there is also a never-ending and ever-enhancing sense of responsibility. Indeed, there is freedom - you are your

own boss. But a peep deeper, and the realisation strikes - that this freedom comes with an extreme sense of responsibility. Not only are you responsible for your own certifications and signatures affixed - you are as much responsible for the compliance of the corporates under your tutelage - you are responsible for the trust entrusted by the stakeholders - and most importantly you are responsible for the brand value, image and sanctity of this esteemed profession. And it is this responsibility that we celebrate and honour on this day and through this august conference...

With a strong belief that the days to follow will find us not seeking but being accorded with greater recognitions, I wish each one of my revered members a very Happy PCS Day !!

ICSI VISITS JAPAN : A SURREAL EXPERIENCE OF THE FUTURE

omoeba dekiru

“If you believe you can, you can”

Visiting a country which is ahead of you in time is a unique experience altogether. You step foot on a land - and an entire date is skipped. No wonder the land of rising Sun has its own way of life - one that intrigues you, takes you by surprise, but most importantly inspires you humongously - to strive for more, to become more and to create more and to stay ahead of time.

For almost two decades the Institute of Company Secretaries of India in understanding of its global responsibilities has been pursuing deliberations across nations and leading the way for good governance. And hosting the 19th International Professional Development & Fellowship Programme, in Japan indeed was an enlightening as well as transformative experience.

For years we have been discussing Secretarial Practices, the varied corporate laws and their points of convergence, the growing interest in ESG and how to keep it sustainable and now the upsurge in Artificial Intelligence.

But what really stands at the centre of all these deliberations - the real executor and implementers - are the members of the Boards of corporations.

And when I say this - this statement holds truth in the Indian scenario, in the Japanese scenario - as well as any other corporate - in any part of the world. This truth is what led us to our theme - **Future-Ready Boards: Skills, Strategy & Stewardship.**

If the Boards are the ones to guide the corporates to glory, they must be equipped with the right knowledge, the apt skill, and the perfect strategy - and that is what the week-long Programme was all about.

My heartiest appreciations to our Chief Guest Mr. R. Madhu Sudan, Deputy Chief of Mission, Embassy of India, Japan for joining us and making the event a grand success. As much as I commend the efforts of the Team in putting the event together, I am thankful to each one of the participants for making our Japanese escapade memorable.

To many more in the times ahead !!!

ICSI OUTREACH: JOINING HANDS, BUILDING TIES, FOSTERING GOVERNANCE

While the preparations of the mega event of the PCS Conference have kept us busy, we decided to divide and conquer and utilize the time in between with some more capacity building and outreach initiatives.

Aligning ourselves with the agenda of Government of India of Aspirational East, it was indeed an awe-inspiring trip to the land of Nalanda – Bihar with the Immediate Former President, CS Dhananjay Shukla, to inaugurate the first two Contact Centres in Bihar's Muzzafarpur and Bhagalpur.

Two months ago, the ICSI had signed an MOU with the IAGES (Indian Association for Gold Excellence and Standards). To build capacities and knowledge amongst members to reap benefits from this collaboration, dedicated programmes are being organized jointly by ICSI and IAGES presided over by their Team members. The intent of both the MOU and these Programmes is to create a pool of experts proficient to act as facilitators in implementation of the IAGES accreditation standards and also as authorized external assessment agencies for gold industry partners of IAGES across India.

The initiative indeed looks towards a golden future of the professionals...!

Apart from the members, there is a long list of stakeholders that we consider to be a part of the ICSI Family. In an attempt to strengthen these groups, we attempted organizing Outreach Programmes for NGOs and SME Fund Raising Conclave. While the first one was conducted jointly with NABARD, the second one found us joining hands with SEBI, BSE and AIBI, to bring the nuances and knowledge right at the doorstep of the group concerned. With the recently notified Companies

(Corporate Social Responsibility Policy) Amendment Rules, 2026 introducing a new item in Schedule VII of "Subscription to zero coupon zero principal instruments on Social Stock Exchange", these events held find greater impetus - now more than ever. If NGOs are a route for CSR investment and thus building a Viksit Bharat - if SMEs are the key to building an Aatmanirbhar Bharat, the time feels opportune to strengthen these brigades to serve their natural purpose and together build an Aatmanirbhar-Viksit Bharat !!!

MEETINGS AND RENDEZVOUS: BUILDING THE NATION TOGETHER

As we talk of adding brick and mortar to the foundations of economic and social structures of this economy, it is imperative that there is togetherness in action and intent. It was truly an honour to have been accorded the time and opportunity to meet Shri Piyush Goyal, Hon'ble Minister of Commerce and Industry of India. Not only did we get a chance to share details of ongoing ICSI initiatives but also deliberate upon the futuristic lines of action.

The rendezvous with Hon'ble Justice (Retd.) Anupinder Singh Grewal, the newly-appointed President of National Company Law Tribunal was equally gratifying. His empathetic approach to the various issues and challenges facing the representors in the quasi-judicial authorities has been quite heartening. Alongside this, the ICSI Team is continually engaging with the Ministry of Corporate Affairs and participating in the deliberations of the Coordination Committee to take forward the agenda of Corporate Mitra.

The times ahead indeed seem brighter than before !!!

With all the Boards working in all their swiftness and with a proactive approach - the functioning behind the ICSI doors seems nothing short of 'Amrit Manthan' - the churning of information, knowledge and expertise - to achieve the nectar of ICSI Vision. All in all the pace for the upcoming months has been set. As I come to the end of this message, the memories of the month gone by and the achievements in terms of work accomplished, fill me with warmth and the intentions for the future fill me with vigour and delight. Nonetheless, the heart is full. And it is with this warmth and vigour, that I intend to continue serving the stakeholders of our magnanimous institution.

And while I pursue the goals here, I, both hope and believe, that you keep you expanding your knowledge as well as professional boundaries endlessly...!!!!

With warm regards



CS Pawan G. Chandak
President, ICSI

Activity Highlights of May, 2026

MEETINGS WITH DIGNITARIES

- Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry
- Shri Mithilesh Tiwari, Hon'ble Minister of Education, Bihar
- Hon'ble Justice (Retd.) Anupinder Singh Grewal, President, NCLT
- Shri Ravi Mital (IAS Retd.), Chairperson, Insolvency and Bankruptcy Board of India IBBI

ICSI GLOBAL CONNECT

INTERNATIONAL WEBINAR

Date	Topic	Speakers	Moderator
05.05.2026	Company Secretaries Beyond Boundaries: Global Reach & AI Integration	CS Dinesh Makani, Founder & Director, IBS CS Nitish Chandan, CEO, ECRA PTE. LTD. CS Hemiksha Bhojwani, Senior Corporate Counsel, APAC, EMEA, Atmus Filtration Technologies CS Priya Mahajan, Head of APAC Public Policy & Regulatory Counsel, Verizon	CS Sonu Nahata, Deputy Director, The ICSI

19TH INTERNATIONAL PROFESSIONAL DEVELOPMENT & FELLOWSHIP PROGRAMME (IPDFP)

The ICSI organised its 19th International Professional Development and Fellowship Programme on the theme “Future Ready Boards: Skills, Strategy & Stewardship”, from May 26, 2026 to June 02, 2026 in Japan. Beyond the insightful business breakfast discussions held across all eight days, a Conference was held on June 01, 2026 in Tokyo, to foster meaningful exchange of knowledge and networking. Mr. R. Madhu Sudan, Deputy Chief of Mission, Embassy of India, Japan, graced the occasion as the Chief Guest. Around 40 Company Secretaries from across India participated in this 8- day programme.

ICSI MEMBERS

ICSI OUTREACH PROGRAMME FOR NGOS AT BENGALURU

The ICSI, in association with National Bank for Agriculture and Rural Development (NABARD), hosted its second Outreach Programme for NGOs on Registration and Listing on Social Stock Exchanges on May 15, 2026 at Bengaluru. The programme provided a comprehensive overview of

Social Stock Exchange (SSE) ecosystem, including listing norms, registration procedures, benefits of registration, and innovative instruments such as Zero Coupon Zero Principal (ZCZP) instruments, supported by practical scenarios and case studies.

Shri Vimal Bhatte (Deputy General Manager, CFD, SEBI), Shri Vineet Shastri, (Associate Vice President, SSE Listings - Mainboard, NSE), Dr. Ramesh Swamy (Director, SGBS Unnati Foundation) and CS S. C. Sharada (Practicing Company Secretary) enriched the sessions with their valuable insights and guidance. The event witnessed enthusiastic participation from around 30 NGOs, marking a significant step towards strengthening the SSE framework and empowering NGOs to leverage capital markets for social impact.

SME FUND RAISING CONCLAVE - KEY GROWTH OPPORTUNITY AT GUWAHATI

The ICSI, BSE, and AIBI jointly organized the “SME Fund Raising Conclave – Key Growth Opportunity”, an initiative of SEBI, on May 22, 2026, in Guwahati, Assam, with Horizon Merchant Bankers as the Associate Partner. The programme brought together key stakeholders from capital markets ecosystem, including policymakers, regulators, market intermediaries, and SMEs, to deliberate on the evolving landscape, challenges, and best practices in the SME IPO process. CS Deep Mani Shah, Chief General Manager, SEBI, was the Chief Guest while CS Vishal Jhaveri (Deputy CRO, Listing Compliance & Issuer Oversight), BSE Limited, Dr. Samir Baruah (Chairperson, Banking & MSME, Indian Chamber of Commerce, North East Indian States), Dr. Milind V. Dalvi (CEO – AIBI), Mr. Sandeep More (Regional Head – East, BSE Limited), Mr. Rajesh Sharma (President – Investment Banking, Horizon Management Pvt. Ltd.), Mr. Basanta Kumar Rana, (Co-Founder & MD - Workmates Core2Cloud Solution Ltd.) and CS Manoj Rawani, Chairman - Guwahati Chapter of ICSI, enriched the programme with their valuable insights. The event was attended by approx.100 participants.

MASTER KNOWLEDGE SERIES EEE 6.0 (ENABLE, ENRICH, EXCEL)

Date	Topic	Faculty	Link
06.05.2026	PMLA: Obligations of Reporting Entities	Sh. Illanchiyani V, JD, FIU-IND CS Ashwani Taneja, Ex-Member, ITAT	Live Webinar on AML/CFT Guidelines: Obligations of Reporting Entities and ICSI KYC Guidelines
13.05.2026	Corporate Bonds: Regulatory Framework and Compliances	CS K Saravanan, CGM, SEBI Dr. CS Kunal Mandwale, Chief Compliance Officer & Investor Grievance Officer, Pune Municipal Corporation	Live Webinar on Corporate Bonds: Regulatory Framework and Compliances
20.05.2026	The Code on Wages, 2019	CS Sandeep Nagarkar, PCS	Live Webinar on The Code on Wages, 2019

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 Circles renewed in May, 2026 for the FY 2026-27 were as under:

Region	Name of the Study Circle	Status
WIRC	Jamnagar Study Circle of ICSI	Renewal
NIRC	Greater Noida West Study Circle of ICSI	Renewal
NIRC	Rohini Study Circle of ICSI	Renewal
SIRC	Hubli-Dharwad Study Circle of ICSI	Renewal

REPRESENTATION SUBMITTED

Date	Particulars	Authority
04.05.2026	Request for Establishment of NCLT Bench at Patna, Bihar	Smt. Nirmala Sitharaman Hon'ble Union Minister of Finance and Corporate Affairs
04.05.2026	Request to facilitate setting up of a Bench of NCLT at Pune, Maharashtra	
04.05.2026	(a) Introduction of Third-Party Certification/Audit Scheme under Labour Codes, and (b) Certification of Unified Annual Return under Labour Codes by Company Secretaries in Practice	
04.05.2026	Representation for Introduction of Pre-Certification Mechanism by PCS for Registration of Establishments under Labour Codes	
05.05.2026	Request to authorise Company Secretaries in Practice to appear u/s 16(4) and 32 of FEMA, 1999	Shri Sanjay Malhotra Governor, RBI
05.05.2026	Request for inclusion of CS as eligible professionals for valuation certification under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019	Shri S. Satyanarayana Director (FT) Department of Economic Affairs, MoF
06.05.2026	Functioning of MCA-21 V3 Portal - Issues and Challenges faced by stakeholders - Reg	Ms. Deepti Gaur Mukerjee Secretary, MCA
14.05.2026	Representation on consolidation of certifications under the Annual Secretarial Compliance Report	SEBI
18.05.2026	Request for kind support in introduction of One-Time Amnesty Scheme for procedural violations under FEMA, 1999	Shri Piyush Goyal Hon'ble Union Minister of Commerce and Industry

19.05.2026	Request to authorise Company Secretaries in Practice to appear u/s 16(4) and 32 of FEMA, 1999	Department of Financial Services, Ministry of Finance
22.05.2026	Request to continue exclusive domain of CS as Compliance Officer of Online Bond Platform Providers (OBPPs)	Shri Amarjeet Singh, WTM, SEBI

VIEWS AND SUGGESTIONS OF ICSI

Date	Suggestions shared on	Authority
26.05.2026	Consultation paper on Modification in the regulatory framework for Online Bond Platform Providers (OBPPs)	SEBI

PEER REVIEW CERTIFICATES ISSUED

During the month May 2026, Peer Review of around 120 Practice Units was completed and accordingly Peer Review Certificate issued. The updated list of Peer Reviewed Units can be accessed at www.icsi.edu/media/webmodules/List_Peer_Reviewed_Practice_Units.pdf

ONLINE ASSESSMENT FOR ICSI COURSES

Online Assessment of following Certificate Courses was organised in the current month:

Certificate Course	Batch
Prevention of Sexual Harassment (POSH)	Batch 10
Intellectual Property Rights (IPR)	Batch 7
Professional Reboot: Women Returning to CS Roles	Batch 3
Foreign Exchange Management Act (FEMA)	Batch 9
Goods and Services Tax (GST)	Batch 14
Commercial Contract Management (CCM)	Batch 9
Forensic Audit (FORA)	Batch 10

ONLINE CLASSES OF PMQ COURSES

During the month, Online Classes of PMQ Courses were conducted as under:

- PMQ Course on Corporate Governance - 4 Online Sessions
- PMQ Course on Arbitration - 2 Online Sessions
- PMQ Course on Internal Audit - 4 Online Sessions
- PMQ Course on Direct Tax - 3 Online Sessions

ASSESSMENT OF IFSCA ACCREDITED COURSES

The assessment for following Courses was conducted on 30th May 2026:

- Certificate Course on Regulatory framework for Capital Market Intermediaries in IFSC

- Certificate Course on Regulatory Framework for Fund Management in IFSC: AIFs and
- Certificate Course on Regulatory Framework for Fund Management in IFSC: Retail Schemes

PLACEMENT OPPORTUNITIES FOR COMPANY SECRETARIES

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

(May 2026)

No. of entities that Posted Jobs on the ICSI Placement Portal	123
No. of Openings available on the ICSI Placement Portal	176

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

RESULT OF CAMPUS SELECTION FOR NMDC LIMITED

NMDC Limited selected two candidates for the post of Executive Trainee (Board and Company Affairs) in various categories. The Executive Trainees will be offered Basic Pay of ₹50,000 plus Dearness Allowances (IDA) as per rules of the Company. On successful completion of training of six months, the Executive Trainees will be designated as Assistant Managers in the scale pay of ₹60,000 - ₹1,80,000 and initial Basic Pay will be fixed at ₹60,000 per month with an annual CTC of ₹19.80 lakh.

STATUS OF REGISTRATIONS AND POSTINGS AT THE PLACEMENT PORTAL

(On May 31, 2026)

Registered Users			Total no. of Vacancies
Members	Students	Corporates	Jobs / Trainings
22,953	35,963	8,475	41,659

ICSI SECTION 8 COMPANIES

ICSI INSTITUTE OF INSOLVENCY PROFESSIONALS

- Workshop Series Perspectives on IBC - An Array (Series – XXII)

Date	Subject	Speaker	YouTube link
11.05.2026	How to prepare Provisional Financial Statements as of CIRP Commencement Date	CS and IP Siva Rama Prasad Puvvala	IBC Series - XXII How to prepare Provisional Financial Statements as of CIRP Commencement Date
12.05.2026	How to prepare IM before 95 th day from CIRP Commencement Date		IBC Series - XXII How to prepare IM before 95 th day from CIRP Commencement Date
13.05.2026	How to verify Resolution Plans submitted by PRAs		IBC Series - XXII How to verify Resolution Plans submitted by PRAs
14.05.2026	How to assess Resolution Plans using Model Evaluation Matrix		IBC - Series - XXII How to assess Resolution Plans using Model Evaluation Matrix
15.05.2026	Understanding Key Functions of Manufacturing or Service Organisations by IRP/ RP		IBC Series - XXII Understanding Key Functions of Manufacturing or Service Organisations by IRP/ RP

- Workshops

Date	Subject	Speaker(s)	YouTube link
09.05.2026	Amendments under IBC and its Regulations	• IP Devvart Rana • IP Anil Kohli	Workshop Amendments under Insolvency and Bankruptcy Code and its Regulations
23.05.2026	IBBI Compliances and Recent IBC Changes	• CS and IP Shravan Kumar Vishnoi • IP Sandeep K. Bhatt	Workshop IBBI Compliances and Recent IBC Changes
29.05.2026 30.05.2026	Transformative Changes under IBC and Related Regulations	• CS and IP Partha Kamal Sen	Workshop Transformative Changes under IBC and Related Regulations (Part I) Workshop Transformative Changes under IBC and Related Regulations (Part II)

- **Webinar**

Date	Subject	Speaker	YouTube link
07.05.2026	Creditor Initiated Insolvency - Paradigm Shift or just a Hybrid Model	CS and IP Harmeet Kaur	Webinar Creditor Initiated Insolvency - Paradigm Shift or just a Hybrid Model
21.05.2026	Transition Procedures Under IBC, 2016	CS and Siva Rama Prasad Puvvala	Webinar Transition Procedures Under IBC, 2016

ICSI INTERNATIONAL ADR CENTRE

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

INSTITUTE OF GOVERNANCE PROFESSIONALS OF INDIA

3-Days Training Programme for Internal Audit Team of Agriculture Insurance Company of India Limited

The IGPI conducted 3-days training programme for the Internal Audit Team of Agriculture Insurance Company of India Limited at C-37, ICSI House, Sector-62 Noida from 4th to 6th May 2026 on Internal Audit in physical mode. The topics of the deliberation are Audit Execution Skills, Core Internal Audit Fundamentals, Risk Management & Compliance, Advanced Audit Tools, Soft Skills & Professional Competence and Specialized Audit Areas. Number of Participants: 30

ICSI CCGRTs

ICSI-CCGRT HYDERABAD

- **Member's Programme**

Date	Name of Event/ Activity	Participants
27.04.2026	IICA Outreach Programme on Opportunities under IBC jointly organized with Hyderabad Chapter	64

- **Student's Programme**

Date	Event	Participants
23.04.2026-08.05.2026	6 th Batch of CLDP (Phase-2)	45
11.05.2026-26.05.2026	7 th Batch of CLDP (Phase-2)	45

ICSI-CCGRT KOLKATA

- **Member's Programme**

Date	Event	Participants
21.05.2026-23.05.2026	Certificate Course on AI for Company Secretary	25
22.05.2026	Capacity Building Workshop on Sustainable Governance	100

- **Student's Programmes**

Dates	Event	Participants
04.05.2026-18.05.2026	18 th Batch of RCLDP	39

ICSI-CCGRT MANESAR

- **Member's Programmes**

Dates	Event	Participants
02.05.2026-03.05.2026	2 Days Non-Residential Capacity Building Workshop on ESG & BRSR Reporting	24
16.05.2026	Capacity Building Workshop on Inspection and Investigation under Companies Act 2013	39

- **Student's Programmes**

Dates	Event	Participants
28.04.2026-12.05.2026	7 th Batch of RCLDP	50
14.05.2026-28.05.2026	8 th Batch of RCLDP	48

ICSI-CCGRT MUMBAI

- Student's Programmes*

Dates	Name of Event/ Activity	Participants
24.04.2026-08.05.2026	7 th Batch of CLDP Phase-II	52
12.05.2026-26.05.2026	8 th Batch of CLDP Phase-II	50

ICSI REGIONAL OFFICES**ICSI-EIRO**

- Member's Programmes*

Date	Event / Activity
21.05.2026-23.05.2026	Certificate Course on AI for Company Secretaries jointly with CCGRT Kolkata
22.05.2026	Capacity Building Workshop on Sustainable Governance jointly with CCGRT Kolkata

- Student's Programmes*

Date	Event
08.05.2026	9 th Student Induction Programme
12.05.2026 To 14.05.2026	34 th Three Days Orientation Programme
15.05.2026 To 02.06.2026	2 nd CLDP Phase-1 Classroom Mode
20.05.2026	10 th Student Induction Programme
25.05.2026 To 27.05.2026	35 th Three Days Orientation Programme

ICSI-SIRO

- Member's Programmes*

Date	Event / Activity
06.05.2026	Stakeholder Consultation Series on Ease of Doing Business Guest: Shri Gyaneshwar Kumar Singh, DG & CEO, IICA
16.05.2026-17.05.2026	Tamil Nadu State Conference of Company Secretaries Theme: "Metamorphosis: Sector Specific Governance Architect" Chief Guest: CS Pawan G. Chandak, President, ICSI Guest of Honour: CS Dwarakanath C., Vice-President, ICSI

ICSI-WIRO

- Member's Programmes*

Date	Event	Participants
08.05.2026	Director's Report: Compliance, Penalties & Best Practices	138
08.05.2026	Unlocking Professional Opportunities under the Insolvency and Bankruptcy Code (IBC): A Career Orientation Programme	49
16.05.2026	Critical issues under the Companies Act, 2013	190
16.05.2026	Compounding and Adjudication under Companies Act, 2013	162
16.05.2026	Joint Seminar with Nagpur Chapter on Digital Boardrooms & Smart Compliance: The New Era of Company Secretaries	124
16.05.2026	Joint One-Day Conference with Nagpur Chapter on Annual Returns & AGM Adjudication	112
23.05.2026	Critical issues in Related Party Transactions	250
23.05.2026	Joint Program with Navi Mumbai Chapter on Corporate Governance	125

- Student's Programmes**

Date	Name of Event / Activity
29.04.2026-18.05.2026	5 th Batch of CLDP Phase-1
30.04.2026-19.05.2026	70 th Classroom Mode EDP
20.05.2026-22.05.2026	26 th Batch of Three Days Orientation Program (TDOP)
25.05.2026	6 th Batch of Student Induction Program (SIP)

- Study Circle Meetings**

Date	Study Circle	Topic
03.05.2026	Kandivali Study Circle	Proposed Amendments to Companies Act, 2013
14.05.2026	H. T. Parekh Marg (Corporate) Study Circle	Enhancing Disclosure Standards in General Meeting Notices

ICSI-NIRO

- Member's Programmes**

Date	Event	Participants
02.05.2026	Haryana State Conference at Faridabad on IPO: Altering Regulatory Legal Landscape in India	237
09.05.2026	Gyan Vridhi Programme on Discussion on unlocking RERA Practice: Adjusting, Compliances & Litigation Roles for CS Professionals	59
13.05.2026	Mega Health Check-Up Camp promoting Preventive Healthcare & Well-being	--
16.05.2026	Seminar on Demystifying Digital Personal Data Protection Act, 2023	140
23.05.2026	Gyan Vridhi Programme on Inside FCRA: The Law & the Lessons	73
29.05.2026	Chandigarh U.T. Conference on beyond compliances: CS as Navigator in NCLT & Corporate Turnarounds and Adjudications/Appeals	107

- Student's Programmes**

Date	Name of Event / Activity	Participants
02.05.2026	15 th Student Induction Programme	23
08.05.2026	16 th Student Induction Programme	35
15.05.2026	17 th Student Induction Programme	44
22.05.2026	18 th Student Induction Programme	44
29.05.2026	19 th Student Induction Programme	47
05.05.2026-07.05.2026	62 nd Three Days Orientation Programme	26
12.05.2026-14.05.2026	63 rd Three Days Orientation Programme	32
19.05.2026-21.05.2026	64 th Three Days Orientation Programme	31
26.05.2026-28.05.2026	65 th Three Days Orientation Programme	29
16.04.2026-05.05.2026	69 th Executive Development Programme	32
21.04.2026-06.05.2026	10 th CLDP Phase 1	56
05.05.2026-22.05.2026	11 th CLDP Phase 1	52
20.05.2026-08.06.2026	12 th CLDP Phase 1	42

ICSI EMPLOYEES

- Training Program titled "Oracle ERP and Financial Accounting at Regions"**

A training programme titled "Oracle ERP and Financial Accounting at Regions" was organized from April 27, 2026 to May 02, 2026 at CCGRT, Kolkata. The training was conducted by in-house trainer Mr. Gautam Mullick and ERP expert Mr. Priyank Maheshwari took the training. The aim of the training is to have in-depth knowledge of Finance and ERP modules.

- Webinar on "High BP: The Silent Killer You Can Control" by Dr. Reddy's Foundation**

A webinar was organized on May 13, 2026 on the topic "High BP: The Silent Killer You Can Control" by Dr Reddy's Foundation for the benefit of ICSI employees and pensioners. All employees/veterans participated in the webinar presented by Dr. Souvik Mukherjee, General Physician.

- **Webinar on “General Cancer Awareness” by Dr. Reddy’s Foundation**

A webinar was organized on May 14, 2026 on the topic “General Cancer Awareness” by Dr. Reddy’s Foundation for the benefit of ICSI employees and pensioners. All employees/veterans participated in the webinar presented by Dr. Hardik Patel, Medical Oncologist.

- **Webinar on “Women’s Health at Home and at Work” by Dr. Reddy’s Foundation**

A webinar was organized on May 29, 2026 on the topic “Women’s Health at Home and at Work” by Dr. Reddy’s Foundation for the benefit of ICSI employees and pensioners. All employees/veterans participated in the webinar presented by Dr. Nupur Gupta, Gynecologist.

ICSI STUDENTS

FACILITATION AND RELAXATION

- **ICSI Student Amnesty Scheme 2025**

The Institute has introduced a special Amnesty Scheme for 3 months w.e.f. December 01, 2025. Subsequently, the duration has been extended, and the Scheme shall remain in force until **August 31, 2026**. This initiative provides an opportunity for former students to re-enrol, recommence their studies, and rebuild their pathway towards qualifying as Company Secretaries.

Category	Eligibility	Fee
I	Earlier Students of Intermediate / Executive Programme Stage OR Final /Professional Programme Stage; and Registrations expired and are not eligible for Registration De-novo	₹5,000
II	Existing students who have taken fresh registration or re-registration under syllabus 2022 after expiry of their earlier registration and wish to avail exemptions/benefits based on papers passed/exempted under previous syllabus	₹1,000

- **CS Mitra Scheme**

ICSI has introduced CS Mitra incentive Scheme wherein any person who is above 18 years of age is eligible to become CS Mitra under the scheme. Incentive @ ₹500 will be paid per student to the CS Mitra for each student registered in Executive Programme. To register visit: smash.icsi.edu/Scripts/Registration/Mitra_Registration.aspx?rmode=1# As on date, ICSI has **1298** registered CS Mitra.

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

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

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

With a view to encourage and motivate economically backward and academically bright students to pursue

the Company Secretaryship Course, a Trust, viz., “ICSI Students Education Fund Trust” has been established by the Institute. Eligible students are fully exempted from paying the various fees payable under Executive and Professional Programmes.

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

The Institute has introduced a special initiative for students who:

- ◆ Have successfully passed the Executive Programme
- ◆ Did not register for the Professional Programme
- ◆ Have an expired registration term and not eligible for de-novo

Students can continue their study from Professional Programme, eliminating the need to repeat Executive level.

Key Benefits:

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

The detailed information is available at: icsi.edu/docs/Webmodules/REREGISTRATION.pdf

- **ICSI Samadhan Diwas**

67th Samadhan Diwas was organised on May 13, 2026 through virtual mode for “on-the-spot” resolution to issues/grievances of students. In the Samadhan Diwas, students get opportunity to present their cases and interact directly with the Officials of the ICSI.

- **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, **11** Transcripts were issued. Likewise, on request of the employer/PSU/government authorities and other Education verifier agencies, **07** Education Verification requests of CS students were processed.

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

The Institute has facilitated Executive Programme students to register directly for the Executive Programme classes conducted by the Regional/Chapter Offices at the time of Executive registration.

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

The Institute has decided that the students enrolling into the Company Secretary Course shall be eligible for paper-wise exemption(s) based on the higher qualifications acquired by them.

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

The Institute has enabled issuance of Professional Programme Pass Certificate online via DIGILOCKER. The students who have passed on or after June 2021 Session of Examination can download Professional Pass Certificate from DIGI Locker.

- **Dedicated Helpline Number for Student Queries**

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

JUNE 2026 EXAMINATIONS

- **Online Doubt Clearing Classes:**

The Online Doubt Clearing classes for Executive and Programmes for June 2026 examinations were held from May 04, 2026 to May 29, 2026.

- **Admit Card – CSEET, Executive & Professional for June 2026 Session of Examination**

Admit Cards for June 2026 Examinations were released on May 21, 2026 for CSEET, Executive and Professional Programmes. All information on this regard hosted on the ICSI website and propagation was done through Bulk mail and SMS.

TRAINING OPPORTUNITIES

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

No. of Corporates/ MCA and other Government Bodies/ PSUs/ PCS Firms that Posted Training and Semi-qualified Job Opportunities on the ICSI Placement Portal	161
No. of Training/Semi-qualified Opportunities available on the ICSI Placement Portal	301
Number of PCS registered with the Institute for imparting training during the month	35
Number of Company/LLP/ Other Entities registered with the Institute for imparting training during the month	41

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

KNOWLEDGE UPGRADATION

- **Knowledge on Demand for Students of ICSI**

The ICSI has launched a subscription-based service “Knowledge on Demand” for students to access recorded sessions on important topics such as Behavioural Skills, Court Craft and Drafting, and so on. Students according to their convenience can update their knowledge on the ICSI’s LMS (E-Learning) platform.

Subscription Fees

Single Video	₹250 (inclusive of Tax)
All videos (Annual Subscription)	₹11000 (exclusive of Tax)

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

The journals for the month of May, 2026 are available at: www.icsi.edu/e-journals/

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

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

- **Info Capsule:**

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

Student Outreach Activity

Date	Name of Institution	Venue/City
01.05.2026-02.05.2026	Delhi Sikh committee - Career Guidance Fair 2026	Gurudwara Rakab Singh Complex, New Delhi
09.05.2026	Professional Enrichment Programme for Commerce Teachers in association with CTF	St. Edmunds School, Jawahar Nagar, Jaipur
10.05.2026	Career Clinic 2026	Borivali Professional Forum
14.05.2026-16.05.2026	Bharat Shiksha Expo	India Expo Centre & Mart, Greater Noida
16.05.2026-17.05.2026	21 st Admissions Fair	Bharat Mandapam, New Delhi
16.05.2026-18.05.2026	SAPE Education Fair 2026	Netaji Indoor Stadium, Kolkata
16.05.2026	Professional Enrichment Programme for Commerce Teachers in association with CTF	Pandit Mohan Lal Sanatan Dharam School, Chandigarh
17.05.2026	AWAAM - Career Guidance Seminar and Expo 2026	Saniya Celebration Hall, Mumbra, Mumbai

DIGITAL ICSI

- Development and Implementation of granting 50% Fee Concession for Registration to Executive Programme for Economically Backward Students (EBS).
- Development and Implementation of the new eligibility criteria, for registration/ provisional registration to Executive Programme for integrated courses and ICAI Intermediate Pass.
- Development and Implementation of restructured CSEET Roll no. generation, Centre breaking, Tentative Data, enrol data, attendance sheet data, data utility.
- Development and Implementation of Pending CSEET Enrolment Details with Region/Chapter Dashboard.
- Development and Implementation of Category-wise Price of CSEET (Restructured) study material for making the Item code for sale in e-cart Portal.
- Development and implementation of e-admit card for restructured CSEET students.
- Upgradation and migration of SMASH portal Database server from SQL Server 2012 to SQL Server 2022.
- Implementation of barcodes and security codes on e-admit cards to ensure secure verification and reduce the risk of forgery.

Master Knowledge Series EEE 6.0 (Enable, Enrich, Excel)

WEBINAR ON

The Code on Wages, 2019 held on May 20, 2026



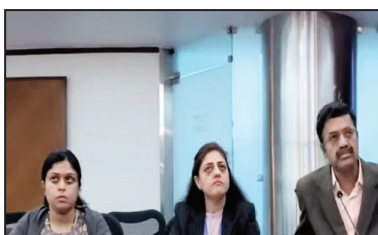
Faculty:
CS Sandeep Nagarkar
Practicing Company
Secretary



Moderator:
CS Venkata Ramana R.
Central Council Member
The ICSI

WEBINAR ON

Corporate Bonds: Regulatory Framework and Compliances
held on May 13, 2026



Faculty:
CS K. Saravanan
CGM, SEBI



Faculty:
CS (Dr.) Kunal Mandwale
Chief Compliance Officer & Investor
Grievance Officer, Pune Municipal Corporation



Moderator:
CS Ashish Karodia
Central Council Member
The ICSI

WEBINAR ON

AML & CFT Guidelines: Obligations of Reporting Entities and ICSI
KYC Guidelines on AML & CFT held on May 06, 2026



Faculty:
Sh. Illancheliyan V.
JD, FIU-IND



Faculty:
CS Ashwani Taneja
Ex-Member, ITAT



Moderator:
CS NPS Chawla
Central Council Member, The ICSI



भारतीय कम्पनी सचिव संस्थान
THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

ARTICLES INVITED FOR GLOBAL CONNECT IN CHARTERED SECRETARY JOURNAL

Dear Member,

The ICSI invites articles for its prestigious Chartered Secretary Journal - a monthly publication on 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 the industry 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. For details on submission of articles, please refer to the Guidelines for Authors placed in the Journal.

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

Sincerely,

Team ICSI

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GLOBAL CONNECT



-
- International Regulatory Update
 - 19th International Professional Development & Fellowship Programme
 - Webinar
-

International Regulatory Update

Hong Kong Stock Exchange (“HKEX”) Mandates Shareholder Approval to Curb “Auditor Shopping”

Effective April 2026 Update on Appointment, Removal and Remuneration of Auditors (FAQ 16 No. 5 (updated April 2026))

1. Purpose of the Update

The Hong Kong Exchanges and Clearing Limited (HKEX) has issued updated guidance and clarified Frequently Asked Questions (FAQ) to address concerns over **auditor shopping** (also known as opinion shopping). These measures aim to enhance transparency, protect shareholder rights, and safeguard the integrity of financial reporting in Hong Kong’s listed market.

The revisions close existing loopholes that allowed listed issuers to change auditors without adequate shareholder oversight, particularly through engineered resignations near reporting deadlines.

2. The Issue: Auditor Shopping in Hong Kong’s Listed Market

Auditor shopping occurs when listed companies pressure their external auditors to resign — often shortly before financial reporting deadlines — and replace them with a more compliant firm. This practice is frequently disguised as a dispute over audit fees, enabling the board to treat the resignation as a “casual vacancy” that can be filled by board resolution rather than a formal shareholder vote at a general meeting.

From a corporate governance perspective, such behaviour undermines auditor independence, reduces accountability, and erodes investor confidence in the quality and reliability of audited financial statements.

Historically, the Listing Rules (Main Board Rule 13.88 and GEM Rule 17.100, together with Appendix A1) permitted boards considerable flexibility in handling auditor resignations. While issuers must announce changes and disclose reasons (including any matters the outgoing auditor wishes to communicate to shareholders under Rule 13.51(4)), the mechanism for filling casual vacancies often bypassed immediate shareholder approval. Companies could pressure auditors into resigning, appoint a replacement via the board, and only seek routine ratification at the next annual general meeting (AGM) — by which time the critical audit work for the relevant period would largely be complete.

This created a clear loophole: management could effectively remove an auditor without real-time shareholder scrutiny, diminishing the audit committee’s oversight role and weakening the fundamental shareholder right to approve the appointment and removal of auditors.

The updated HKEX guidance directly addresses these concerns by reinforcing that shareholder approval at a

general meeting is required for auditor appointments and removals. Any company action that triggers or requests an auditor’s resignation will generally be treated as a formal removal, necessitating a shareholder vote. In addition, companies must provide clearer disclosure of specific audit fees (or reasonable fee ranges) to prevent vague “fee disputes” from serving as a pretext for changes.

These reforms align Hong Kong’s regime more closely with international best practices and strengthen the overall corporate governance framework.

3. Key Requirements under the Updated Guidance

- ❖ **Shareholder Approval Mandatory:** Appointment or removal of auditors must generally occur only at general meetings with shareholder approval.
- ❖ **Resignation Treated as Removal:** Any issuer request or action causing an auditor to resign (including pressure over fees) is regarded as a removal and requires a formal shareholder vote.
- ❖ **Enhanced Fee Disclosure:** Issuers must disclose specific audit fees or reasonable ranges to limit misuse of fee-related disputes.
- ❖ **Improved Transparency:** Announcements of auditor changes must include detailed reasons and any matters raised by the outgoing auditor.

4. Effective Date and Transition

The updated FAQ and guidance took effect in April 2026. Listed issuers are expected to comply immediately with any new auditor changes. HKEX will closely monitor compliance and may take regulatory action where disclosures are deficient or circumvention is suspected.

5. Implications for Listed Companies

- ❖ Audit committees and boards should engage early with auditors on fee setting and scope.
- ❖ Companies should avoid actions that could be interpreted as pressuring auditors near reporting deadlines.
- ❖ Greater emphasis is placed on robust audit committee oversight and timely resolution of audit issues.

This regulatory update reinforces HKEX’s commitment to high-quality financial reporting and long-term market integrity.

Submitted by —
CS Pooja Shukla

Senior Lecturer, Hong Kong Metropolitan University

Source: [https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Whats-New/News-Item/faq_16\(202604\).pdf](https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Whats-New/News-Item/faq_16(202604).pdf)

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Founder & Director, IBS



Speaker:

CS Nitish Chandan
Chief Executive Officer,
ECRA PTE. LTD.



Speaker:

CS Hemiksha Bhojwani
Senior Corporate Counsel, APAC,
EMEA, Atmus Filtration Technologies



Speaker:

CS Priya Mahajan
Head of APAC Public Policy &
Regulatory Counsel, Verizon



Moderator:

CS Sonu Nahata
Deputy Director, The ICSI



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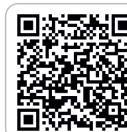
Navigating the UK
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CV Writing and
Interview Techniques



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Opportunities in
United States



CS Overseas:
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Opportunities in
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Convergence &
Divergence of the Role
of a Corporate Secretary
in various Jurisdiction



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Opportunities in GST & Indirect Taxes

Within less than a decade; India's GST regime, has matured from a structural tax reform into a technology-driven compliance and revenue management framework. While the initial focus was on creating a unified national market and eliminating cascading taxes, the current priorities are centered on revenue buoyancy, compliance efficiency, litigation management, and economic competitiveness. GST collections have demonstrated resilience, supported by increased formalization of the economy, data-driven enforcement, e-invoicing, and improved tax administration.

In view of the completion of 9 years of the GST journey, we are pleased to inform you that the July 2026 issue of Chartered Secretary Journal will be devoted to the above theme and the sub-themes mentioned below:

- ❖ Green Energy Subsidies: Impact on corporates and sustainability
- ❖ Taxing cross-border e-commerce & digital streaming platforms: Challenges impending
- ❖ Integration of e-invoicing and e-way bills: Impact on tax evasion
- ❖ GST and MSMEs : The present and the future
- ❖ Strengthening digital backbone of GST: Present norms and future expectations
- ❖ Growth, inflation, and demand impacts across sectors: A detailed evaluation
- ❖ Digital Transformation: Efficacy of AI-driven invoice matching, faceless audits, and reduction of classification disputes.
- ❖ Base GST structures and peripheral social initiatives (National Security Cess Bill, 2025): Interplay in Between
- ❖ Sunset of anti-profiteering rules: Impact on Business price adjustments
- ❖ India's GST 2.0: A Visionary Approach to Viksit Bharat 2047

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

Members and other readers desirous of contributing articles may send the same latest by **Thursday, June 25, 2026** at cs.journal@icsi.edu for **July 2026** issue of Chartered Secretary Journal.

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

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

38 From Quill to Query: Reinventing the Practicing Company Secretary in the Age of AI and Automation - A White Paper for the Indian PCS Community**CS Shalini Iyengar**

The article explains how the work of the Practicing Company Secretary, properly understood, is not the document — it is the assurance behind the document. AI changes the cost of the document. It cannot, and will not, change the assurance.

45 Voice of the PCS: What Practicing Company Secretaries Really Need from Technology and How AI is Beginning to Answer?**CS Srividhya Sampath**

The article examines how Artificial Intelligence and emerging no-code tools are beginning to address these gaps, not as distant promises but as accessible, deployable solutions available today.

50 Role of Practicing Company Secretaries in Startup and Tech Ecosystems: From Entity Formation to Strategic Exit**CS Sudesh Balecha (Modi)**

The article highlights that beneath this narrative of disruption and growth lies a compliance and governance challenge that receives far less attention than the funding rounds and valuations dominating the discourse. A startup raising its Series A round must simultaneously navigate the Companies Act, the Foreign Exchange Management Act, the Income Tax Act, the DPIIT Startup India framework, SEBI regulations for future public market access, the Insolvency and Bankruptcy Code, and an increasingly demanding data protection regime under the Digital Personal Data Protection Act, 2023.

57 Forensic Secretarial Audit and Fraud Detection: Emerging Tools and Techniques for Practicing Company Secretaries**Dr. J. Madegowda**

This article examines the conceptual foundations of FSA, the nature of corporate fraud and governance vulnerabilities, and the growing role of Practicing Company Secretaries in preventive governance and forensic compliance assurance.

63 Forensic Secretarial Audit: When Compliance Becomes Detection**CS Raman Narasimhan**

This article discusses that the answer to fill the gap between Certification and Detection is not merely process improvement. It is a fundamental reconception of what secretarial audit is for. The forensic dimension of secretarial audit — its capacity to detect, not merely certify — must be built into the methodology, not left to chance. And for that to happen, both the practising CS conducting the audit and the in-house CS whose work is being audited must be prepared, motivated, and equipped in ways that current professional standards do not demand of either.

70 Cybersecurity and Data Protection Compliance: The Practicing Company Secretary as the Vanguard of Corporate Cyber Governance**CS Rajiv Malik**

The article emphasises that Corporate Governance has traditionally been associated with financial discipline, statutory compliance, board processes, and ethical decision-making. However, in today's digital economy, another dimension has silently entered the boardroom: cybersecurity and data protection governance. This transformation has significantly altered the expectations from governance professionals, including the Practicing Company Secretary (PCS).

77 From Custodian to Architect: Emerging Digital Tools, Analytical Models and the Transformation of Practicing Company Secretaries' Work in India**CS Ishan Medhekar**

The article gives particular attention to interactive analytical dashboards and compliance visualisation models as emerging instruments for client advisory, governance diagnostics, and regulatory communication, deliberating that the PCS who can translate a complex market surveillance anomaly or a compliance obligation matrix into a dynamic visual model for a Board is delivering a categorically different quality of professional service.

83 DPDP Rules 2025 and the Company Secretary as Data Governance Officer: Navigating India's New Data Protection Landscape

CS Sahiba Khan

The article brings to light how the DPDP framework with its consent architecture, breach notification obligations, board-level accountability requirements, and penalty regime that can reach ₹250 crore per violation places data protection squarely within the domain of corporate governance, and corporate governance is, by training, profession, and statute, the domain of the Company Secretary.

88 Digital Personal Data Protection Act, 2023: Compliance Architecture and Emerging Professional Implications

Dr. Sajoy P.B. and Dr. Ajoy P.B.

This article provides a bird's-eye view of the new legal framework being set up under the DPDP Act, 2023. The transitional period provides all stakeholders with sufficient time to adapt themselves to the new liability regime that will eventually come into force. The article highlights the provisions relating to the Data Protection Board of India (DPBI) have been enforced with effect from 13.11.2025.

91 Cloud-Based Compliance and Documentation: The Company Secretary's Governance Framework in the Digital Age

CS Amrit

The article analyses the impact of evolving technologies including Artificial Intelligence (AI), blockchain, and API-based ecosystems in reshaping the compliance functions which is also discussed along with the role of the in-house governance experts i.e. the Company Secretaries.

Articles Part - II

95 The Corporate Laws (Amendment) Bill, 2026

Re-enactment of Section 153 of the Companies Act, 1956: Companies Not to enter Trusts in Register of Members

CS (Dr.) K. R. Chandratre

The article discusses about the proposed amendment in Section 88 of the Companies Act, 2013 through Corporate Laws (Amendment) Bill, 2026 pertaining to re-enactment of context of Section 153 of the Companies Act, 1956 where the companies were prohibited from entering Trusts in the Register of Members and this provision was not included in the Companies Act, 2013. Now, Clause 31 of Bill seeks to insert new sub-section in Section 88 to provide that no notice of any trust (whether express, implied or constructive), shall be entered in the register of members or debenture holders.

Research Corner P-103

104 Cloud-Based Compliance and Documentation Systems: A Strategic Imperative for the Modern Practising Company Secretary in India's Evolving Regulatory Ecosystem

CS (Dr.) R. Ravichandran and N. Rakesh

The article underlines the technology roadmap to 2033 also confirms that today's cloud adoption will enable practitioners to take cloud, AI, blockchain, and green computing capabilities without having to reinvent the architecture. Over the years and successive regulatory periods, the role of Company Secretary has shown its ability to change from a legal compliance officer to an advisor to the Board.

Legal World P-115

- **LMJ 06:06:2026** We, therefore, find no substance in the submission of learned counsel for the appellants that the valuer had committed a mistake in applying the principles approved by this Court in Hindustan Lever Employees Union (supra). [SC]
- **LW 41:06:2026** Thus, in the facts and circumstances of the present case, we find that in the present Section 9 proceedings, except for accounts reconciliation for which the correspondence was going on between the two parties, there is no pre-existing dispute between them. [NCLAT]
- **LW 42:06:2026** The cash collateral which was part of security could have very well be adjusted by the Financial Creditor towards the payment of any outstanding dues but recoupment from cash collateral cannot lead to conclusion that no default was committed on the relevant date. [NCLAT]

- **LW 43:06:2026** Given the facts obtaining presently, we are of the firm view that this was an eminently fit case for lifting the corporate veil, as EIL was the main driving force in the development of the projects and in payment of GNIDA's dues. The subsidiary companies were only a front. [SC]
- **LW 44:06:2026** The Commission is of the view that a prima facie case of contravention under Section 3(4)(b) read with Section 3(1) of the Act is made out against the OPs and directs the Director General ('DG') to cause an investigation into the matter in relation to the alleged conduct. [CCI]
- **LW 45:06:2026** Thus, the Commission is of the view that there was no evidence of bias toward Infosys and of any exclusive dealing agreement or refusal to deal. Hence, there is no violation of Section 3(4)(b) and Section 3(4)(d) of the Act. [CCI]
- **LW 46:06:2026** The DJU makes the Collaborator a veritable party to the contract who is also entitled to invoke the arbitration clause as available in the contract between the Contractor and the Employer in which the DJU executed by the Collaborator and the Contractor, in favour of the Employer is an inextricable part. [SC]
- **LW 47:06:2026** The consideration has to be commercial. The friendship cannot be a consideration to form a contract. Thus, if no contract has been formed, then the transaction cannot be legally enforced and it does not come under the definition of legally enforceable debt and the jurisdiction of Section 138 of N.I Act is not applicable. [JHK]
- **LW 48:06:2026** Therefore, in light of the settled legal position, the applicant, not being a signatory to the cheques, cannot be held liable for the offence under Section 138 of the N.I. Act. [ALL]

From The Government P-123

- The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2026
- Notification of Amendments
- What procedure is to be followed in case of transfer of interest of a member in a company not having share capital?
- Extension of Registration Deadline MCA21 NextGen Industry Consultation Workshop
- Revision of Monthly Cumulative Report (MCR) Format
- Status of SPVs post-conclusion or termination of Concession Agreement
- Permitted use of fresh borrowings for InvITs where Net Borrowings exceeds forty-nine percent of the value of InvIT assets
- Norms for sharing and usage of price data for educational purposes
- Discontinuation of Investor Risk Reduction Access (IRRA) platform
- 'Significant Indices' under SEBI (Index Providers) Regulations, 2024
- Advisory on Emerging Advanced Artificial Intelligence (AI) Tools for Vulnerability Detection (like Mythos)
- Reserve Bank of India (Rural Co-operative Banks - Governance) Amendment Directions, 2026
- Reserve Bank of India (Urban Co-operative Banks - Governance) Amendment Directions, 2026
- Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Removal of 7 Entries
- Reserve Bank of India (Local Area Banks – Financial Statements: Presentation and Disclosures) Third Amendment Directions, 2026
- Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) Sixth Amendment Directions, 2026
- Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Sixth Amendment Directions, 2026
- Reserve Bank of India (Regional Rural Banks - Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026
- Reserve Bank of India (Rural Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026
- Reserve Bank of India (Urban Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026
- Reserve Bank of India (Local Area Banks - Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026
- Reserve Bank of India (Payments Banks - Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026
- Risk Management and Inter-Bank Dealings
- Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026
- Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Fourth Amendment Directions, 2026
- Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Fifth Amendment Directions, 2026
- Issuance of Foreign Exchange Management (Authorised Persons) Regulations, 2026
- Foreign Exchange Management (Authorised Persons) Regulations, 2026



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ARTICLES



Articles Part - I

- From Quill to Query: Reinventing the Practicing Company Secretary in the Age of AI and Automation - A White Paper for the Indian PCS Community
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From Quill to Query: Reinventing the Practising Company Secretary in the Age of AI and Automation - A White Paper for the Indian PCS Community

Every productivity gain, every drafting shortcut, every research summary, every contract pre-draft is conditional on the human professional who applies judgement and accepts liability. That is the unchanged core of practising as a Company Secretary — and it is the reason the PCS who masters AI will compound her authority, rather than dilute it.



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AI is not the replacement for the Company Secretary. It is the exoskeleton — amplifying judgment, extending reach, and freeing the human mind for the work only humans can do. — Adapted from ICSI, Chartered Secretary, October 2025

INTRODUCTION

The modern corporate governance environment is undergoing a deep structural transition, shifting from a historical paradigm of manual, document-centric administrative checklists to a dynamic, continuous, and data-driven ecosystem. For the Practising Company Secretary (PCS) in India and globally, this shift has redrawn the boundaries of professional liability, operational execution, and strategic value. No longer merely a procedural clerk or custodian of physical corporate registers, the contemporary PCS is forced to assume the role of a “Governance Architect”—an indispensable corporate officer who integrates technical information systems, database architectures, and digital security measures with statutory compliance frameworks.

This evolution is driven by two parallel forces: the introduction of algorithmic oversight by corporate regulators, and the passage of technologically complex legislation that requires digital verification of compliance. As government registries, financial boards, and capital market authorities implement Artificial Intelligence (AI) and Robotic Process Automation (RPA) to police corporate activities, manual spreadsheet-based compliance management has become a severe liability. To remain viable, professional firms must restructure their operational workflows. Adopting domain-

specific AI platforms and automated governance systems is not just an efficiency play; it is a fundamental requirement to shift secretarial practices from linear, headcount-dependent business models to highly scalable, high-margin advisory institutions.

RPA, AI AND INTELLIGENT PROCESS AUTOMATION — CLEARING THE FOG

Practitioners often use “automation” and “AI” interchangeably. To lead this transition, practitioners must distinguish between the “arms” and the “brain”.

- **RPA (The Arms):** Process-driven. A software “bot” mimics human clicks — logging into portals, downloading challans, or migrating data. It is rule-bound and fast, but it cannot “think.”
- **AI (The Brain):** Data-driven. It recognizes patterns, interprets unstructured legal prose, and learns. Where RPA fetches a SEBI circular, AI parses its impact on the client’s specific capital structure and drafts the board note.

Where RPA might fetch the latest SEBI circular from a portal, AI summarises it, maps it to a client’s capital structure, and drafts a board note. The combination — increasingly called *intelligent process automation* — gives the secretariat both the arms and the brain it has long needed¹.

A REGULATORY TAILWIND, NOT JUST A TECHNOLOGY TREND

India’s regulators are no longer passive observers of the AI shift; they are active drivers of it. The MCA21 V3 portal uses AI to detect filing discrepancies and trigger automated alerts. The e-Adjudication module electronically processes penalty matters end-to-end, including automated show-cause notices². SEBI and the BSE deploy AI to screen DRHPs and detect market manipulation. The Ministry’s announced AI-driven “Green Channel” compresses company name

¹ ICSI, “Artificial Intelligence: Inclusivity, Cohesiveness, Transformation,” Chartered Secretary, October 2025. https://www.icsi.edu/media/webmodules/CSJ/October_2025/19.pdf

² Khurana & Khurana, “The Evolution of E-Adjudication in India”. <https://www.khuranaandkhurana.com/the-evolution-of-e-adjudication-in-india-from-traditional-penalty-proceedings-to-digital-justice>

approvals from days to hours. Layered above this is the Digital Personal Data Protection Act, 2023, which sets the jurisprudential anchor for how AI may handle personal data — and the forthcoming IT (Intermediary Guidelines) Amendment Rules, 2026, which will regulate synthetically generated content such as deepfakes.

PRESENT SCENARIO OF A PCS:

- **The mandate is widening, not narrowing:** A PCS today is expected to handle MCA21 V3 filings, Secretarial Standards compliance, secretarial audit under Form MR-3, NCLT/IBC matters, SEBI LODR and PIT compliance, RBI FEMA and FLA returns, GST and labour-law tangents, ESG/BRSR reporting, and director education — often as a one-person shop. The volume is unsustainable without leverage.
- **Automation has already become table stakes:** The MCA21 V3 portal has completed its migration in stages, culminating in the launch of the final 38 company e-forms on 14 July 2025 — a regulator-driven shift to fully online, SRN-based filing that no practice can opt out of.
- **AI is now a measured productivity instrument, not a toy:** Thomson Reuters' 2024 Future of Professionals study, surveying 2,200 legal, tax, and compliance professionals globally, projects 4 hours per week of saved time within twelve months and 12 hours per week within five years from AI — the equivalent of adding one full-time colleague for every ten-member team — equivalent, Thomson Reuters notes, to a 10% increase in productive capacity across the entire professional workforce³.
- **But trust must be earned:** Stanford's benchmark found Lexis+ AI and Practical Law AI hallucinating in >17% of queries and Westlaw's AI-Assisted Research in >34% — even though these are purpose-built legal RAG systems⁴. The PCS who signs a UDIN does so at her own risk.
- **A pragmatic operating model is emerging:** Human-in-the-loop drafting, AI as a “first reader” of contracts and notices, retrieval-augmented research grounded in MCA/SEBI/RBI primary sources, automation for repetitive workflow plumbing and tight DPDP-aligned data hygiene.
- **The opportunity:** A PCS firm of three professionals who deploys a well-governed AI stack can credibly serve the compliance load of fifteen — and reinvest the time saved into advisory work, the only segment regulators have not yet automated.

THE ANATOMY OF A SECRETARIAL PRACTICE — AND WHERE MACHINES PLUG IN

The cleanest way to think about AI and automation is to lay the typical PCS engagement on an assembly line and ask, at each station, “what can be done by a machine,

what must be done by a human, and what is genuinely collaborative?”

Sl. No.	Station	Representative Output	Automation Verdict
1	Client intake & KYC	Engagement letter, CDD checklist	Mostly automatable — OCR + extraction + DigiLocker eSign
2	Compliance-calendar mapping	Annual due-date matrix	Fully automatable from incorporation data
3	Board & general-meeting administration	Notices, agenda, minutes, action-tracker	AI-drafted, human-finalised
4	Filings (e-forms, XBRL, BRSR)	MGT-7, AOC-4, DPT-3, MR-3, MSME-1	Automated form-pre-fill; human sign-off
5	Secretarial audit (MR-3)	Audit report under Form MR-3	AI as first reader of registers/records
6	Diligence & transaction support	Diligence report, share-purchase deck	Heavy AI leverage; human judgement on red flags
7	Contract drafting & review	SPA, SHA, ESOP scheme, JV agreement	Hybrid — AI drafts skeleton; human writes risk clauses
8	Litigation & NCLT support	Pleadings, evidence summaries	RAG-based research; human pleadings
9	IBC assignments (RP/Liquidator)	CIRP timelines, claims processing	Workflow automation + AI analytics
10	ESG / BRSR / climate disclosure	BRSR section by section	AI for data aggregation; human assurance
11	Knowledge management	Research notes, internal templates	Vector-DB + internal LLM ideal
12	Client communication	Status updates, advisories	AI drafts, human empathy

Table 1: Areas of Practise and what can change.

Two patterns leap out. First, the value-add is almost never in the typing; it sits in identifying which station needs human judgement (clauses 7, 8, 10, 12) and which is plumbing (1, 2, 4, 11). Second, the boundary between stations is itself automatable — a well-designed workflow can hand off from intake to calendar to draft notices without a human touching a keyboard.

³ Thomson Reuters

⁴ Stanford HAI

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THE SIX PILLARS OF AI-ENABLED SECRETARIAL PRACTICE

The transformation is not a single revolution but six concurrent ones — each redesigning a different muscle of secretarial work.

a) Compliance management — the always-on watchdog

Indian compliance lives inside a labyrinth of circulars, amendments, notifications and clarifications from MCA, SEBI, RBI, GST authorities and sectoral regulators. A practitioner managing fifteen corporate clients used to rely on a stitched-together quilt of subscription services, professional networks and personal memory — a system fraught with latency and omission risk. AI-powered platforms have introduced the paradigm of continuous compliance: natural language processing parses the official gazette, extracts relevant provisions, and maps them against each client's specific obligations, capital structure, industry and jurisdiction⁵.

Consider MCA General Circular No. 03/2025 on open-ended virtual meetings. The moment the circular was issued, AI compliance systems could instantaneously identify every affected client across a practitioner's portfolio, flag the implications for upcoming AGM calendars, assess whether the Articles of Association required amendment, and draft preliminary advisory notes — work that previously consumed two to three days of manual scanning.

The modern corporate governance environment is undergoing a deep structural transition, shifting from a historical paradigm of manual, document-centric administrative checklists to a dynamic, continuous, and data-driven ecosystem.

A worked example. A Pune-based mid-sized IT firm spent 120 person-hours every month reconciling GSTR-1, GSTR-3B and GSTR-2B against ERP data — and still attracted departmental scrutiny. After deploying an AI compliance suite, the system matched filings across all categories, identified twenty-seven input tax credit mismatches in the first month, detected a circular trading pattern between three vendor entities that manual review had missed, and cut reconciliation time by 40%. The practising Company Secretary stopped being a spreadsheet supervisor and became a strategic compliance advisor reading AI-generated risk heat maps.

The democratisation effect is just as important. A ₹50 crore manufacturing SME without an in-house secretarial team can now subscribe to a platform that tracks deadlines across MCA, GST and labour laws, sends cascading reminders, uses NLP to suggest compliance-aligned changes to draft resolutions, and pre-fills filing templates. Enterprise-grade governance is no longer reserved for the listed elite.

b) Board meeting management — from logistics to intelligence

Board meetings are the soul of corporate governance. Yet historically, their administrative orchestration — 200-page board books, calendar coordination across independent directors in multiple cities, drafting minutes that capture deliberation without becoming verbatim transcripts, tracking action items quarter after quarter — consumed disproportionate secretarial bandwidth. AI has introduced the smart boardroom: platforms like Diligent Boards, OnBoard, Azeus Convene and Board Intelligence — used by over 25,000 organisations and more than 700,000 directors globally — compile board books automatically, scan drafts for risky language, generate concise summaries of dense financial reports, and provide directors with pre-meeting briefings organised by topic with citations⁶.

The quantified impact is striking: Diligent reports that AI-powered board management cuts meeting preparation by up to 80%, saves roughly 1,800 hours a year on materials, and delivers an estimated ROI of US\$187,000 over three years for a typical mid-market company⁷. **For the practising CS, that is the difference between days of administrative compilation and hours of strategic curation.**

Eg: Today: The PCS or her assistant transcribes the meeting from notes and a recording, then drafts minutes consistent with Secretarial Standard 1 (SS-1) and SS-2.

Tomorrow: A Whisper-class transcription model converts the recording to text; an LLM extracts decisions, voting positions and dissents; the PCS reviews and certifies. Vendor stacks like Board Intelligence already do this for global boards.

Example: A Kolkata-based PCS handling a portfolio of fifteen private-limited boards reduces minute-finalisation time from an average of 2.5 hours to 35 minutes per meeting. The minute book remains paper-signed; only the draft is AI-assisted. Critically, the PCS keeps an “unedited transcript + draft + final” trail to satisfy any future ICSI peer review under the ICSI Audit & Peer Review framework.

Caveat: SS-1 requires minutes to be “a fair and correct summary of the proceedings.” An AI summary that omits a director's substantive dissent is not just a quality lapse; it is a Secretarial Standard violation. Always treat AI minutes as a draft, never as a final record.

⁵ Finace India, *Compliance Management Suite (Stable platform)*. <https://finaceindia.com/compliance-management-suite>.

⁶ Board Intelligence, “Top Board Management Software Platforms for 2025”. <https://www.boardintelligence.com/blog/what-are-the-top-board-management-software-platforms-for-2025>

⁷ Diligent, “AI: The Corporate Secretary's Powerful New Ally in Governance”. <https://www.diligent.com/resources/blog/ai-benefits-for-corporate-secretaries>

c) Document automation — the drafting revolution

Drafting has historically consumed 40–50% of a practising CS's productive hours. Board resolutions for ordinary and special business, minutes, notices, SH-7, MGT-7, AOC-4, CSR and vigilance policies, insider trading codes, contractual instruments — much of this work is templated, repetitive, and amenable to intelligent automation⁸.

Draft Bot Pro, built specifically for Indian corporate law and now serving more than 427,000 users, automates resolutions, minutes and MCA filings while preserving Companies Act and LODR alignment⁹. Wolters Kluwer's Legisway lets a corporate legal team interrogate thousands of contracts in natural language — “show me all agreements with change-of-control clauses expiring in 2024” or “identify vendor contracts lacking indemnification provisions”.¹⁰ Generative AI tools draft initial minutes from verbal inputs, summarise SEBI and MCA circulars into board-ready briefings, and run consistency checks across multi-document sets.

A senior practitioner once quoted (in ICSI Chartered Secretary, October 2025) *AI will handle 90% of the drafting mechanics. The Company Secretary contributes the 10% that truly matters — judgment, context, strategic nuance, and client-specific tailoring.*

There is a quality dividend too. A resolution that still references “Section 179(3)” instead of the post-amendment “Section 179(3) read with Section 180” can create real legal exposure. AI systems updated with regulatory changes in real time avoid such pitfalls, maintain perfect terminological consistency across documents, and eliminate the small but consequential errors that creep into manual drafting under deadline pressure.

d) Secretarial audit — from sampling to total surveillance

Section 204 of the Companies Act, 2013 mandates independent verification of compliance across dozens of statutory provisions — board composition, meeting frequencies, filing timeliness, charge registrations, related-party governance. Traditional audit methodology depends on *sampling*. In an era of total digital records, sampling has become an increasingly high-stakes gamble that risks overlooking material non-compliances hiding in the unexamined 95%.

AI enables 100% population testing. Machine learning algorithms learn a company's “compliance DNA” by absorbing historical patterns, then flag outliers:

⁸ ICSI, “Prompting for Productivity: A Guide for Company Secretaries,” Chartered Secretary, October 2025. https://www.icsi.edu/media/webmodules/CSJ/October_2025/21.pdf

⁹ Draft Bot Pro, “AI Tool for Company Secretaries” (India-specific drafting platform). <https://www.draftbotpro.com/pseo/ai-tool-for-company-secretaries>

¹⁰ Wolters Kluwer, “AI-Enhanced Contract Management Functionality for Legisway”. <https://www.wolterskluwer.com/en/news/new-ai-enhanced-contract-management-functionality-for-legisway>

resolutions passed without constitutionally mandated quorum, filings made outside statutory windows, related-party transactions lacking adequate prior board approvals. Process mining produces visual workflow maps of governance processes such as “Board Meeting Convening” or “Related Party Transaction Approval,” exposing deviations from designed controls — for instance, a finding that 15% of vendor payments bypassed mandatory three-way matching of purchase order, invoice and goods receipt note.

A worked example. An Indian automotive components manufacturer with ₹800 crore in revenues deployed AI to scan five years of governance records — 40,000+ transactions and documents. The system identified 500 suspicious compliance gaps: duplicate charge filings, board minutes showing attendance patterns inconsistent with signed attendance registers, related-party transactions never pre-approved by the audit committee as LODR requires. **The practising CS who implemented the system saved the company an estimated ₹3.2 crore in potential penalties and reputational damage, and converted the annual secretarial audit into a continuous monitoring function that flagged issues within 24 hours of occurrence.**

Eg; Today: The auditor manually reviews registers, board minutes, filings, RBI returns, SEBI compliances, ESOP records, related-party transactions and audit committee deliberations.

Tomorrow: An LLM with retrieval over the client's MCA filings, board pack archive, statutory registers, and PAS-3, BEN-2, DIR-3 KYC data flags anomalies — for example, a buyback resolution where the requisite three-fourths majority is not visibly recorded in the minutes.

Example: A medium-size firm doing 40 MR-3 audits per year deploys a retrieval pipeline. Initial audit time drops from 28 hours per assignment to 14, while the audit's accuracy actually rises because the LLM catches dormant flags (a missing CSR-2 filing, a director who has not done DIR-3 KYC) that the human reviewer historically overlooked. The signature on MR-3 still belongs to the human professional, and so does the UDIN.

e) ESG and BRSR — the sustainability intelligence layer

SEBI's BRSR mandate for the top 1,000 listed companies, with phased reasonable assurance requirements, has opened a new governance frontier. Manual ESG data collection is labour-intensive, error-prone, expensive, and increasingly inadequate for investors who now demand measurable sustainability performance rather than vague qualitative claims¹¹. AI is revolutionising ESG compliance through multiple vectors at once:

¹¹ Snowkap, “How AI Simplifies ESG Disclosure: BRSR, CSRD, GRI Compliance Automation”. <https://snowkap.com/discover-how-ai-simplifies-esg-disclosure-brsr-csrd-gri-compliance-automate-reporting-reduce-costs-and-ensure-audit-ready-esg-data/>

NLP scans supplier disclosures, media archives and regulatory databases for environmental violations and labour-practice concerns; satellite imagery and IoT sensor networks validate afforestation, water use and emission claims; and machine learning detects anomalies in energy consumption that often turn out to be data-quality issues rather than performance variation.

McKinsey's 2024 global survey found that 65% of organisations now use generative AI regularly — almost double the previous year¹². Microsoft uses AI dashboards to visualise energy consumption across its global facilities, cutting ESG reporting turnaround by approximately 30%. Salesforce embeds its Net Zero Cloud into supplier data flows for real-time emissions tracking and automated Scope 3 carbon accounting.

A worked example. A leading Indian IT services company used AI to verify its BRSR disclosures — applying NLP to scan 2,000+ supplier websites and disclosures for child-labour and forced-labour signals, using satellite imagery to confirm afforestation claims across three states, and deploying IoT sensors to validate emission reductions at its Bangalore and Hyderabad campuses. **The Company Secretary who managed this process evolved from a data compiler into a sustainability assurance provider — delivering investor-grade ESG credibility that, in turn, improved access to green financing.**

Eg: Today: BRSR section-by-section reporting requires aggregating data from HR, finance, procurement, operations and sustainability teams.

Tomorrow: An agentic pipeline pulls structured data from the client's HRMS, ERP, and sustainability dashboard; an LLM drafts the narrative answers; the PCS reviews for materiality, accuracy and consistency with audited financials. SEBI's BRSR Core framework now demands assurance for the top 250 listed companies (Breathe ESG; Sphera).

Example: For a listed FMCG company with 14 manufacturing units, automated BRSR data collection compresses the reporting cycle from eight weeks to three. The PCS is then free to do something far more valuable — a board-grade assurance conversation about ESG strategy.

f) Stakeholder engagement and virtual AGMs

Digital platforms now enable instantaneous shareholder communication, live-streamed AGMs, real-time disclosure dissemination, and interactive shareholder forums. AI adds an intelligence layer: chatbots handle routine queries on dividend dates, record dates, KYC, and dematerialisation; sentiment-aware systems escalate the nuanced cases to human professionals. With MCA Circular 03/2025 now permitting open-ended virtual AGMs and EGMs, AI is becoming infrastructure rather

than novelty — managing registration, attendance verification, e-voting, Q&A moderation, and real-time transcription. The practising CS shifts from logistical coordinator to strategic facilitator of inclusive shareholder participation.

Pillar	Evolution: From... To...	Impact
Compliance	Compliance has moved from periodic to continuous. Periodic: Manual checklists and "Annual Return" mindsets.	Continuous: AI scans gazettes and ERPs in real-time; the watchdog is always on
Board Meetings	Drafting is no longer the bottleneck. Logistical: 200-page board books and manual minutes.	Intelligence: Minute-writing time drops by 80%; agendas are analyzed for "strategic balance"
Document Automation	Manual Drafting: 40–50% of productive hours spent on templates.	Augmented Drafting: Tools like Draft Bot Pro produce 90% of a first draft in minutes.
Secretarial Audit	Secretarial audit shifts from sampling to 100% population testing.	Process mining and anomaly detection expose governance gaps invisible to manual review.
Stakeholder Engagement	Physical/Static: Manual Q&A and physical attendance.	Inclusive/Digital: AI-moderated virtual AGMs and sentiment-aware shareholder forums.
ESG/BRSR	ESG/BRSR moves from spreadsheets to sensors.	IoT, satellite imagery and NLP make sustainability claims auditable.
	The CS becomes the AI governance conscience.	DPDP Act, the EU AI Act and emerging Indian AI rules need a human accountable for the machine.

Table 2: Summary of the Six Pillars of AI-Enabled Secretarial Practice

RISKS, ETHICS AND THE LIMITS OF AI

The "Governance Architect" must also be the "Ethical Sentinel." AI introduces specific liabilities that the CS must mitigate:

- The CS must champion **explainable AI**: Every output that feeds a governance decision must be traceable to specific data points, regulatory provisions and logical steps, defensible before boards, regulators and, ultimately, courts.
- AI insights inherit the quality of their inputs. Flawed ERP records, unverified GST filings, incomplete board

¹² McKinsey & Company, "The State of AI: Global Survey 2024". <https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai>



minutes or inconsistent statutory registers produce misleadingly confident outputs — errors amplified at machine speed and machine scale. The CS must lead data governance: controls over quality, lineage, consistency and validation. Without trustworthy data foundations, AI is an expensive random number generator.

- Widespread use of standardised AI tools risks producing generic, jargon-laden disclosures stripped of the organisation's strategic voice. AI should draft; humans must refine.
- Board discussions are among the most sensitive data any enterprise holds. Generic, open-source AI tools can compromise this confidentiality. The CS must insist on enterprise-grade tools with ISO 27001 certification, SOC 2 attestation, role-based access, encryption, multi-factor authentication and ideally data residency within India. The DPDP Act, 2023 — with its principles of purpose limitation, data minimisation, storage limitation and security safeguards — is now the floor, not the ceiling, of AI deployment hygiene.

A 30-60-90-DAY ADOPTION ROADMAP FOR A PCS FIRM

The timeline is realistic for a firm of 3-15 professionals.

Days 1-30 — Foundations

- **Audit current workflows:** Build a table for your firm. Identify your top three time-sinks (commonly: minutes, MR-3, e-form filings).
- **Choose a single foundational LLM** with enterprise security and Indian data residency. Issue every professional an account under SSO.
- **Write a one-page AI usage policy:** Cover confidentiality, prohibited data classes (UPSI, IBC confidential), prompt-output logging, human-in-the-loop sign-off, and DPDP alignment.

- **Pick one pilot use case:** Recommend minutes drafting — it has the highest day-one ROI and lowest professional risk.

Days 31-60 — Productisation

- **Implement compliance-calendar automation** for your entire client base. Most firms can do this in two weeks with off-the-shelf software
- **Build your private knowledge base:** Ingest the firm's past opinions, templates, minutes, and MR-3 reports into a vector database. Cap access to professionals with NDAs in place.
- **Train the team:** A two-day in-house workshop on prompting, hallucination, and confidentiality has far higher ROI than any external certification.
- **Measure baseline metrics:** Track minutes per filing, hours per MR-3, errors per quarter. You cannot improve what you cannot measure.

Days 61-90 — Leverage

- **Roll out AI-assisted MR-3 audits** on your next three engagements, with a senior PCS reviewing AI flags before sign-off.
- **Integrate contract-drafting automation** for repetitive transactions (loan agreements, ESOP grant letters, simple shareholder consents).
- **Publish a client-facing “How We Use AI” note:** This pre-empts client questions, signals modernity, and forms part of your DPDP-aligned governance.
- **Review and iterate:** Run a quarterly retrospective on accuracy, time saved, and client satisfaction. Update the AI policy. Replace tools that fail the regression test.

A useful rule of thumb: a PCS firm that completes this 90-day arc seriously should see 25-35% improvement in turnaround time on routine compliance work, and a 10-15% improvement in capacity for advisory work. Anything

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more is exceptional; anything less suggests the team is using the tools but not the workflow.

THE NEW COMPETENCIES — WHAT THE AI-ERA CS MUST MASTER

- **Prompt engineering**

The ability to instruct AI with a role (“act as the Company Secretary of a listed company”), a specific task, the relevant statute, the desired format, and a tone. Refined prompts dramatically reduce hallucinations and produce decision-ready output.

- **Algorithmic literacy**

Understanding — at a conceptual level — how models are trained, where bias enters, why explainability matters, and how to interpret confidence scores. The CS does not need to write code, but must read AI fluently.

- **Data governance fluency**

Knowing how to classify, secure, anonymise and retain corporate data under the DPDP Act, the IT Rules, and emerging Indian AI guidelines.

- **Vendor and ecosystem evaluation**

Reading SOC 2 reports, demanding ISO certifications, negotiating service-level agreements, and assessing whether vendor claims survive contact with reality.

- **Strategic narrative**

The irreplaceable skill of taking algorithmic findings and translating them into the strategic story the board needs to hear — connecting compliance to risk to value creation.

A practical “Gold Standard” prompt for the practising CS

Example. “Act as the Company Secretary of a listed Indian company. Draft an AGM notice for FY 2025-26 covering: (a) adoption of audited accounts, (b) re-appointment of a retiring director, (c) ratification of the statutory auditor’s remuneration, and (d) a special resolution under Section 180(1)(c) of the Companies Act, 2013 for enhancing borrowing limits to ₹1,500 crore. Apply Secretarial Standard SS-2, reference Regulation 17 of SEBI LODR where relevant, include explanatory statements under Section 102, and conclude with the e-voting instructions per MCA Circular 03/2025. Format as a board-ready notice; tone: precise, statutory.”

CONCLUSION: THE SIGNATURE STILL BELONGS TO YOU

The most important sentence in this paper is also the simplest. AI does not sign Form MR-3. You do.

Every productivity gain, every drafting shortcut, every research summary, every contract pre-draft is conditional on the human professional who applies judgement and accepts liability. That is the unchanged core of practising as a Company Secretary — and it is the reason the PCS who masters AI will compound her authority, rather than dilute it.

The Indian PCS community of 2026 is exceptionally well placed for this transition. The MCA21 V3 platform forces a baseline of digitisation. The ICSI’s curriculum revision and the CS Journal’s “Embracing AI” piece signal institutional alignment. The DPDP Act sets a clear, if still maturing, data-protection floor. And the Indian legal-tech ecosystem — Lexlegis, CaseMine, Manupatra, SpotDraft, ClearTax, Converiqo, Draft Bot Pro, and a long tail of point tools — gives even a sole practitioner the assembly required to build a credible AI stack at a sub-₹50,000-per-month cost.

The choice in front of the profession is not between AI and the human professional. It is between PCS firms that build a modern operating model and those that do not. The first kind will spend the next decade reinventing what the profession can do; the second kind will spend it explaining to clients why their fees are still tied to typing.

The quill became the typewriter, the typewriter became the word processor, and the word processor is now becoming the query. The signature has always been the same. The work of the Practising Company Secretary, properly understood, is not the document — it is the assurance behind the document. AI changes the cost of the document. It cannot, and will not, change the assurance.

The algorithmic transformation of secretarial practice is not a distant prophecy. It is the present reality reshaping India’s corporate governance landscape — with real speed and real depth. Compliance tracking happens in real time. Board minutes capture governance intelligence beyond mere transcription. Audit covers entire data populations, not just samples. ESG analytics anticipate sustainability risks before they materialise.

This transformation does not diminish the Company Secretary. It elevates the profession to unprecedented strategic significance. Routine tasks — aggregation, templating, deadline tracking, formatting — are increasingly handled by AI’s unmatched speed and consistency. That liberation empowers the CS to become an **interpreter of complexity** — translating algorithmic insight into strategic boardroom counsel. From governance clerk to **governance architect**: designing intelligent systems, ensuring ethical oversight, maintaining human accountability, and steering organisations through an era of total data visibility and algorithmic possibility.

In an age of total data visibility, can you afford partial governance understanding? The hand of technology is extended. The choice is not whether to grasp it — but whether to grasp it as a passive passenger, or as an active architect.

The algorithmic conscience has arrived. The future belongs to those who master it — with wisdom, integrity, and strategic imagination.



Voice of the PCS: What Practicing Company Secretaries Really Need from Technology and How AI is Beginning to Answer?

This article presents findings from qualitative discovery conversations with Practising Company Secretaries (PCS), as part of exploratory research into technology adoption patterns in independent secretarial practice. The conversations reveal three persistent challenges: the burden of manual document generation, the fragility of knowledge transfer to interns, and the absence of structured client communication systems. Against this backdrop, the article examines how Artificial Intelligence and emerging no-code tools are beginning to address these gaps, not as distant promises but as accessible, deployable solutions available today. It maps each pain point explicitly to relevant AI-based responses and concludes with practical, step-by-step guidance for PCS on how to begin engaging with these tools meaningfully, including concrete examples of effective prompting for common secretarial documents.



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INTRODUCTION

The Practising Company Secretary occupies a unique position in India's corporate governance ecosystem. Unlike their counterparts in employment, the PCS operates independently, managing a diverse portfolio of clients across industries, geographies, and compliance profiles. Each client brings its own rhythm of board meetings, statutory filings, regulatory updates, and documentation requirements. The PCS is, in effect, running a small professional services firm, often with a lean team of interns and junior staff, while simultaneously maintaining the quality standards that governance demands.

It is a profession that has historically relied on expertise, relationships, and hard work more than on technology. The tools available to PCS have evolved slowly: a compliance tracking software here, a task management spreadsheet there, and the ever-reliable Microsoft Word for documentation. Meanwhile, the regulatory landscape has grown more complex, client expectations have risen, and the pool of well-trained secretarial talent has remained constrained.

Into this environment, Artificial Intelligence has arrived, not with a single dramatic announcement but through a steady accumulation of accessible tools that are quietly

beginning to change what is possible for the independent professional. The question this article seeks to answer is a practical one: are these tools actually addressing the problems that PCS face on the ground, and if so, how should the practising professional begin to engage with them?

India's broader digital transformation agenda, reflected in initiatives such as the *MCA21 3.0 portal*, *Udyam registration*, and the increasing move toward electronic filings across regulatory bodies, signals that the environment in which PCS operate is itself becoming more technology-dependent. The practitioner who waits for perfect tools to arrive may find that the profession has moved on without them.

ABOUT THIS ARTICLE

The observations in this article draw on the author's direct conversations with Practising Company Secretaries. These conversations were exploratory in nature and are presented here not as statistically representative findings but as illustrative insights from practitioners navigating real operational challenges. The patterns that emerged across these conversations were consistent enough to warrant documentation and reflection for the broader professional community. All practitioners who contributed to these conversations have been anonymised.

THE CURRENT TECHNOLOGY LANDSCAPE: WHAT PCS ARE ACTUALLY USING

Across the conversations, a fragmented picture emerged. Software usage varied widely across practices:

- Dedicated compliance platforms for XBRL processing and statutory registers.
- Standard productivity and billing tools for correspondence and invoicing.
- Task management tools used primarily for attendance rather than workflow.
- Excel spreadsheets and institutional knowledge in practices using no dedicated software at all.

This fragmentation is not a reflection of indifference to technology. It reflects, rather, the absence of a single tool that adequately addresses the full spectrum of a PCS' needs. As one respondent put it directly: *"I need one single software for doing all the secretarial work, documentation creation, sending it to the client, and everything in between."* The market has offered vertical solutions, a filing tool here, a billing tool there, but nothing that integrates the end-to-end workflow of a practising firm.

Pricing sensitivities were also consistent. Respondents who were familiar with existing platforms cited annual costs ranging from Rs.10,000 to Rs.35,000, with one describing a competing platform's pricing of Rs.35,000 per year as prohibitively high for the value delivered. This price consciousness reflects the economic reality of the independent PCS, who absorbs software costs personally and must weigh them against tangible productivity gains.

Team structures across respondents ranged from sole practitioners to firms with over twenty-five interns and multiple partners. This range matters because technology needs scale with team size in ways that are not always obvious. A sole practitioner's challenge is personal efficiency; a multi-partner firm's challenge is coordination, accountability, and knowledge governance.

THREE PERSISTENT PAIN POINTS

While each respondent brought a unique operational context to the conversation, three pain points emerged with striking consistency.

1. The Burden of Manual Document Generation

Minutes of board meetings, notices, agendas, attendance sheets, and statutory forms all require careful drafting that adheres to prescribed formats. The process is time-consuming and leaves significant room for clerical error, particularly when interns are responsible for the first draft. Common expressions from respondents included:

- Generation of minutes described as "very time-consuming".
- Aspiration for technology that could automate drafting while maintaining format integrity.
- Specific requests for board report auto-filling as a priority feature.

The pattern was consistent: documentation is the most labour-intensive part of the practice and the area where technology assistance would be most immediately valuable.

2. The Fragility of Intern Knowledge Transfer

Every respondent who managed a team of interns identified intern training and knowledge retention as a significant operational burden. When an intern leaves, they take with them not just their labour but the institutional knowledge of the clients they served:

the history of each company, the preferences of each Board, the nuances of each filing. Specific observations included:

- Partners spending significant personal time explaining client histories to each new intern.
- Bandwidth described as "choked" by the need to supervise interns lacking sufficient secretarial knowledge.
- A senior manager's departure leaving partners unable to track ongoing tasks and assignments.

The common thread is a profession where *knowledge lives in people rather than systems*, and where that dependence creates recurring vulnerability.

3. The Absence of Structured Client Communication Systems

Several respondents described a pattern in which client communication was either insufficiently tracked, delegated inconsistently to interns, or managed through a shared email inbox as a workaround for quality control. Notable observations included:

- One practice maintaining a single email account for all interns to ensure continuity when interns left.
- Desire for a client portal allowing document exchange, query management, and reminder automation.
- The challenge of chasing clients for inputs, with one respondent exploring WhatsApp-based reminders while questioning ICSI peer review compliance.

The communication gap is not merely an inconvenience. It is a source of missed deadlines, errors, and reputational risk.

WHAT PCS ARE ASKING FOR: THE EMERGING WISH LIST

Beyond the pain points, the conversations surfaced a coherent set of aspirations. These were not abstract feature requests. They were grounded in the daily frustrations of professional practice. The asks clustered around four themes:

- **AI-enabled content generation:** A tool that could draft minutes, notices, board reports, and statutory documents in the correct and proprietary formats based on structured inputs. One respondent explicitly requested this and described it as their primary technology ask.
- **Smart validation for MCA filings:** Validation that would flag conflicting director meeting times across companies, and guidance on correct MCA form selection based on the nature of the transaction.

- **Client portals and structured communication:** A governed environment where clients could upload documents, respond to queries, and receive automated reminders, without involving interns directly in sensitive communications.
- **Workflow systems that carry institutional knowledge:** A system that would onboard a new intern to a client's history and requirements without the partner having to explain it personally each time.

HOW AI TOOLS ARE BEGINNING TO ANSWER

The aspirations described by respondents are no longer speculative. A new generation of AI-native tools is making meaningful inroads into exactly these problems. What is particularly significant is that many of these tools are accessible to practitioners who are willing to invest a modest amount of time in learning how to use them effectively.

For the document generation challenge: Large Language Model (LLM)-based tools can now draft minutes, notices, and statutory documents from structured inputs with a level of quality that, while requiring review, dramatically reduces the time needed for first-draft creation. Tools such as Microsoft Copilot, Google Gemini, and standalone AI writing assistants can be prompted with specific secretarial requirements and produce compliant draft output in seconds. The practitioner's role shifts from drafting to reviewing and refining, a significantly more efficient use of expert time.

Beyond text generation, integration platforms such as *Make* and *Zapier* now allow practitioners to connect their existing tools: client data entered through a structured form can be automatically pulled into a Word or Google Docs template, generating a populated document without manual re-entry. This kind of lightweight automation does not require software development skills and is available to any practitioner willing to experiment.

For the intern knowledge transfer challenge: AI tools can now assist with the creation of structured training materials, client onboarding documentation, and procedure guides that capture institutional knowledge in reusable form. A well-prompted AI system can help a PCS partner document their firm's client history, standard operating procedures, and compliance checklists in a structured format that an intern can follow independently. Tools such as Notion and Google Sites, augmented with AI-drafted content, can serve as living knowledge bases that grow more useful over time rather than resetting with each personnel change.

For the client communication challenge: AI-assisted drafting tools can help interns produce client-facing correspondence that meets the quality standards of the partner without requiring the partner to draft every communication personally. Reminder workflows can

be automated through simple no-code tools. Combined with a structured client portal, this creates a governed environment in which interns can act within defined parameters while the partner maintains oversight.

On the broader opportunity for PCS as builders:

The emergence of no-code and low-code development platforms such as Bolt, Lovable, and Replit now allows professionals to build functional software prototypes including custom document generators, client portals, and workflow trackers, using plain language instructions rather than traditional programming. This article built a functional AI-powered document generation prototype as a personal research exercise using precisely these tools, confirming that the barrier to building practice-specific technology has fallen meaningfully for practitioners willing to experiment.

This is a significant shift. Historically, the profession has been a *consumer* of technology built by others, often imperfectly matched to secretarial requirements. The emergence of accessible AI development tools means that a practitioner who understands their own workflow deeply, which every PCS does, can now participate in *building* the tools that serve it. The expertise gap between the professional and the technology builder has narrowed substantially.

The profession has always been defined by its commitment to accuracy, governance, and trust. AI tools, used thoughtfully and with appropriate human oversight, do not threaten those values. They extend the capacity of the individual practitioner to uphold them at greater scale and with greater consistency.

THE INDIA-SPECIFIC GAP: WHAT GLOBAL AI TOOLS DO NOT YET ADDRESS

While the tools described above represent genuine progress, an honest assessment must acknowledge that most AI

platforms were built for global markets and do not natively understand the Indian regulatory environment. This creates a specific gap that the PCS community and India's technology ecosystem will need to address together.

Three areas where the India-specific gap is most pronounced:

- **MCA compliance and form structures:** Current AI tools do not fully understand MCA form structures, the specific validation requirements of the Companies Act, 2013, or the procedural nuances of SEBI compliance filings. A tool that drafts minutes without knowledge of ICSI secretarial standards, or fills forms without awareness of MCA-specific validation rules, can produce output that is plausible in appearance but non-compliant in substance.
- **Legal terminology and localisation:** India's corporate governance documentation draws on terminology, abbreviations, and procedural conventions that are specific to Indian company law. AI tools trained

primarily on global corpora may not reliably reproduce the precise language expected in statutory documents, board resolutions, or compliance certificates.

- **End-to-end filing integration:** No current AI tool integrates natively with the MCA portal end-to-end. Manual intervention at the filing stage remains necessary regardless of how well upstream documentation has been automated.

There is, therefore, a meaningful opportunity for India-specific technology builders to create tools that are natively compliant with the Indian regulatory framework. The practitioner community has a role to play here as well: by articulating their requirements clearly, engaging with technology providers, and contributing to the development of India-specific templates and training data, PCS can help shape the tools that will eventually serve them.

A NOTE ON WHAT AI CANNOT YET DO

Intellectual honesty requires acknowledging the limitations of current AI tools alongside their possibilities:

- **Expert review remains non-negotiable:** AI-generated documents can produce plausible but incorrect output, particularly on nuanced regulatory questions. The practitioner cannot outsource professional judgement to an AI system and remain compliant with ICSI standards.
- **End-to-end automation is not yet possible:** The workflow from client instruction through document generation to statutory filing cannot yet be completed without manual intervention at the filing stage.
- **Subscription costs are real:** Meaningful professional usage of advanced AI platforms carries monthly costs that must be weighed against productivity gains.
- **Data privacy requires active attention:** Practitioners must be thoughtful about what client data is shared with external AI platforms and should review privacy terms carefully before using any tool professionally. The Digital Personal Data Protection Act, 2023 (DPDP Act) and the DPDP Rules, 2025, notified in November 2025, establish India's first comprehensive framework governing the processing of personal data, with full substantive compliance required by 13 May 2027. Practitioners who use cloud-based AI tools for client work should assess whether their usage constitutes processing of personal data under the Act and take appropriate steps to ensure compliance.

PRACTICAL GUIDANCE: WHERE TO BEGIN

For the PCS who are curious about AI tools but uncertain where to start, the following four-step approach offers a structured, low-risk entry point. The key principle is to begin small, evaluate honestly, and expand only what works.

Step 1: Begin with document drafting on a low-stakes task

Choose a routine document, such as a notice of board meeting or a covering letter, and attempt to generate it using a freely available AI writing tool such as ChatGPT, Google Gemini, or Microsoft Copilot.

The quality of output depends critically on the quality of the prompt. Prompt engineering, defined as the practice of structuring instructions to elicit precise, useful outputs from AI systems, is a skill that improves with deliberate practice. Leading AI providers including OpenAI and Google have published detailed guidance on effective prompting techniques, emphasising the importance of specificity, context, and role assignment in constructing effective instructions. Consider the difference between these two approaches:

Weak prompt: "Draft a notice for a board meeting."

Strong prompt: "Draft a formal notice for a Board of Directors meeting of a private limited company incorporated under the Companies Act, 2013. The meeting will be held on 15th June 2026 at the registered office in Chennai. The agenda items are: approval of the annual financial statements, declaration of an interim dividend, and any other business with the permission of the chair. The notice should be in the format prescribed by ICSI secretarial standards and should be signed by the Company Secretary."

The difference in output quality between these two prompts is significant. The discipline of writing precise prompts is itself a transferable skill that will improve across all AI interactions.

Step 2: Build a prompt library for common secretarial documents

Once a well-structured prompt has produced a satisfactory output for a given document type, save it. Over time, build a library of reusable prompt templates: one for minutes, one for notices, one for board reports, one for compliance certificates. This library becomes a practice asset that improves efficiency and consistency across the firm. Interns can be trained to use the prompt library rather than drafting from scratch, reducing both error rates and supervision burden.

Step 3: Explore lightweight automation for client data collection

A simple workflow using Google Forms or Microsoft Forms to collect client inputs, connected to a document template through an integration tool, can eliminate significant manual effort. The client fills a structured form. The responses populate a document template automatically. The PCS reviews and approves the output. This is not a complex technical implementation. It is a workflow design exercise, and the AI tools available today can guide the practitioner through it step by step.

Step 4: Create a basic internal knowledge base

A structured internal knowledge base, maintained diligently in a shared drive or documentation platform, reduces intern onboarding time, protects the firm against knowledge loss when team members change, and creates a foundation for more sophisticated AI-assisted workflows. Client histories, standard operating procedures, and compliance checklists can all be documented with the assistance of AI drafting tools and stored in a central, accessible location.

What makes this particularly powerful today is that the knowledge base itself can become queryable using AI. Google Drive, for instance, now supports AI-powered search and summarisation through Google Gemini, enabling practitioners to ask questions of their stored documents in plain language and receive synthesised answers drawn from across their files. A partner who has stored client histories, SOPs, and compliance notes in Google Drive can ask: “When was Director X appointed on the board of Company ABC?” and receive a summarised response drawn from their own documents. This transforms the knowledge base from a static repository into an active, queryable resource, one that reduces dependence on individual memory and makes institutional knowledge genuinely accessible to every member of the team.

CONCLUSION

The conversations underlying this article reveal a profession that is technically underserved relative to the complexity of the work it performs. The tools PCS use today were not designed with their specific workflow in mind and do not adequately address the three challenges that matter most: document generation, intern knowledge transfer, and client communication management.

The arrival of AI tools and accessible development platforms represents a genuine opportunity to address this gap. The tools exist. The barrier to using them is lower than many practitioners assume. And the competitive advantage available to the PCS who engages with them early is meaningful, particularly as the regulatory environment continues to move toward greater digital integration.

The India-specific gap is real and should not be minimised. Global AI tools will need adaptation to serve the Indian compliance context reliably, and that adaptation will require the active participation of practitioners who understand the domain. The PCS community is uniquely positioned to contribute to this process, not merely as users of technology but as informed voices in its development.

The profession has always been defined by its commitment to accuracy, governance, and trust. AI tools, used thoughtfully and with appropriate human oversight, do not threaten those values. They extend the capacity of the

individual practitioner to uphold them at greater scale and with greater consistency. The question for the practising community is not whether to engage with these tools but how to do so wisely.

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Role of Practising Company Secretaries in Startup and Tech Ecosystems: From Entity Formation to Strategic Exit

India's startup ecosystem has grown into the world's third largest, with over 223,000 DPIIT-recognised entities and more than 131 unicorns reshaping every sector of the economy as on May, 2026. Yet beneath the headline valuations and funding rounds lies a dense, rapidly evolving regulatory landscape that demands professional expertise of the highest order. This article argues that the Practising Company Secretary is uniquely positioned — through their mastery of corporate law, governance architecture, FEMA compliance, capital markets regulation, and strategic transaction advisory — to serve as the indispensable professional partner across the entire lifecycle of a startup, from incorporation through to public listing or structured exit.



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INTRODUCTION

The Indian startup ecosystem has undergone a transformation so rapid and so consequential that it demands a fundamental rethinking of the professional roles that support it. In the span of less than a decade, India has moved from being a peripheral participant in the global technology economy to occupying the third position in the world by number of startups — with over 223,000 DPIIT-recognised entities, more than 131 unicorns, and a venture capital ecosystem that continues to attract substantial global capital across sectors as diverse as fintech, agritech, health tech, edutech, space tech, and defence technology.

The innovation corridors of Bengaluru, Hyderabad, the National Capital Region, Mumbai, and Pune are home to businesses that have fundamentally redefined how financial services, healthcare, agriculture, logistics, and education are delivered to a population of 1.4 billion. These businesses are not merely growing companies — they are new institutional forms, characterised by rapid scale, network-effect economics, platform-based business models, heavy reliance on intellectual property and data, and governance structures that bear little resemblance to the traditional listed company that most corporate law frameworks were designed to regulate.

Yet beneath this narrative of disruption and growth lies a compliance and governance challenge that receives far less attention than the funding rounds and valuations dominating the discourse. A startup raising its Series A round must simultaneously navigate the Companies Act, the Foreign Exchange Management Act, the Income Tax Act, the DPIIT Startup India framework, SEBI regulations for future public market access, the Insolvency and Bankruptcy Code, and an increasingly demanding data protection regime under the Digital Personal Data Protection Act, 2023. For a founding team whose attention is consumed by product development, customer acquisition, and investor relations, this regulatory landscape is not merely complex — it is existentially dangerous if mismanaged.

This is precisely where the Practising Company Secretary (PCS) enters the picture — not as a peripheral compliance vendor, but as a strategic professional partner whose contribution spans the entire lifecycle of a startup. The role of the PCS in the startup and technology ecosystem is, in many ways, the most demanding and intellectually rich assignment that the profession offers in the contemporary Indian context. It requires an integration of corporate law, regulatory intelligence, governance expertise, fundraising mechanics, international transaction structuring, and an instinctive understanding of the commercial imperatives that drive technology businesses. This article examines that role in depth.

THE INDIAN STARTUP ECOSYSTEM: SCALE, COMPLEXITY AND REGULATORY DENSITY

To appreciate the significance of the PCS's role, one must first understand the scale and structural complexity of the ecosystem they serve. As of May, 2026, the DPIIT has recognised over 223,000 startups under the Startup India initiative. These businesses span more than 670 districts, operate across 56 diverse sectors, and collectively represent a significant and growing share of the country's private sector employment and innovation output. The aggregate valuation of Indian unicorns exceeds \$392 billion, and the ecosystem has produced founders who have built global companies while remaining headquartered in India.

The regulatory density governing this ecosystem is, in many respects, a product of its own success. As technology businesses have grown to touch every sector of the economy — from banking and insurance to pharmaceutical research, defence technology, and space exploration — the number of regulatory frameworks applicable to a given startup has expanded commensurately. A fintech startup may simultaneously be subject to RBI guidelines on payment aggregators, SEBI regulations if it offers investment advisory services, DPIIT's conditions for Startup India recognition, FEMA regulations governing foreign investment, and the DPDPA, 2023's requirements as a data fiduciary processing millions of users' personal data.

His regulatory complexity is not static. India's environment for technology businesses has been in a state of accelerated evolution across every dimension — from data localisation requirements and cybersecurity regulations to the treatment of digital assets, the regulation of Account Aggregators, and the emergence of new frameworks for Open Network Digital Commerce (ONDC). For a PCS to serve a startup ecosystem client effectively, continuous regulatory intelligence is not optional; it is the core of the professional offering.

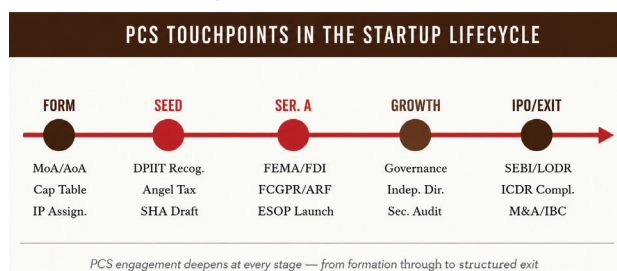


Fig. 1 — PCS Engagement Touchpoints Across the Startup Lifecycle

INCORPORATION AND EARLY-STAGE ENTITY STRUCTURING

The first and perhaps most consequential contribution that a PCS makes to a startup is at the point of entity formation. The choice of entity — whether a Private Limited Company, a Limited Liability Partnership, or a One Person Company — has implications that extend far beyond ease of registration. It determines the startup's ability to raise equity capital, issue ESOPs, achieve DPIIT recognition, attract institutional investment, and ultimately access public markets.

For most technology startups with aspirations for external funding, the Private Limited Company structure is the appropriate choice. However, the mechanics of how that company is formed — the allocation of founding shares, the drafting of the Memorandum and Articles of Association, the structuring of founder agreements and co-founder equity arrangements, and the establishment of the initial board composition — set the foundation for every subsequent governance and transaction decision. A poorly structured cap table at formation can make the company uninvestable for institutional funds at Series A. Articles that do not adequately protect founder rights, or that fail

to anticipate the governance mechanisms required by institutional investors, can create expensive legal disputes at precisely the moment the founding team can least afford them.

The PCS, with their deep knowledge of the Companies Act, 2013, and the commercial expectations of the venture capital ecosystem, is ideally positioned to ensure this foundation is sound. This is not merely a technical exercise in MCA filing — it is substantive structuring advice that can determine whether a startup is fundable, scalable, and defensible.

DPIIT RECOGNITION AND THE STARTUP INDIA FRAMEWORK

The DPIIT recognition framework under the Startup India initiative offers eligible startups a portfolio of benefits that are materially significant — including exemption from angel tax under Section 56(2) (viib) of the Income Tax Act, 1961, a simplified three-year wind-up process, access to government procurement tenders, and various state-level incentives. Obtaining and maintaining DPIIT recognition is, for most early-stage startups, a high-priority compliance objective that requires careful professional guidance.

The eligibility criteria for DPIIT recognition require careful assessment and documentation. The entity must be incorporated within the past ten years; it must demonstrate innovation or significant improvement in existing products, services, or processes; and it must not have been formed by the splitting or reconstruction of an existing business. The PCS is the natural professional to advise on eligibility, prepare the recognition application, maintain documentation required to demonstrate continued eligibility, and advise the startup on any actions that might inadvertently jeopardise its recognised status.

GOVERNANCE ADVISORY: BUILDING INSTITUTIONAL INFRASTRUCTURE

One of the most undervalued contributions that a PCS can make to a startup is in the area of governance architecture — the board structure, committee frameworks, decision-making processes, and accountability mechanisms that transform a founder-led operation into an institutionally credible organisation. This matters enormously, because venture capital funds and institutional investors are, in substance, investing not just in a business model but in a governance infrastructure they trust to make sound decisions with their capital.

The journey from a two-person founding team to a professionally governed company with independent directors, audit and compensation committees, formal board processes, and investor-compatible governance frameworks is not automatic. It requires deliberate design and implementation — and the PCS who has worked with scaling startups understands precisely how to sequence these governance enhancements in a way that adds institutional credibility without creating premature bureaucratic friction that constrains the agility a startup needs to compete.

The appointment of independent directors is an area where the PCS's combined understanding of Companies Act requirements, SEBI listing obligations (for pre-IPO preparation), and the commercial expectations of sophisticated investors is genuinely distinctive. An independent director is not merely a box to be ticked — they are a governance resource who can open doors, validate institutional credibility, and provide a check on founder judgment at critical decision points. The PCS who understands this and can help the founding team identify, evaluate, and onboard the right independent directors is providing genuine strategic value that extends far beyond compliance.

"The PCS is not merely a Compliance Officer for startups — they are the architect of the governance infrastructure that transforms a promising idea into an institutionally investable company. That transition is the difference between a startup that raises its next round and one that doesn't."

FUNDRAISING MECHANICS, ESOP STRUCTURING AND CAP TABLE MANAGEMENT

The fundraising journey of a startup — from seed round through Series A, B, C, and eventually an IPO or strategic acquisition — involves a series of complex corporate transactions, each carrying significant regulatory, governance, and documentation dimensions. At each funding round, the company must issue shares or convertible instruments to new investors. This involves board and shareholder resolutions, amendments to the Articles of Association, intimations to the Registrar of Companies, and, where foreign investors are involved, compliance with FEMA regulations and reporting to the RBI. The PCS executes these corporate actions with precision — ensuring every issuance is properly authorised, documented, and reported, and that the cap table reflects the agreed economics accurately.

Employee Stock Option Plans (ESOPs) are a particularly important area of PCS expertise in the startup context. ESOPs are the primary mechanism through which technology startups attract, retain, and incentivise talent at every level of the organisation. The design, implementation, and administration of an ESOP scheme involves compliance with Section 62(1)(b) of the Companies Act, SEBI's Share Based Employee Benefits Regulations for listed entities, RBI's FEMA regulations for cross-border grants, and Income Tax regulations governing the timing and quantum of tax liability at grant, vesting, and exercise. Getting the ESOP right is not merely a compliance matter — it is a talent strategy imperative, and the PCS fluent in ESOP mechanics provides a service that founders deeply value.

As a startup scales beyond its early stages — through successive funding rounds, geographic expansion, product diversification, and team growth — the nature of the PCS's contribution evolves from primarily transactional to genuinely strategic.

Cap table management — the ongoing maintenance of an accurate record of who owns what in the company, across all classes of shares, convertible instruments, ESOP grants, warrants, and anti-dilution provisions — is a foundational governance function that is chronically under-resourced in early-stage startups. Cap table errors, once embedded, become exponentially more difficult and expensive to correct as the company grows and new rounds are added. The PCS who takes ownership of cap table management from the outset establishes a governance discipline that pays dividends throughout the startup's lifecycle.

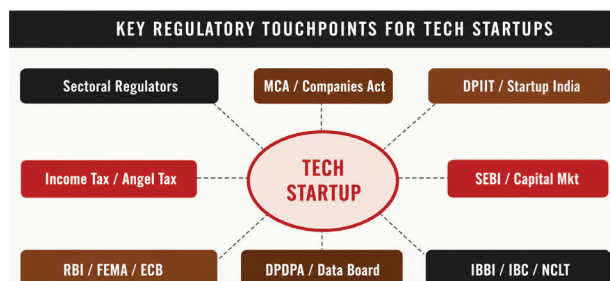


Fig. 2 — The Regulatory Ecosystem Surrounding Indian Tech Startups

FEMA COMPLIANCE AND CROSS-BORDER INVESTMENT STRUCTURING

The intersection of FEMA and the startup funding lifecycle is one of the most technically demanding areas of startup compliance — and one where the consequences of error can be severe. Foreign Direct Investment

into an Indian startup is regulated by the FEMA (Non-Debt Instruments) Rules, 2019, and requires compliance with pricing guidelines for the issuance of equity shares to non-residents; the Advance Remittance Form (ARF) and FCGPR reporting obligations to the authorised dealer bank within strict timelines; the FDI prohibited and restricted sector framework; and downstream investment rules for foreign-invested companies.

Unicorn-scale startups with complex multi-jurisdictional structures — often involving holding companies in Singapore or Mauritius, subsidiary operations in India, and a global cap table with investors from multiple jurisdictions — face an order of magnitude more complex FEMA compliance challenge. The round-tripping risks, the transfer pricing implications, the applicability of the General Anti-Avoidance Rules, and the interaction between FEMA and bilateral investment treaty protections are areas where the PCS's regulatory intelligence adds substantial value.

INTELLECTUAL PROPERTY AND DATA PROTECTION COMPLIANCE

For a technology startup, its intellectual property — the source code, algorithms, machine learning models, brand

architecture, and proprietary data — is often its most valuable asset, yet IP protection is frequently neglected during the critical early period when founders are focused on product development rather than legal structuring. The PCS's role in IP governance begins with ensuring that all IP created by founders, employees, and contractors is properly assigned to the company through well-drafted employment contracts, IP assignment agreements, and contractor agreements.

The Digital Personal Data Protection Act, 2023 has added a new and significant dimension to the compliance obligations of technology startups. As data fiduciaries processing personal data of Indian users, startups must now implement consent frameworks, appoint Data Protection Officers where applicable, comply with data localisation requirements as notified, and establish breach notification mechanisms with prescribed timelines. The interaction between DPDPA compliance and the startup's product architecture, privacy policy, terms of service, and data processing agreements with third-party vendors is an area where the PCS's regulatory intelligence — working in conjunction with the company's technology counsel — can add substantial value.

A startup that cannot demonstrate clean, unencumbered ownership of its core intellectual property is effectively uninvestable — regardless of how compelling its revenue trajectory or market position may appear. IP governance is not a legal formality; it is a foundational component of enterprise value.

JUDICIAL PERSPECTIVE: GOVERNANCE IN STARTUP DISPUTES

Indian courts and regulatory authorities have increasingly had occasion to address governance failures in the startup context — and the emerging jurisprudence sends clear signals about the consequences of non-compliance and undocumented decision-making.

The Supreme Court's decision in *Tata Consultancy Services Ltd. v. Cyrus Investments Pvt. Ltd. & Ors.* (2021) 9 SCC 449, though arising in the context of a large conglomerate, established principles directly relevant to startup boards. The Court's emphasis on the distinction between a director's commercial judgment and their fiduciary duty — and the limits of the former as a defence to challenges of the latter — is particularly significant for founder-directors in startups who often exercise enormous influence over board decisions without the checks that characterise more mature governance structures.

The NCLT's jurisprudence under Sections 241-242 of the Companies Act on oppression and mismanagement has been actively developed in the startup context. Disputes between co-founders, or between founders and early investors, regarding the management of company affairs, the dilution of shareholding, or the exclusion of minority shareholders from decision-making, have generated a significant and growing body of case law. The recurring lesson from these disputes is that clear, documented

governance processes — properly constituted board meetings, duly passed resolutions, transparent financial disclosures, and well-drafted shareholder agreements — are the startup's most reliable protection against expensive and value-destroying corporate litigation.

In *Shailendra Swarup v. Deputy Director of Enforcement* (2010) 1 SCC 500, the Supreme Court affirmed that regulatory non-compliance in financial transactions attracts consequences that pierce through the corporate structure to individual promoters and directors. For startup founders who are accustomed to moving quickly and treating regulatory filings as administrative afterthoughts, this body of jurisprudence carries a clear message: the regulatory obligations are not optional, and personal liability for non-compliance is a real and growing risk.

THE PCS AS STRATEGIC ADVISOR IN THE UNICORN JOURNEY

As a startup scales beyond its early stages — through successive funding rounds, geographic expansion, product diversification, and team growth — the nature of the PCS's contribution evolves from primarily transactional to genuinely strategic. At the growth stage, the PCS is advising on matters that include the appointment and structuring of governance committees; the design of ESOP refresh programmes that retain talent as the company scales; the management of a complex investor base with potentially conflicting preferences and information rights; and the preparation of the company's governance infrastructure for the eventual demands of a public market listing or strategic acquisition.

The pre-IPO preparation process is, in many ways, the most comprehensive governance undertaking that a startup ever experiences. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 impose comprehensive disclosure requirements, governance standards, and compliance obligations that begin well before the IPO filing date. The appointment of a qualified Company Secretary to the board is mandatory for listed companies; the Secretarial Audit function becomes more intensive and externally scrutinised; and the ongoing obligations under SEBI's Listing Obligations and Disclosure Requirements (LODR) Regulations create a continuous, professional compliance burden. The PCS who has supported the company through its private phase is ideally positioned to lead this transition, ensuring continuity of institutional knowledge.

THE IBC DIMENSION: INSOLVENCY AND DISTRESS IN THE STARTUP CONTEXT

The funding corrections of 2022-23 brought an uncomfortable reality to the surface: startups are not immune to financial distress, and when they fail, the consequences for founders, employees, creditors, and investors can be severe. The Insolvency and Bankruptcy Code, 2016 — and the NCLT proceedings it governs — has become increasingly relevant to the startup ecosystem, both as a risk management framework and as a restructuring tool.

PCS STARTUP & TECH ECOSYSTEM COMPLIANCE CHECKLIST

INCORPORATION & ENTITY STRUCTURING

- Entity type aligned with funding, DPIIT and tax optimisation objectives
- Founder agreement, IP assignment and vesting schedule executed at incorporation
- MoA/AoA structured for investor-compatible governance and ESOP provisions
- Statutory registers, minutes books and share certificates maintained from day one

DPIIT RECOGNITION & STARTUP INDIA

- DPIIT recognition application filed and certificate obtained within eligibility window
- Angel tax eligibility documented and maintained with annual confirmation
- DPIIT recognition conditions monitored — no acts that jeopardise recognised status
- State-level startup incentives and government procurement access mapped and applied

FUNDRAISING & CORPORATE ACTIONS

- Board and shareholder resolutions properly passed for every share issuance
- ROC filings for allotments (PAS-3, MGT-14, SH-7) current and accurate
- Cap table maintained with precision through every corporate action and round
- ESOP scheme designed, approved and administered in full statutory compliance

FEMA & FOREIGN INVESTMENT COMPLIANCE

- FDI pricing guidelines complied with; valuation report obtained for every foreign subscription
- ARF and FCGPR reporting filed with authorised dealer within 30 days of allotment
- Downstream investment compliance reviewed for foreign-invested Indian entities
- ECB compliance framework established and RBI reporting maintained where debt financing exists

GOVERNANCE & BOARD INFRASTRUCTURE

- Board composition adequate for stage, investor requirements and Companies Act obligations
- Independent directors appointed and onboarded with proper disclosure framework
- Board meetings held with proper notice, agenda, quorum, participation and minutes
- Secretarial Audit (Form MR-3) conducted with independent PCS from prescribed thresholds

IP, DATA & DIGITAL COMPLIANCE

- All IP (code, algorithms, brand, data) formally assigned to company from all contributors
- DPDPA 2023 consent framework implemented for all personal data processing activities
- Data Protection Officer appointed and registered where applicable under DPDPA rules
- Cybersecurity policy, breach notification procedure and privacy policy maintained and current

For a PCS advising a financially distressed startup, the most valuable contribution is often made before the insolvency begins — identifying early warning signs of financial distress and advising the board on proactive options. Rising burn rates against declining revenue growth, missed covenant triggers in debt facilities, investor uncertainty about the next funding round, and key employee attrition are all signals that the PCS should be equipped to interpret and act upon. The window between the first signs of distress and the point at which a CIRP becomes inevitable is often measured in weeks — and the PCS who identifies the inflection point and advises the board to act decisively can make the difference between a structured recovery and a value-destroying liquidation.

“The window between the first signs of financial distress in a startup and the point at which a CIRP becomes inevitable is often measured in weeks. The PCS who identifies that inflection point and advises the board to act decisively can mean the difference between a structured recovery and a value-destroying liquidation that destroys founder reputation alongside enterprise value.”

CHALLENGES AND THE PATH FORWARD FOR THE PCS PROFESSION

Despite the clear professional opportunity that the startup ecosystem represents, several structural challenges must be acknowledged with candour. The most significant is the engagement model and pricing challenge. Early-stage startups are, almost by definition, capital-constrained. The founders who most need governance and compliance advice are often those least able to pay market rates for it. The PCS who wishes to build a meaningful practice in this space must think carefully about how to structure their engagement model — whether through retainer arrangements, equity-linked compensation (subject to conflict-of-interest management), participation in incubator and accelerator programmes, or cohort-based service delivery that spreads costs across multiple early-stage clients simultaneously.

The knowledge upgrade imperative is equally pressing. The startup ecosystem moves faster than the regulatory frameworks that govern it, and significantly faster than

Case / Authority	Key Principle Established	Relevance to PCS in Startup Practice
<i>TCS Ltd. v. Cyrus Investments Pvt. Ltd.</i> (2021) 9 SCC 449	Directors' fiduciary duties override commercial judgment; minority shareholder rights enforceable even in closely-held companies	Board governance architecture must balance founder control with fiduciary accountability — a core PCS advisory role
<i>NCLT, Sections 241-242 Companies Act, 2013</i> (Oppression/Mismanagement precedents)	Documented board processes and transparent resolutions are the primary defence against oppression claims; undocumented exclusion of minority shareholders is actionable	PCS must ensure board minutes, shareholder resolutions and governance processes are impeccably maintained from inception
<i>SEBI (ICDR) Regulations, 2018 & LODR Regulations, 2015</i>	Listed companies (including IPO aspirants) must demonstrate sustained compliance history, independent director governance and audited disclosure frameworks before listing	Pre-IPO PCS engagement must build governance infrastructure at least 2-3 years before public listing to meet SEBI's compliance threshold
<i>RBI Master Directions on FDI, ARF/FCGPR Reporting</i>	FEMA reporting obligations are time-bound and mandatory; delays attract compounding penalties; pricing guidelines enforce arm's-length valuation in foreign subscriptions	PCS must establish a systematic FEMA compliance calendar for every funding round involving non-resident investors

Fig. 3.0 — Table: Key Judicial & Regulatory Precedents Relevant to Startup Governance and PCS Practice

THREE STRATEGIC ROLES OF THE PCS IN THE STARTUP ECOSYSTEM		
COMPLIANCE ARCHITECT	GOVERNANCE ADVISOR	STRATEGIC PARTNER
Builds the regulatory foundation — incorporation, DPIIT, FEMA, ESOP, annual filings and data compliance	Designs board structure, investor governance, cap table integrity and pre-IPO readiness frameworks	Guides fundraising transactions, M&A structuring, distress advisory and the full journey from idea to exit

most professional development programmes. A PCS credentialed five years ago may not have current knowledge of ESOP taxation under the Finance Act 2023, FEMA compliance for complex holding structures, DPDPA compliance architecture, or the governance expectations of global institutional venture capital funds. Sustained investment in knowledge currency is not optional; it is the foundational prerequisite for relevance in this space.

Interdisciplinary collaboration is the third challenge. Startup compliance exists at the intersection of corporate law, securities regulation, tax, intellectual property, and technology regulation. No single professional has comprehensive expertise across all of these domains. The PCS who serves the startup ecosystem effectively is one who has built a reliable network of specialist collaborators — tax advisors, IP attorneys, FEMA specialists, and technology lawyers — and who can coordinate across these disciplines to provide the startup with a coherent, integrated compliance service rather than fragmented, siloed advice that leaves gaps at the critical intersections.

CONCLUSION

The Indian startup and technology ecosystem represents not merely an economic phenomenon but a structural transformation of how businesses are built, governed, and scaled in India. For the Practising Company Secretary, this transformation is an invitation — one of the most significant professional opportunities that the post-liberalisation period has generated. The profession is not merely welcome in this space; it is needed in a way that few other institutional actors can match.

The PCS who engages deeply with the startup ecosystem — who develops genuine expertise in DPIIT recognition, FEMA compliance, ESOP structuring, governance architecture, data protection regulation, and the transaction mechanics of venture-backed companies — is not merely providing a compliance service. They are building the institutional infrastructure that makes sustainable innovation possible.

The opportunity for the PCS profession in India's startup ecosystem is not peripheral — it is central. The question is not whether startups need what the PCS offers. They demonstrably do. The question is whether the profession will invest in the knowledge, the positioning, and the engagement models required to meet that need at the scale and depth the ecosystem demands.

The role of a Practising Company Secretary (PCS) in the startup and technology ecosystem has evolved far beyond traditional compliance management. From the stage of entity formation to fundraising, governance structuring, regulatory advisory, intellectual property support, corporate restructuring, due diligence, and strategic exit planning, a PCS acts as a vital legal and governance partner throughout the business lifecycle. We understand the role of PCs in the start-ups and technology ecosystem concisely with following points:

- Practising Company Secretaries (PCS) play a transformative role by guiding startups through every stage of the business lifecycle — from entity incorporation and regulatory structuring to investment readiness, governance management, and strategic exits.

- In the dynamic startup ecosystem, PCS professionals act not merely as compliance advisors but as strategic business partners ensuring legal stability, investor confidence, and operational transparency.
- Their expertise in areas such as corporate laws, FEMA compliances, intellectual property coordination, due diligence, fundraising documentation, ESOP structuring, and secretarial governance significantly strengthens the foundation of emerging ventures.
- During mergers, acquisitions, IPOs, and other exit strategies, PCS support businesses in achieving seamless regulatory execution and value maximization while minimizing legal and procedural risks.
- As the innovation economy continues to expand, the role of PCS is evolving from traditional compliance management to strategic advisory and governance leadership within the startup and tech ecosystem.
- Therefore, Practising Company Secretaries are indispensable contributors to building compliant, investment-ready, scalable, and globally competitive startups in the modern entrepreneurial landscape.
- Corporate Governance driven advisory by Practising Company Secretaries enhances institutional credibility and strengthens long-term business sustainability.
- PCS professionals help startups establish a strong legal and compliance culture at an early stage, thereby reducing future litigation and regulatory exposure.
- Their role in maintaining statutory records, drafting shareholders' agreements, and ensuring secretarial compliance contributes to transparent and efficient corporate administration.
- In the rapidly evolving technology sector, PCS provide crucial support in adapting businesses to changing regulatory frameworks, data governance requirements, and cross-border compliance obligations.
- Startups seeking venture capital or private equity funding benefit significantly from the due diligence preparedness and governance frameworks established by PCS.
- PCS act as facilitators between founders, investors, regulatory authorities, and other stakeholders, ensuring effective communication and legal coordination.
- By advising on restructuring, conversion, mergers, and strategic collaborations, PCS contribute directly to scalability and business expansion opportunities.
- Their professional guidance in ESOP implementation and corporate structuring assists startups in attracting and retaining skilled talent in competitive markets.
- PCS also support startups in building ethical governance standards, risk management mechanisms, and investor-friendly operational systems.
- With increasing emphasis on compliance and transparency in the startup ecosystem, the demand for specialized PCS advisory services is expected to grow substantially in the coming years.
- Ultimately, the contribution of Practising Company Secretaries extends beyond statutory compliance to fostering innovation, investor trust, operational discipline, and sustainable entrepreneurial growth.

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Forensic Secretarial Audit and Fraud Detection: Emerging Tools and Techniques for Practicing Company Secretaries

In light of the increasing incidence of compliance irregularities, corporate fraud, and governance failures, forensic secretarial audit (FSA) is emerging as an important governance tool integrating investigative scrutiny, compliance verification, and fraud detection within corporate governance systems. In this backdrop, this study examines the conceptual foundations of FSA, the nature of corporate fraud and governance vulnerabilities, and the growing role of Practicing Company Secretaries in preventive governance and forensic compliance assurance.



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INTRODUCTION

Over the last two decades, corporate governance has undergone significant transformation with the growing incidence of corporate fraud, accounting manipulations, regulatory violations, and technological disruptions. High-profile corporate scandals have highlighted the shortcomings of traditional compliance-based auditing strategies in detecting sophisticated fraud schemes, governance manipulation, hidden related-party transactions, and digitally-enabled irregularities (Rezaee & Riley, 2022). Fraud is more complex, technologically sophisticated, and multidimensional in today's corporate landscape, which features complex financial models, cross-border transactions, integrated digitized systems and changing governance demands. Therefore, governance mechanisms are moving from "reactive verification of compliance" to "proactive and preventive assurance of governance mechanisms" (Haddad et al., 2024).

Traditional secretarial audit is primarily concerned with procedural compliance and statutory adherence. While this mechanism is still central to regulatory governance, it is frequently insufficient to detect intentional acts of regulatory failure, document tampering, compliance manipulation, or cyber-enabled misconduct (Bhasin, 2016). This shortcoming has led to the development of forensic techniques in corporate governance that integrate investigative techniques, analytics, digital forensics,

and evidentiary analysis in the detection of fraud and governance risk assessments (Singleton & Singleton, 2010). Forensic secretarial audit (FSA) denotes the convergence of secretarial oversight, forensic accounting methodologies, and advanced technological skills to identify, investigate, and prevent governance violations and financial misconduct (Haddad et al., 2024).

The rapid development of the digital economy has further complicated compliance environments and fraud detection systems. Although the growing use of electronic records, cloud-based systems, e-filings, digital signatures, artificial intelligence (AI), and automated compliance systems has enhanced governance efficiency, it has also raised cyber-related vulnerabilities (Kokina & Davenport, 2017). Therefore, contemporary auditing should combine data analytics, digital forensics, and AI to tackle increasingly sophisticated fraud mechanisms (Oluwatosin et al., 2024). In this changing world, Practicing Company Secretaries (PCS) are becoming crucial governance professionals who not only ensure compliance but also strengthen preventive fraud surveillance and forensic governance oversight. In this context, this paper explores the increasing importance of FSA as a newly emerging governance instrument for fraud detection and compliance assurance.

CONCEPTUAL FRAMEWORK OF FSA

As businesses evolve, the volume of digital transactions, governance processes, and business operations have made audit and compliance tasks far more complex. Growing corporate fraud, governance failures, regulatory evasions, and technologically advanced misconducts have led to forensic approaches where investigative scrutiny is coupled with evidentiary analysis. "Forensic audit" denotes a specific type of investigation of financial, operational, and compliance issues to identify misconduct and fraud, and to provide legally admissible evidence (Singleton & Singleton, 2010).

"FSA" refers to a systematic and investigative examination of a company's secretarial, compliance, and governance records for investigating, detecting, and preventing fraud, breaches of fiduciary duty, and governance violations (Almasria, 2022). It is a hybrid approach that uses investigative techniques designed for forensic accounting,

digital forensics, and governance analytics to expose concealed fraud schemes, hidden transactions, and governance anomalies. Primarily, FSA is a preventive, investigative, and governance-based approach. It is more than just procedural verification; it looks at the intentions, integrity and authenticity of corporate actions and disclosures. It involves scrutiny of board proceedings, regulatory filings, statutory registers, related-party approvals, digital communication systems, and electronic records to identify irregularities, unauthorized transactions, and policy violations (Haddad et al., 2024). It ensures the preservation and examination of digital and documentary evidence for use in litigation, regulatory inquiry and enforcement actions (Kaawaase et al., 2021). It also enhances internal controls, stakeholder confidence, ethical governance practices and organizational transparency.

Shell entities, layered transactions, disguised ownership, and digital manipulation are increasingly used by organizations to conceal fraudulent activities and evade regulatory oversight (Rezaee & Riley, 2022). Moreover, statutory record falsification, board resolution manipulation, use of digital signatures, and covering up related-party transactions are significant governance issues. The rapid digitalization has further increased vulnerabilities associated with electronic documentation, fraud enabled by digital technology, and unauthorized record modifications (Familoni, 2024). Common compliance audits may not have the investigative techniques necessary to uncover those advanced irregularities. The expectations of all stakeholders and the watchful eye of regulatory bodies like the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA), the Serious Fraud Investigation Office (SFIO), etc., have intensified significantly (Kaawaase et al., 2021). Against this context, FSA has emerged as a niche governance process that can combine compliance verification with forensic investigation and technology-based fraud detection processes.

CORPORATE FRAUD AND GOVERNANCE VULNERABILITIES

The growing sophistication of corporate fraud has exposed important weaknesses in traditional governance and compliance systems. Understanding these vulnerabilities is, therefore, necessary for strengthening forensic governance mechanisms.

a. Nature of Corporate Fraud

“Corporate fraud” refers to any dishonesty conducted by an insider/outsider of an organization to gain a financial or strategic advantage at the cost of the organization’s fiduciary duties, governance practices or legal responsibilities (Haddad et al., 2024). Corporate

fraud has become more complex due to the increasing sophistication of corporate operations, digital transactions and governance systems. Contemporary fraud is not limited to traditional accounting fraud; they increasingly involve governance engineering, technological abuse, regulatory evasion, and cyber-enabled misconduct.

Financial statement fraud is one of the most problematic types of corporate fraud, involving intentional misrepresentation of financial items, or accounting records to deceive investors, regulators and other stakeholders (Rezaee & Riley, 2022). It often includes revenue inflation, concealment of liabilities, fictitious transactions, and/or altering financial statements. Besides, directors, executives, or employees may use their position for personal gain by insider trading, diverting corporate assets, engaging in conflict-of-interest transactions, or falsely disclosing.

Manipulating governance is a frequent tactic in corporate fraud, with falsified statutory registers, altered board minutes, backdated resolutions, and fake approvals designed to create the impression of procedural legitimacy. Furthermore, compliance fraud like false certificates, misleading regulatory filings, and deliberate non-disclosures have surfaced as major governance issues in highly regulated business environments. Corporate processes have been digitized at a fast pace, making cyber-enabled fraud even more prevalent. Unauthorized access to governance systems, manipulation of electronic records, phishing attacks, ransomware incidents, use of digital signatures and fraudulent digital transactions have significantly increased the complexity of governance risk management and fraud detection mechanisms (Familoni, 2024).

Improving digital compliance infrastructure, secure audit trails and integrated governance systems will thus be critical to further improve fraud detection capabilities and governance resilience in future corporate ecosystems.

b. Governance Failures and Compliance Gaps

Internal control weaknesses, inadequate separation of duties, and lack of oversight and compliance monitoring systems provide opportunities for manipulation and cover-up of irregularities (ACFE, 2024). Governance frameworks often fail due to excessive managerial dominance, passive directorship, lack of professional skepticism, and/or insufficient board independence (Kaawaase et al., 2021). However, there are many compliance gaps, including inadequate disclosure systems, insufficient whistleblowing procedures, insufficient compliance training, and the absence of integrated risk assessment frameworks (Almasria, 2022).

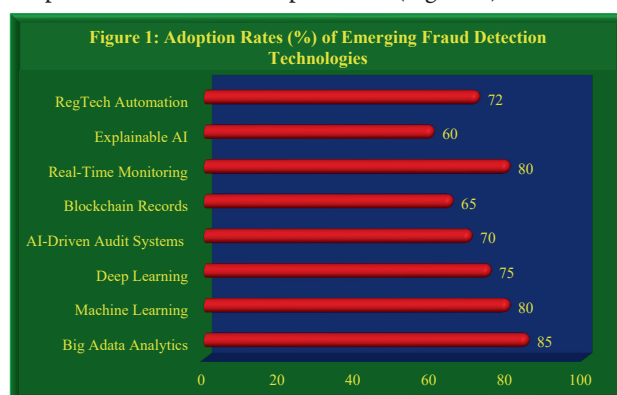
c. Red-Flag Indicators in Secretarial and Compliance Records

FSA is crucial for uncovering red flags in governance processes and compliance documentation. Some

abnormalities signal that there is hidden dishonesty and need further in-depth investigation by the forensic process. Examples include backdated resolutions, discrepancies between internal records and Registrar of Companies (ROC) filings, repetitive changes in the statutory registers, or the lack of evidence of quorum and dissent (Almasria, 2022). Likewise, unusual related-party approvals without supporting documentation, unapproved changes to governance policies, and major transactions just prior to reporting periods are potential red flags. Major forensic issues in digital signature systems include misuse of digital signatures, destruction or alteration of electronic records, unauthorized access to systems, and lack of audit trails (Familoni, 2024). These red flags do not happen in isolation, but rather stem from many interrelated governance shortcomings that can only be examined through a technology-assisted forensic and investigative analysis.

EMERGING FRAUD DETECTION TOOLS AND TECHNOLOGIES

Digitalization has also transformed the way corporate governance systems are conducted and the way in which fraud is detected and compliance managed. The technology of surveillance, automated monitoring tools and data-driven investigation processes are increasingly part of contemporary governance environments to detect irregularities that lie undetected in a traditional audit environment. In this evolving context, new technologies are now playing a significant role in not only augmenting the FSA process but also in facilitating PCS to detect governance anomalies, compliance manipulation, and fraudulent activities in real time (Kokina & Davenport, 2017). The use of AI, digital forensics, blockchain systems, Regulatory Technology (RegTech) solutions, cybersecurity frameworks, and cloud-based platforms for governance has greatly broadened the range and capabilities of corporate fraud detection processes (Figure 1).



Source: (Haddad et al., 2024; Oluwatosin Ilori et al., 2024)

a. AI and Data Analytics in Fraud Detection

The use of AI and machine learning technologies has transformed fraud detection by being able to analyze large amounts of data, detect anomalies and hidden patterns that are typical of fraudulent activity. These

AI-based systems can analyze both unstructured and structured data to detect suspicious transactions, irregular compliance filings, unusual approval workflows, and other deviations from standard governance protocols. The accuracy for fraud detection with the machine learning algorithms is reported to be very high and the false positive rate is significantly lower compared to traditional rule-based methods.

Supervised learning algorithms, such as clustering and anomaly detection algorithms, help in identifying emerging fraud patterns and statistical outliers that deviate from normal behavior patterns (Oluwatosin et al., 2024). Deep learning systems detect suspicious language, hidden coordination, or governance issues in emails, narrative documentation, and communication patterns. Explainable AI (XAI) methods are also becoming significant as they help auditors and governance practitioners to understand and verify algorithmic findings. The use of predictive analytics is a powerful way to improve proactive fraud prevention by predicting high-risk transactions or governance activities before misconduct occurs (Oluwatosin Ilori et al., 2024).

b. Digital Forensic Tools

In an electronically managed corporate environment, digital forensic technologies are invaluable tools of FSA. “Digital forensic” is the systematic process of collecting, preserving and analyzing electronically stored evidence as per legal and evidentiary framework (Malik et al., 2024). Metadata analysis assists investigators to gain access to information that is not immediately obvious from the text of an electronic document, such as its authorship information, modification history, timestamps and access records. This can uncover document tampering, unauthorized changes, and backdated resolutions. Furthermore, disk imaging, deleted file recovery, mobile device forensics, and cloud forensics will allow evidence to be recovered from digital infrastructure even after attempted deletion or concealment (Malik et al., 2024). Chain-of-custody documentation also helps to ensure that digital evidence is admissible in litigation and regulatory matters (Malik et al., 2024).

c. RegTech and Compliance Automation

“RegTech” represents any technology-based method for automating compliance monitoring, reporting and governance management tasks. RegTech solutions increasingly transform the practice environment of PCS through automated compliance dashboards, real-time reporting systems and integrated compliance tracking software. Automated transaction monitoring systems can compare financial transactions with compliance regulations and behaviour profiles to detect suspicious transactions linked with money laundering, sanction violations and/or fraudulent transactions. Real-time monitoring mechanisms for compliance enable ongoing monitoring of the organization’s activities and compliance requirements,

thus allowing for the detection of breaches of the policy and governance deviations. Document management, compliance reporting, risk scoring, regulatory change tracking and due diligence processes are also automated on RegTech platforms.

d. Blockchain and Immutable Record Systems

In recent years, blockchain technology has gained considerable popularity in the field of governance and compliance management because of its ability to build a transparent, decentralized and tamper-proof record system (Haddad et al., 2024). Blockchain-based documentation systems provide immutable documentation, which is difficult to falsely manipulate or alter without being detected, thus minimizing the risk of unauthorized manipulation and falsification.

Smart contracts that are part of the blockchain infrastructure automatically implement governance processes and compliance checks in a coded authorization process. Accountability can be further enhanced with the use of multi-signature authorization systems, where the cryptographic signature of multiple authorized users is needed before governance decisions are executed (Haddad et al., 2024). Furthermore, blockchain systems can improve the traceability and credibility of evidence by providing a complete record of all changes to the evidence and governance activities (Dai & Vasarhelyi, 2017).

e. Cybersecurity and Fraud Surveillance Systems

Cybersecurity frameworks have become part of today's fraud detection systems. Intrusion detection systems, user behaviour analytics, endpoint detection solutions,

and security information and event management (SIEM) platforms keep a constant watch on suspicious activities, unauthorized access attempts and abnormal behavior patterns within organizations. Data loss prevention systems also track sensitive data transfers and help to block unauthorized data exfiltration (Familoni, 2024). These are especially important for PCS for managing electronic records, virtual board meetings, approvals and cloud-based governance systems.

f. Cloud-Based Documentation and E-Governance Systems

There has been a complete shift in compliance management and governance documentation with cloud-based governance platforms. Centralized repositories of documents enable the real-time monitoring of the document, standardized record keeping and secure collaborative governance processes (Bernardo et al., 2024). Version control systems automatically maintain a history of document revisions, allowing identification of unauthorized changes and restoration of previous versions if needed (Malik et al., 2024). E-governance systems automate management of board meetings, document circulation, voting and compliance reporting to reduce opportunities for procedural manipulations (Bernardo et al., 2024). While cloud-based systems provide greater governance transparency and enhance operational efficiency, they must also have effective cybersecurity protections, encryption, and forensic monitoring systems to ensure that the data cannot be accessed by unauthorized parties, compromised, or destroyed (Table 1).

Table 1: Emerging Technologies for Fraud Detection and Their Relevance in Forensic Secretarial Practice

Tool/Technology	Application in PCS Practice	Fraud Detection Utility
AI and Machine Learning	Compliance analytics and behavioural monitoring	Detection of anomalies and suspicious patterns
Predictive Analytics		Early fraud risk identification
Digital Forensic Tools	Governance risk forecasting	Detection of tampering and digital manipulation
RegTech Platforms	Examination of electronic evidence	Continuous monitoring of compliance deviations
Blockchain Systems	Automated compliance management	Prevention of unauthorized alterations
Cybersecurity Surveillance	Immutable governance records	Detection of cyber-enabled fraud
Cloud-Based Governance Platforms	Monitoring digital governance systems	Enhanced transparency and evidentiary reliability
	Centralized documentation and virtual audits	

Source: Compiled and constructed by the author based on relevant literature

ROLE OF PCS IN FORENSIC GOVERNANCE

Beyond compliance functions, PCS increasingly contribute to governance surveillance, fraud prevention, and forensic assurance.

a. PCS as Governance Professionals

With the development of modern governance systems, PCS' roles are being more and more acknowledged

as governance professionals charged with ensuring transparency, accountability, ethics, and regulatory compliance in organizations (Almasria, 2022). PCS occupy strategically pivotal positions within corporate governance because of their participation in the activities of boards, regulatory filings, corporate documentation and stakeholder communication (Kaawaase et al., 2021). They have ready access to confidential corporate information, board meetings

and the compliance records, which allow them to detect anomalies in governance and deviations from the usual procedures that may indicate fraud or misconduct (Almasria, 2022). In this context, PCS act as facilitators of ethical governance, upholding procedural integrity, responsible corporate practices, and establishing accountability mechanisms.

b. Investigative and Preventive Functions

PCS are positioned to evaluate unusual transaction structures, irregular approval processes, inconsistencies in filing and unusual governance practices that otherwise might go unnoticed (Almasria, 2022). Transaction analysis is a vital investigative area, looking at related-party transactions, board approvals, and key corporate decisions to uncover financial irregularities or unauthorized activities (Haddad et al., 2024). Analysis can also be used to uncover hidden communication or evidence of misconduct. PCS help support continuous compliance surveillance, governance risk assessment and internal controls that will prevent future wrongdoing. They are also key in due diligence processes linked to mergers, acquisitions, restructuring, and fundraising activities, uncovering hidden liabilities, governance issues, and compliance vulnerabilities. Preventive governance systems are further strengthened by whistleblower protection mechanisms, employee awareness programs, policy development initiatives and governance framework enhancement (Almasria, 2022).

c. Evidentiary and Reporting Responsibilities

Forensic governance investigations produce significant evidentiary and reporting responsibilities requiring PCS to maintain high standards of documentation and record preservation. Proper maintenance of board minutes, statutory registers, approvals, disclosures and compliance certifications promotes accountability and defensibility in the face of regulatory examinations or litigation (Haddad et al., 2024). An important role is to report irregularities, deviations in governance, and findings from investigations objectively. Reports should be clear and distinguish between the facts, analysis, and opinions, and should be confidential and adhere to evidentiary standards (Haddad et al., 2024). As regulatory compliance officers, they are becoming more of governance assurance officers, helping to build transparency and stakeholder trust in the organizations. Notably, PCS are required to develop expertise in digital governance management and forensic technology systems.

LEGAL AND REGULATORY DIMENSIONS

FSA in India is guided by legal and regulatory provisions as outlined in the Companies Act, 2013 and other regulations. For example, Section 204 of the Companies Act aims at strengthening governance accountability and compliance assurance for certain classes of companies. In this changing scenario, the role of the Company Secretary is increasingly coming under the microscope

for implementing governance mechanisms that will help detect fraud risks and compliance abnormalities (Almasria, 2022).

The regulatory environment has also strengthened with the increased disclosure and governance provisions stipulated by SEBI, which put a greater emphasis on transparency, board accountability, disclosure of related-party transactions and on timely reporting, thus increasing the compliance and monitoring burden on PCS (Kaawaase et al., 2021). Other regulatory requirements for anti-money laundering, sanctions compliance and financial reporting impose a significant burden that nonetheless demands forensic governance review. The SFIO may undertake investigations in serious cases of fraud and manipulation of governance. The legal framework also includes provisions on falsification of records, concealment of material information, misstatements and wrongful disclosures, emphasizing the increasing significance of forensic compliance mechanisms. A new field of interest is digital evidence and data protection issues for governance investigations. Investigation procedures must also follow the rules of privacy protection, whistleblower protections, employment law rules and evidence as it relates to admissibility of digital evidence (Bernardo et al., 2024). Therefore, legal knowledge, forensic sensitivity and technical skills are becoming an increasing part of the legal landscape of today's secretarial practice.

CHALLENGES IN IMPLEMENTING FSA

Although FSA is becoming increasingly important in contemporary corporate governance, it presents many structural, technological and regulatory challenges.

- (a) Lack of specialized training and interdisciplinary expertise among professionals is one of the major concerns. Forensic Secretaries should understand the principles of corporate law, governance and corporate systems, fraud investigation methods, digital forensics, cybersecurity and evidentiary protocols. But most compliance professionals are still trained mainly in traditional procedural compliance and not technology-driven investigative analysis. Lack of competencies in data analytics, digital investigation, and forensic skills continues to limit implementation capabilities (Haddad et al., 2024).
- (b) There are also significant operational barriers due to technological constraints. High-tech fraud detection solutions come at a price and with specific technical skills (Bernardo et al., 2024). Integrated governance monitoring systems can be difficult for small and medium-sized organizations because of resource constraints and cost-benefit considerations (Almasria, 2022). Furthermore, a lack of or inadequate data can hinder the processes of analytical and forensic examination (Oluwatosin Ilori et al., 2024).
- (c) Data privacy and confidentiality, as well as evidentiary issues, are other significant issues. During forensic investigations, access to sensitive company data, employee communications, electronic records and

confidential governance documents is often required. Organizations need to balance investigative needs with privacy, confidentiality requirements and rules of evidence relating to electronic documentation. Electronic evidence may be further complicated by regulatory uncertainty over how to investigate and adduce electronic evidence (Bernardo et al., 2024).

- (d) Furthermore, there are practical challenges, such as management and organizational resistance, especially if senior executives or governance weaknesses are involved in the investigation (Almasria, 2022).
- (e) Last but not the least, there is no specific regulatory structure for FSA that would allow for some standardization in regard to investigative methodology, reporting, and professional responsibility. Hence, there is a need for better institutional oversight, targeted training and professional standards to enhance the effectiveness and credibility of forensic governance practices.

CONCLUSION

Global governance systems are growing in sophistication, and corporate fraud is becoming more complex, requiring a more sophisticated FSA. Specialized forensic training program for PCS is one of the prerequisites. Given the increasing complexity of digital investigations, cyber-risk assessment, data analysis, and evidentiary examination in forensic governance, it is essential that professional education not only teaches students the traditional compliance-based competencies but also adopts an interdisciplinary perspective in teaching forensic competencies.

The development of specific forensic governance standards also needs to be addressed on priority basis. There is no consistent and uniform professional body to oversee the investigative method, the evidentiary process, documentation and reporting requirements. Clarification of professional guidance and best practices can be achieved through institutional support from the Institute of Company Secretaries of India, industry engagement and regulatory partnership.

Moreover, the importance of interdisciplinary collaboration among Company Secretaries, Forensic Accountants, Cybersecurity Professionals, Lawyers, and Data Scientists to address many of the challenges surrounding effective forensic governance is growing. Improving digital compliance infrastructure, secure audit trails and integrated governance systems will thus be critical to further improve fraud detection capabilities and governance resilience in future corporate ecosystems. Overall, FSA denotes an emerging commitment towards governance integrity, proactive fraud prevention, and sustainable corporate accountability in a growing digital business environment.

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Forensic Secretarial Audit: When Compliance Becomes Detection

Secretarial Audit under Section 204 of the Companies Act, 2013, as currently practised in most boardrooms, is a compliance verification exercise — a structured confirmation that filings were made, registers were maintained, and disclosures were issued within prescribed periods. This article argues that this formulation is insufficient. In an era of structured financial fraud, AI-assisted record manipulation, and deepening regulatory complexity, the secretarial auditor is frequently the first professional to encounter fraud signatures — but is operationally and intellectually unprepared to read them. Drawing on publicly known enforcement actions, regulatory frameworks from India, the UK, and Japan, and the specific governance failures in RBI-regulated NBFCs, this article proposes a forensic methodology for secretarial audit — one grounded in Fraud Risk Assessment, Key Risk Indicators, and intentionality analysis — and addresses the responsibilities of both the practising CS conducting the audit and the in-house CS who must build the internal architecture to make forensic audit possible, rather than adversarial.



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INTRODUCTION

THE GAP BETWEEN CERTIFICATION AND DETECTION

Every year, thousands of Form MR-3/Secretarial Audit Reports are filed across India's listed and prescribed unlisted company universe. Every year, Secretarial Auditors certify compliance with the Companies Act, SEBI Listing Obligations, FEMA, the Depositories Act, and a growing list of allied statutes. And every year, enforcement actions by SEBI and the MCA reveal fraud signatures — forged board resolutions, backdated filings, related-party transactions structured to obscure beneficial ownership, and statutory delays that were not accidental — that the secretarial audit, conducted weeks or months earlier, did not detect.

This is not an indictment of individual professionals. It is a structural observation about how the secretarial audit function has been designed, executed, and understood. The Form MR-3 format, and the professional culture around it, is inherently backward-looking and binary: was a form filed? Was it filed on time? Was a meeting held? Were registers maintained? What it does not ask — and what no guidance

note, checklist, or compliance software currently demands — is the forensic question: *was the record accurate, was the process genuine, and was any deviation from compliance intentional?*

This article argues that the answer to that gap is not merely process improvement. It is a fundamental reconception of what secretarial audit is for. The forensic dimension of secretarial audit — its capacity to detect, not merely certify — must be built into the methodology, not left to chance. And for that to happen, both the practising CS conducting the audit and the in-house CS whose work is being audited must be prepared, motivated, and equipped in ways that current professional standards do not demand of either.

The stakes of this reconception are high. A qualified Form MR-3 with adverse remarks is a governance failure for all parties: it signals that the internal secretarial function was unable to maintain forensic-quality records, that the board either could not or did not act on leading risk signals, and that the auditor arrived to find the damage rather than prevent it. The goal of this article is to show how that outcome can be avoided — and how, done well, forensic secretarial audit becomes the board's most reliable early warning system.

WHAT IS FORENSIC SECRETARIAL AUDIT — AND WHEN DOES IT APPLY?

a. The Legal Boundary

Section 204 of the Companies Act, 2013 mandates secretarial audit for prescribed classes of companies, with the report in Form MR-3 covering compliance with the Companies Act, the Securities Contracts (Regulation) Act, the Depositories Act, FEMA, SEBI regulations, and all sector-specific laws applicable to the company. The statute does not use the word "forensic." It does not require the auditor to assess intent, evaluate risk intelligence, or conduct a fraud risk assessment.

The forensic dimension arises directly from statute. Section 143(14) of the Companies Act, read with Rule 13(5) of the Companies (Audit and Auditors) Rules, 2014, explicitly extends the fraud reporting obligation under Section 143(12) *mutatis mutandis* to the Company Secretary in practice conducting secretarial audit under Section 204. This means the secretarial auditor who has reason to believe that an offence involving fraud is being or has been committed is required to report the matter to the Board or Audit Committee within the prescribed timelines, and thereafter to the Central Government where applicable. Non-compliance attracts a penalty of Rs.5 lakh in the case of a listed company. The secretarial auditor who encounters indicators of intentional non-compliance, record manipulation, or governance evasion and notes it merely as a “delay” or a “lapse” is not just professionally deficient — they are potentially in breach of an explicit statutory obligation.

b. When Does Forensic Audit Apply?

A forensic secretarial audit is triggered, or should be, in at least four circumstances beyond the routine annual appointment:

- A whistleblower complaint involving governance records, Board authorisations, or share register integrity.
- A SEBI or MCA investigation, inspection notice, or adjudication proceeding that requires the secretarial auditor to provide documentation or testify on the company's compliance record.
- An insolvency or restructuring proceeding in which the veracity of board resolutions, related-party authorisations, and statutory filings is directly material to creditor claims or liquidation proceedings.
- A Board-directed special audit following a change in control, a whistleblower disclosure, or a material corporate event whose governance trail is disputed.

But the more important — and more neglected — application of forensic thinking is in the *routine annual audit itself*. Every secretarial auditor who approaches the Form MR-3 as a checklist is leaving forensic value on the table. The question is not whether the environment calls for a special investigation. The question is whether the auditor is trained and prepared to read the compliance record as a risk document, not merely a filing calendar.

THE FRAUD TYPOLOGY: WHAT THE SECRETARIAL AUDITOR ACTUALLY ENCOUNTERS

a. The Mens Rea Problem: Intentional Delay vs. Casual Lapse

The most consequential — and least examined — forensic question in secretarial audit is this: when a statutory filing is late, was it late by accident or by design?

Current Secretarial Audit practice treats every delay identically: it is noted, the penalty paid is recorded, and the report moves on. This is forensically illiterate. A delay in filing Form MGT-14 for a Board resolution approving a related-party transaction — particularly when that delay coincides with a period during which promoters were active in the market — is not the same as a delay in filing an annual return due to administrative overload. The former may constitute evidence of deliberate information withholding to protect insider trading or to defer market reaction to a material corporate decision. The *mens rea* — the intent behind the act — is entirely different, and the consequences for investors are proportionally more serious.

The central argument of this article resolves to a single proposition: the Company Secretary — both as secretarial auditor and as in-house governance professional — is uniquely positioned to perform a forensic function that no other professional in the governance ecosystem currently performs.

The IndusInd Bank case (SEBI ex-parte interim order, May 2025) illustrates this with precision. SEBI found that material information about the bank's derivative portfolio losses — internally quantified at Rs.1,572 crore as early as December 2023 — was not classified as UPSI until March 4, 2025, and not disclosed to exchanges until March 10, 2025. In the interval of

over fifteen months, five senior executives including former MD & CEO Sumant Kathpalia sold substantial shareholdings, avoiding losses of approximately Rs.19.78 crore in aggregate. The secretarial compliance record for that period would have shown disclosure filings within prescribed timelines for most obligations. But a forensic lens — one that cross-referenced the disclosure pattern against the internal communication record and the executive trading pattern — would have identified the gap between *what was known* and *what was disclosed*, and when.

For the practising CS, the implication is direct: every material delay must be interrogated, not just noted. What was in the resolution or disclosure that was filed late? Who benefited from the timing? Was the delay approved at an appropriate level, and was the approval itself documented? For the in-house CS, the implication is equally direct: a culture in which delays are treated as administrative matters rather than governance events is a culture in which the secretarial function cannot provide forensic assurance to the board.

b. Forged and Backdated Board Resolutions

The integrity of the Board resolution is the foundation of the secretarial record. Every subsequent filing, disclosure, approval, and transaction depends on the validity of the board's documented decision. Yet the secretarial auditor, in routine practice, verifies that a resolution exists — not that it is genuine, not that the directors it records as present were actually present, and not that the date it bears reflects when the decision was actually made.

For the secretarial auditor, the governance record of a preferential allotment is directly within scope — the EGM notice, the board resolutions authorising the allotment, and the post-allotment utilisation disclosures under Regulation 32 of LODR (formerly Clause 43 of the Listing Agreement). A forensic secretarial auditor examining the quarterly utilisation filings would have identified, at the very first reporting cycle, that the stated objects and actual application of funds did not match. The pattern, escalated early, would have created an obligation to act — not to wait for SEBI to reconstruct the record years later. Separately, on the resolution integrity question, a forensic secretarial auditor should examine whether board papers, minutes, and attendance registers are internally consistent in chronology and cross-references — and whether the content of resolutions is consistent with disclosures or announcements made proximate to the claimed meeting date.

c. Share Register Manipulation and Fictitious Transfers

The forensic secretarial auditor examining a company's share register must approach it not as a static document to be ticked but as a live record whose integrity is evidence of governance quality. Reconciliation between the register of members, the depository records, and the shareholding patterns filed with exchanges — across multiple time points — reveals whether transfers have been properly authorised, whether beneficial ownership has been accurately reflected, and whether any transfers proximate to material corporate events warrant additional scrutiny. DIN and PAN mismatches, directorial changes in the period immediately before a significant transaction, and unusual clustering of transfers in short windows are all KRI signals that the current MR-3 format neither prompts nor captures.

d. Related-Party Transactions Structured to Obscure Beneficial Ownership

Related-party transactions represent perhaps the highest-risk area in the secretarial record, because the secretarial auditor is uniquely positioned — between the Companies Act register and the board resolution — to identify when the governance architecture of a transaction has been constructed to avoid the appearance of a related-party relationship while preserving its economic substance.

A forensic secretarial auditor examining related-party transactions must cross-reference the register of directors, the beneficial ownership declarations under Section 89/90, and any prior disclosures of interest under Section 184, against the counterparties to every material transaction. Where a transaction's counterparty appears unrelated on the face of the register but shares a beneficial owner, a common address, a DIN-linked directorship, or a common professional adviser with the company or its promoters, the auditor has a forensic obligation to flag the pattern — not to adjudicate the relationship, but to require management to produce the documentary basis for the related-party determination.

DETECTION TOOLS: FROM FILING CALENDARS TO FORENSIC METHODOLOGY

a. The Fraud Risk Assessment as the Starting Point

The most significant structural reform proposed in this article is this: **the secretarial audit must begin with a Fraud Risk Assessment, not a filing calendar.** This is not current practice anywhere in India. But it is the only logical starting point for an audit that aspires to forensic quality.

A Fraud Risk Assessment (FRA) in the secretarial context maps the areas of greatest vulnerability to intentional non-compliance or record manipulation in the specific company being audited. It is not a generic checklist. It is calibrated to the company's size, sector, ownership structure, recent corporate history, and regulatory exposure. For a promoter-dominated listed company, the FRA would weight the integrity of related-party authorisations and the consistency of insider trading declarations heavily. For a company that has recently undergone a change in control or a major restructuring, it would weight the validity of board resolutions and the accuracy of the register of members.

The FRA produces the secretarial auditor's *risk-rated work plan* — a prioritisation of where forensic attention is warranted, not a mechanical enumeration of what forms were filed. Without the FRA, the audit is process-driven. With it, the audit is risk-driven — which is what "forensic" means in practice.

For the in-house CS, the FRA creates a corresponding obligation: the company should itself maintain a Compliance Risk Matrix — updated at least annually and reviewed whenever a material corporate event occurs — that documents the identified compliance risks, the controls in place, and the residual risk position. This is the document the forensic secretarial auditor should be given on Day 1 of the audit, not constructed from scratch by the auditor at the client's premises.

b. Key Risk Indicators: Leading, Lagging, and Tier 1

Compliance management tools currently available in the Indian market offer what may be called “traffic light compliance” — colour-coded dashboards showing filed/overdue/at-risk status across a filing calendar. These tools have genuine utility for operational compliance management. They have no forensic utility. They tell the auditor what was filed. They do not tell the auditor *why* something was filed late, *whether* the content filed was accurate, or *what the pattern* of filings reveals about governance quality over time.

A forensic secretarial audit requires Key Risk Indicators — a concept well-established in financial risk management but entirely absent from secretarial audit practice. In the secretarial context, KRIs fall into three tiers:

Leading KRIs — signals that precede governance failure:

- Frequency of board meeting adjournments or quorum failures in a rolling 12-month window.
- Number of resolutions passed by circulation versus in meeting — and whether the topics passed by circulation were material.
- Pattern of related-party transaction approvals — whether they cluster around specific reporting periods.
- Frequency of Section 184 declarations being filed after the related event rather than before.
- Directorial changes in the 60-day period proximate to a material announcement or transaction.

Lagging KRIs — patterns revealed by historical compliance data:

- Rolling late filing frequency by category and by individual responsible — distinguishing systemic overload from selective delay.
- Penalty payment history — does the company pay penalties promptly (suggesting administrative lapse) or contest them (suggesting strategic non-compliance).
- Qualified MR-3 observations that recur across consecutive audit periods without remediation.

Tier 1 KRIs — high-consequence signals requiring immediate escalation:

- Beneficial ownership changes (Section 89/90 declarations) proximate to open-offer thresholds.
- UPSI designation gaps — periods during which material information was known internally but not designated as UPSI and not reflected in trading window closures.
- Register of directors disclosing a DIN flagged in MCA21 enforcement records.

None of these KRIs require the secretarial auditor to make a legal determination. They require the auditor to *ask the question* — and to document, in the working papers, both the question asked and the answer received. That documentation is itself forensic evidence of the audit's quality.

c. Blind Spot Reviews: What the Auditor Was Not Shown

A process audit asks: did the process work? A forensic audit asks: was the process designed to obscure? The practical expression of this distinction is the blind spot review — a structured examination of *what the auditor was not shown*, rather than what was produced.

Blind spots in secretarial audit typically include: board papers that were circulated informally and not retained in the official file; draft minutes that differ from the signed minutes; digital signature logs that do not match the dates on signed documents; and statutory register entries that are complete in the copy provided to the auditor but incomplete in the original or in a different version held by a different function. A forensic secretarial auditor must routinely request the *source* documents — not the copies prepared for the audit — and must cross-reference digital metadata (creation dates, modification dates, author fields) against the dates on the face of the document.

This is where the DPDPA dimension enters naturally. When the forensic secretarial auditor accesses personal data in the course of the audit — Director Identification Numbers, shareholder PAN records, beneficial ownership declarations, or electronic signature metadata — they are accessing data within the meaning of the Digital Personal Data Protection Act, 2023. The audit engagement letter must address the data fiduciary obligations created by this access: the basis on which personal data is being processed (legitimate use under the Companies Act and SEBI regulations), the retention and deletion protocols for data accessed during the audit, and the prohibition on using personal data accessed in the audit engagement for any other purpose. AI-assisted tools that cross-reference MCA21 data, depository records, and exchange filings — increasingly used by larger secretarial audit firms — must be configured to ensure that the personal data accessed through these tools is processed in compliance with the DPDPA's data minimisation and purpose limitation principles. The in-house CS, as the entity whose data is being accessed, should ensure that the company's data processing register reflects the secretarial audit engagement as a legitimate processing activity.

d. Global Reference Points: What Other Jurisdictions Demand

India's secretarial audit has no precise equivalent in most developed governance jurisdictions — which makes it, in principle, one of the most powerful

governance tools available to Indian boards. The challenge is that it has been executed at the lowest level of its potential.

In **Japan**, the Financial Instruments and Exchange Act (FIEA, 2006 — commonly referred to as J-SOX) requires listed companies to conduct and certify internal control assessments over financial reporting, with those assessments attested by the same external auditor who signs the financial statements. Crucially, J-SOX mandates *risk assessment as the foundation* of the internal control evaluation — management must identify key controls, assess their design and operating effectiveness, and the auditor must evaluate the risk-based work plan, not merely the output. This is the structural equivalent of what we are proposing for Indian secretarial audit: the audit begins with risk, not with a calendar.

In the **United Kingdom**, the revised UK Corporate Governance Code (2024) introduced Provision 29, which for the first time requires boards to make a formal declaration on the effectiveness of their *material* internal controls — explicitly including controls over fraud and override of controls. The company secretary in a UK-listed company is directly responsible for ensuring that the board's internal control framework is documented, reviewed, and accurately described in the annual report. This places the UK company secretary in precisely the forensic posture we are advocating here: responsible not merely for compliance procedures but for the *integrity* of the controls that those procedures are meant to enforce.

The lesson for Indian practice is not that we must replicate these frameworks wholesale. It is that the instinct behind them — that governance audit must be risk-based, that the auditor's starting point is *where are the vulnerabilities* rather than *what are the obligations* — is a professional standard that Indian secretarial audit can and must adopt.

PROFESSIONAL LIABILITY AND REPORTING OBLIGATIONS WHEN FRAUD IS DETECTED

a. The Legal Framework

When a secretarial auditor encounters material indicators of fraud — not conclusive proof, but substantiated indicators — the legal and professional obligation is clear, though frequently misunderstood in practice. Contrary to common assumption, Section 143(12) of the Companies Act — the fraud reporting obligation — is not limited to statutory auditors. Section 143(14), read with Rule 13(5) of the Companies (Audit and Auditors) Rules, 2014, explicitly applies the provision *mutatis mutandis* to the Company Secretary in practice conducting secretarial audit under Section 204. The secretarial auditor therefore operates under the same framework as the statutory auditor in this respect:

- Section 143(12) read with Rule 13(5): where the secretarial auditor has reason to believe that a fraud is being or has been committed against the company by its officers or employees, the matter must be reported to the Board or Audit Committee within the prescribed timelines, and thereafter to the Central Government where applicable. Failure to comply attracts a penalty of Rs.5 lakh (listed companies).
- Section 204(4), which requires the Board to explain in full any qualification or observation in the MR-3 — making the qualified report itself a board-level accountability document.
- The ICSI Code of Conduct, which requires members to act in the public interest and to report matters of significance through appropriate channels.
- SEBI LODR Regulation 24A and related provisions, which create obligations around material compliance failures affecting investor protection.
- The PMLA, 2002, whose applicability to Company Secretaries in practice has expanded as the Enforcement Directorate has pursued secretarial record chains in money laundering investigations.

In practical terms, the secretarial auditor who identifies what appears to be a pattern of intentional non-compliance has three escalation pathways: a qualified Form MR-3 that documents the specific finding and its basis; a direct communication to the audit committee (not to management, whose integrity may be in question) citing the specific indicators and requesting an explanation; and, in cases involving potential market abuse or investor harm, a report to SEBI under the relevant regulations. The choice between these pathways depends on the severity of the indicator, the company's response to audit queries, and the professional judgement of the auditor — but the framework for that choice must be pre-determined, not improvised at the point of discovery.

b. The Qualified Report: Not the End, but the Beginning

A qualified Form MR-3 is frequently treated by both auditors and companies as the worst outcome of the audit — a reputational penalty to be avoided through negotiation and remediation. This framing is backwards. A qualified report that is specific, evidence-based, and graduated in its assessment of severity is a *forensic document of value* — to the board, to the audit committee, to future auditors, and to regulators. The secretarial auditor who produces a generic qualification (“the company has not complied with Regulation X in respect of Y filings”) is providing less forensic value than one who documents the specific indicators, the queries raised, the responses received, and the basis for the conclusion that the lapse was either inadvertent or systemic.

For the in-house CS, the critical implication is this: a qualified report is far less damaging to the company, and to the in-house CS personally, if it is anticipated, documented, and presented to the board with a remediation plan before the MR-3 is finalised. The in-house CS who waits for the auditor to discover a compliance failure and qualify the report has lost the initiative. The in-house CS who identifies the failure first, reports it to the audit committee, and works with the secretarial auditor to document the finding and the remediation has demonstrated exactly the governance function that the board expects and that the audit was designed to provide.

THE NBFC GOVERNANCE FAILURE: DUAL HATTING AND THE LIMITS OF CHECKLIST COMPLIANCE

No area of current secretarial audit practice better illustrates the gap between compliance certification and forensic detection than the treatment of dual-hatting in RBI-regulated entities — and specifically the practice, common in smaller and mid-tier NBFCs, of the Company Secretary simultaneously holding the designation of Chief Compliance Officer.

The RBI's April 2022 Circular on Compliance Function and Role of Chief Compliance Officer for NBFCs was explicit on this point. The CCO, it stated, must be a senior executive not below two levels from the CEO, must possess domain expertise in risk management and regulatory compliance, must have independent reporting lines to the MD/CEO or the Risk Management Committee of the board, and — critically — *“there shall not be any dual hatting, i.e., the CCO shall not be given any responsibility which brings elements of conflict of interest.”*

The RBI's concern is not procedural. It is structural. The CCO's role in an NBFC encompasses compliance with RBI's prudential norms, KYC/AML obligations, Fair Practices Code requirements, interest rate transparency obligations, and a growing body of conduct regulation that has no connection to company law or SEBI regulations. A Company Secretary trained in MCA filings, SEBI LODR compliance, and secretarial practice is not — by training, by certification, or by professional formation — equipped to assess compliance risk in these domains. Assigning the CCO designation to the CS is a cost-saving measure that creates a *compliance fiction*: the form of compliance oversight without its substance.

For the secretarial auditor of such an NBFC, this creates a direct forensic challenge. The MR-3 covers compliance with applicable laws — but how does the auditor certify compliance with RBI's operational compliance framework when the person responsible for that compliance has neither the training to discharge it nor the independence to report failures upward? The honest answer is that in the current practice, the auditor does not examine it. The CCO designation is noted; the existence of a Board-approved Compliance Policy is verified; and the audit moves on.

A forensic approach would require the auditor to assess: whether the CCO (i.e., the CS) has actually conducted the annual Compliance Risk Assessment mandated by the RBI Circular; whether the compliance function's findings have been independently reported to the Board or Board Committee; whether any material compliance failures identified by the RBI in its own inspections have been escalated to the audit committee with a root-cause analysis; and whether the dual-hatting itself has been disclosed to the board as a structural governance risk. Identifying dual-hatting and its limitations is not a criticism of the individual CS holding both roles — it is a forensic observation that the board must be made aware of, because it is the board that bears responsibility for the adequacy of its governance architecture.

THE COMPANY SECRETARY AS THE PROFESSION'S FORENSIC SENTINEL

The central argument of this article resolves to a single proposition: the Company Secretary — both as secretarial auditor and as in-house governance professional — is uniquely positioned to perform a forensic function that no other professional in the governance ecosystem currently performs.

The statutory auditor examines financial records. The internal auditor examines process effectiveness. The Risk Management Committee examines strategic and operational risk. The Audit Committee oversees all of these. But none of these functions examines the *statutory and governance record* with the combination of legal knowledge, board proximity, and regulatory breadth that the Company Secretary brings. The statutory registers, the board resolution file, the insider trading compliance records, the beneficial ownership declarations, the LODR disclosure calendar — these are the CS's domain, and their integrity is the CS's professional responsibility.

What this article has proposed is that the profession operationalise that responsibility through a forensic methodology: begin every secretarial audit with a Fraud Risk Assessment; read every compliance deviation through the lens of intent, not merely outcome; deploy Key Risk Indicators to identify patterns that a filing calendar cannot reveal; conduct blind spot reviews of what was not produced; and approach the qualification of the MR-3 as a forensic document rather than a reputational penalty.

For the in-house CS, the corresponding obligation is to build the internal architecture that makes forensic audit possible. That means maintaining a Compliance Risk Matrix that is updated proactively rather than retrospectively; treating every delay, deviation, or qualification as a governance event requiring root-cause analysis; ensuring that the board understands the difference between a checklist compliance function and a risk-intelligent governance function; and having the professional confidence to bring emerging forensic concerns to the audit committee before they become qualified report observations.

ICSI's evolving curriculum and its engagement with AI governance, digital compliance tools, and DPDPA

frameworks reflect an institutional recognition that the governance landscape has shifted in ways that the profession must keep pace with. The forensic dimension of secretarial audit is the next frontier of that evolution — and it is one that Company Secretaries are, by their statutory position and professional formation, uniquely equipped to lead.

CONCLUSION

Secretarial Audit has the potential to be India's most powerful routine governance tool. The Company Secretary who signs the Form MR-3 sits at the intersection of the board's decision record, the company's statutory obligations, and the regulator's disclosure expectations. No other professional occupies that position with that breadth of access and that depth of governance responsibility.

The profession has not yet realised that potential, because it has allowed secretarial audit to become synonymous with filing verification. The forensic dimension — the capacity to detect intentional non-compliance, to read compliance patterns as risk signals, to identify the governance architecture of fraud before it becomes the subject of an enforcement order — has been left, by default, to SEBI investigators and forensic accountants who arrive after the event.

The time to reclaim that ground is now. The regulatory environment — SEBI's expanding enforcement reach, the RBI's explicit CCO independence requirements, the UK's Provision 29 internal controls declaration, and Japan's risk-based J-SOX framework — is converging on a governance standard that treats the audit of governance records as a risk function, not a compliance function. India's secretarial audit, with its statutory basis and its direct board access, is structurally better positioned than most equivalent mechanisms globally to meet that standard.

The Company Secretary who walks into a secretarial audit with a Fraud Risk Assessment in hand, who asks the forensic questions about every material delay, who cross-references the board resolution against the trading record, who flags the dual-hatting governance failure to the audit committee, and who qualifies the Form MR-3 with specificity and evidence when the situation demands it — that professional is not performing a support function. They are performing a leadership function. That is the standard the profession must set for itself.

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Cybersecurity and Data Protection Compliance: The Practising Company Secretary as the Vanguard of Corporate Cyber Governance

Rapid technological advancement and the advent of AI have triggered a major paradigm shift, forcing traditional law to catch up and redefine professional roles. For the PCS, this transition presents an unprecedented opportunity. As data privacy becomes a boardroom priority, navigating complex compliance mandates falls squarely within the PCS's domain. To remain highly relevant amidst these growing advancements, the modern PCS must transcend traditional administration, adapt to changing corporate needs, and evolve into a techno-legal expert.



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INTRODUCTION

THE CYBER GOVERNANCE IMPERATIVE

Corporate governance has traditionally been associated with financial discipline, statutory compliance, board processes, and ethical decision-making. However, in today's digital economy, another dimension has silently entered the boardroom: cybersecurity and data protection governance.

A decade ago, cyber incidents were largely perceived as technical disruptions to be handled by IT teams. Today, they have become board-level concerns capable of impacting enterprise value, investor confidence, regulatory standing, customer trust, and even organisational continuity. A ransomware attack can paralyse hospital systems, a data leak can damage corporate reputation overnight, and a delayed regulatory disclosure can expose management to severe financial and legal consequences.

This transformation has significantly altered the expectations from governance professionals, including the practising Company Secretary (PCS).

CYBER COMPLIANCE IS NO LONGER AN IT PROJECT

One of the most significant governance misconceptions within organisations is the belief that cybersecurity and data protection are issues to be addressed exclusively by the IT department. In practice, however, most major

cyber incidents expose failures far beyond technology systems. In many organisations, cybersecurity discussions begin only after a disruptive incident occurs. Compliance teams frequently operate in silos separate from technology teams. Human Resources departments may not be adequately aligned with data retention obligations. Procurement functions may onboard vendors without sufficient cybersecurity due diligence. Employees continue to remain vulnerable to phishing and social engineering attacks despite technological safeguards.

This fragmented approach is increasingly incompatible with India's evolving regulatory framework. Compliance today requires coordination between legal, compliance, IT, HR, procurement, internal audit, risk management, and senior leadership teams.

This is where the role of the PCS becomes particularly significant. The PCS, by virtue of their understanding of governance processes, board structures, regulatory accountability, and institutional documentation, is uniquely positioned to act as a coordinating professional between management, technology teams, external consultants, and the board.

THE REGULATORY LANDSCAPE: A MULTI-LAYERED FRAMEWORK

a. GDPR and Concurrent Applicability of Data Protection Laws

Before the Digital Personal Data Protection Act, 2023, Indian organisations processing personal data of individuals located in the European Union were already subject to the General Data Protection Regulation (GDPR), owing to its extra-territorial scope. The GDPR also applies to non-EU entities that offer goods or services to EU data subjects or monitor their behaviour, making compliance mandatory for many Indian companies engaged in cross-border operations. With the introduction of the DPDP Act, such entities now face a regime of concurrent applicability, under which both GDPR and DPDP obligations may apply simultaneously depending on the geographical location of the data subjects.

b. The Digital Personal Data Protection Act, 2023 and DPDP Rules, 2025

The DPDP Act, enacted on 11 August 2023, represents India's first comprehensive standalone data protection legislation. It received Presidential assent after a sustained legislative journey that traced its roots to the Supreme Court's landmark 2017 *Puttaswamy judgment* affirming privacy as a fundamental right under Article 21 of the Constitution. The DPDP Rules, notified by the Ministry of Electronics and Information Technology (MeitY) on 13 November 2025, operationalised the Act through a phased implementation schedule with full compliance expected by 13 May 2027.

The Act's core architecture rests on the following pillars:

- **Data Fiduciary and Data Processor Dichotomy:** Any entity determining the purpose and means of processing digital personal data is a "Data Fiduciary" and bears the primary compliance burden. Entities processing data on behalf of Data Fiduciaries are "Data Processors" and carry secondary obligations.
- **Consent as the Primary Lawful Basis:** Unlike the GDPR's six lawful bases, the DPDP Act centres consent as the primary lawful basis for data processing. Consent must be free, specific, informed, unconditional, and unambiguous. The Rules mandate that consent requests be accompanied by a standalone privacy notice in plain language, available in languages listed in the Eighth Schedule of the Constitution of India.
- **Data Principal Rights:** The Act confers on individuals the right to access their personal data, seek correction, request erasure, nominate a representative for post-mortem data management, and raise grievances. Data Fiduciaries must address grievances within 90 days through a publicly accessible mechanism.
- **Breach Notification:** Organisations must notify both the Data Protection Board of India and affected individuals of any personal data breach 'without delay' upon becoming aware of it. The Rules refine this obligation by mandating a detailed report to the Board within 72 hours.
- **Significant Data Fiduciaries (SDFs):** The Central Government may designate certain entities as SDFs based on volume and sensitivity of data processed, national security implications, and risk to Data Principals. SDFs face enhanced obligations, including appointing an India-based

The integration of Artificial Intelligence into corporate workflows has shifted boardrooms toward Agentive Governance, where AI systems act as active participants in record-keeping, board pack synthesis, and automated minute-taking.

Data Protection Officer (DPO), engaging an independent data auditor, and conducting Data Protection Impact Assessments (DPIAs).

- **The penalty framework is significant:** The Data Protection Board may impose penalties of up to Rs. 250 crore per breach, determined by the nature, gravity, and duration of the violation, and the entity's compliance history. This financial exposure makes proactive compliance not merely a regulatory obligation but a fiduciary duty of the Board of Directors (BOD).

Notably, unlike the GDPR, the DPDP Act applies exclusively to digital personal data collected in digital form or subsequently digitised and does not distinguish between personal and sensitive personal data. The Act also follows a "negative list" approach to cross-border data transfers: personal data may flow to any country except those specifically restricted by the Central Government, of which none had been notified as of February 2026.

Prior to the DPDP Act, India's data privacy framework rested on the Information Technology Act, 2000 and its IT (SPDI) Rules, 2011. To prevent a compliance vacuum, these legacy SPDI Rules remain active as a transitional buffer until **May 2027**.

c. CERT-In Directions, 2022: Incident Reporting and Operational Mandates

On 28 April 2022, the Indian Computer Emergency Response Team (CERT-In), operating under MeitY pursuant to Section 70B(6) of the Information Technology

Act, 2000, issued sweeping cybersecurity directions applicable to service providers, intermediaries, data centres, body corporates, cloud service providers, VPN providers, virtual private server operators, and virtual asset service providers. These directions introduced what is arguably the world's most demanding mandatory incident reporting timeline.

The principal obligations under the CERT-In Directions include:

1. **Six-Hour Mandatory Reporting:** Covered entities must report specified categories of cybersecurity incidents to CERT-In within six hours of detecting or becoming aware of the incident. Crucially, the trigger is detection or awareness not forensic validation or impact assessment. This means organisations must have pre-built incident triage procedures capable of generating a preliminary report within hours of initial detection.
2. **Log Retention for 180 Days:** All entities must maintain logs of their Information and Communication Technology (ICT) systems for a

minimum of 180 days and ensure such logs are stored within India. These logs must be provided to CERT-In upon request or when reporting an incident.

3. **Designated Point of Contact:** Each covered entity must appoint a designated Point of Contact (PoC) to interface with CERT-In for compliance purposes, incident reporting, and receipt of advisories.
4. **KYC for Service Providers:** All service providers must maintain verified Know Your Customer (KYC) records of their subscribers/customers for a minimum period of five years.

The CERT-In Directions represent a profound shift in the compliance orientation of corporate India. Non-compliance attracts criminal penalties under the IT Act, including imprisonment of up to one year and/or fine.

d. SEBI's Cybersecurity and Cyber Resilience Framework (CSCRF), 2024

The Securities and Exchange Board of India issued the CSCRF circular on 20 August 2024, consolidating a decade of fragmented circulars into a unified, risk-based governance framework. The CSCRF applies to all SEBI Regulated Entities (REs), encompassing stock exchanges, depositories, clearing corporations, mutual funds/AMCs, stock brokers, depository participants, portfolio managers, investment advisers, KYC Registration Agencies, and venture capital funds.

The CSCRF classifies REs into five tiers, namely: Market Infrastructure Institutions (MIIs), Qualified REs, Mid-Size REs, Small-Size REs, and Self-Certification REs; obligations are calibrated to each tier's scale and systemic importance. The framework's most significant governance innovation is its elevation of cybersecurity to board-level responsibility: SEBI now requires BOD of financial entities to conduct quarterly reviews of cyber risk posture, approve cybersecurity budgets, and sign off on the designation of critical systems and data classification frameworks.

Components of SEBI CSCRF



Source: Self-created by author as per SEBI CSCRF (reference 5)

e. RBI Master Direction on IT Governance, Risk, Controls and Assurance Practices, 2023

The Reserve Bank of India (RBI) established a definitive sectoral standard for financial institutions through its *Master Direction on IT Governance, Risk, Controls*

and Assurance Practices, which took effect on April 1, 2024. This framework firmly shifts IT governance into the core corporate governance domain, placing ultimate accountability for technology strategy and security directly on the BOD. Under this mandate, Regulated Entities (REs) must establish a Board-level IT Strategy Committee (ITSC). Chaired by an independent director, the ITSC must meet at least quarterly to ensure that digital investments and tech risks align seamlessly with the institution's broader business objectives.

Operationally, the Master Direction enforces structural independence through a strict segregation of duties. Organisations must appoint a Chief Information Security Officer (CISO) at a senior management tier, reporting directly to the Executive Director or Head of Risk, completely separate from the standard IT delivery department. The framework demands a comprehensive risk-management approach, requiring a robust Information Security Management System (ISMS) alongside regular Vulnerability Assessment and Penetration Testing (VAPT) to protect critical infrastructure. Furthermore, third-party exposures face tight regulatory oversight; the BOD and senior management remain legally accountable for outsourced operations, making "Right to Audit" clauses a mandatory feature in all material IT vendor contracts.

FROM LEGAL AWARENESS TO IMPLEMENTATION READINESS

For many organisations, the immediate response to emerging cybersecurity and data protection regulations is the preparation of policies, notices, and compliance documentation. While documentation remains an essential starting point, practical experience increasingly demonstrates that cyber compliance cannot be achieved through paperwork alone. The real challenge lies in implementation readiness.

In several organisations, particularly those undergoing rapid digital transformation, technology adoption has progressed faster than governance integration. Cloud-based platforms, AI-enabled tools, digital HR systems, customer analytics platforms, mobile applications, remote working environments, and third-party SaaS ecosystems have become deeply embedded into business operations. However, internal governance structures governing data accountability, retention protocols, access management, incident escalation, and vendor oversight often continue to evolve reactively rather than strategically. As a result, organisations frequently encounter implementation gaps not because regulations are unclear, but because institutional coordination remains fragmented.

One of the most common practical challenges is the disconnect between technology functions and compliance functions. IT teams may focus on system functionality and operational continuity, while legal and compliance teams focus on regulatory interpretation and documentation

requirements. In the absence of coordinated governance structures, critical areas such as consent management, breach response, employee awareness, and vendor accountability may remain inadequately aligned.

Cyber governance, therefore, requires a shift from isolated departmental ownership to enterprise-wide accountability.

From a practical implementation perspective, organisations increasingly need to focus on five interconnected pillars:

(a) Legal Scoping and Data Mapping

Implementation begins with understanding the organisation's data ecosystem. Many businesses continue to underestimate the extent of personal data processed across internal systems, vendor platforms, archived records, marketing databases, and employee management tools.

Data frequently exists across multiple business functions without central visibility regarding:

- Purpose of processing;
- Retention timelines;
- Access controls;
- Cross-border transfers;
- Vendor dependencies; and
- Deletion protocols.

A structured legal scoping exercise helps organisations identify:

- Categories of personal data processed;
- Business processes involving data flows;
- Applicable regulatory obligations;
- High-risk processing activities; and
- Areas requiring remediation.

In practical terms, this stage often becomes the foundation upon which the entire compliance framework is built.

(b) Governance Structures and Internal Accountability

Cybersecurity governance cannot function effectively without clearly defined accountability structures. One emerging best practice is the establishment of cross-functional implementation task forces involving representatives from:

- Legal and compliance;
- IT and information security;
- HR;
- Procurement;

- Internal audit;
- Risk management; and
- Business operations.

Such coordination mechanisms help ensure that compliance obligations are translated into operational processes rather than remaining confined to policy documents.

Equally important is the establishment of internal escalation frameworks. During cyber incidents, delays frequently arise because organisations lack clarity regarding:

- Who must be informed?
- Who evaluates materiality?
- Who interfaces with regulators?
- And who communicates with management and the board?

In a regulatory environment where certain incidents may require reporting within hours, governance clarity becomes critical.

(c) Training, Awareness, and Organisational Culture

Technology controls alone cannot eliminate cyber risk exposure. In practice, employee behaviour continues to remain one of the most significant vulnerability points for organisations. Phishing attacks, weak password practices, unauthorised data sharing, insecure remote working practices, and inadvertent disclosure of confidential information continue to contribute significantly to cyber incidents globally.

Consequently, organisations must move beyond one-time awareness sessions and create continuous sensitisation frameworks.

Effective cyber governance increasingly requires:

- Periodic employee awareness programmes;
- Role-based training modules;
- Senior management sensitisation;
- Simulated phishing exercises;
- Incident reporting awareness; and
- A periodic review of internal practices.

Importantly, cybersecurity culture must flow from the top. BOD and senior management teams that visibly prioritise cyber governance often create stronger institutional accountability across the organisation.

(d) Vendor Ecosystems and Third-Party Risks

Modern enterprises operate through interconnected digital ecosystems. Payroll processors, cloud service providers, HR management platforms, customer engagement vendors, analytics providers, consultants, and outsourced support functions may all process organisational or personal data in some capacity.

In many recent global and Indian cyber incidents, vulnerabilities have originated not within the organisation itself but through third-party service providers. This has significantly increased regulatory focus on vendor governance. Practical implementation, therefore, requires organisations to strengthen:

- vendor onboarding due diligence;
- contractual data protection clauses;
- breach notification obligations;
- audit rights;
- access controls;
- and exit management protocols.

For governance professionals, vendor risk management is rapidly becoming one of the most critical dimensions of cyber compliance oversight.

(e) Continuous Review and Incident Preparedness

Cyber compliance is not a one-time implementation exercise. Regulatory expectations increasingly emphasise continuous preparedness, periodic review, and demonstrable governance maturity. Policies drafted but never tested provide little protection during actual incidents.

As a result, organisations are increasingly expected to conduct:

- periodic risk assessments;
- vulnerability testing;
- mock incident response exercises;
- board-level cyber reviews;
- policy updates;
- and remediation tracking exercises.

Preparedness today is measured not merely by whether organisations possess policies, but by whether they can respond effectively under pressure.

In many ways, the true test of cyber governance begins not before an incident, but during one.

The increasing operational complexity of cyber compliance also highlights a broader professional reality. Organisations today require advisors who can bridge governance expectations with implementation realities. This expanding intersection between regulation, risk management, institutional processes, and board accountability is creating a significant professional opportunity for Practising Company Secretaries.

COMPLIANCE OBLIGATIONS: A PRACTICAL ANATOMY

(The expanding role of PCS)

For the PCS advising corporate clients, cybersecurity and data protection compliance can be practically structured around six interconnected domains: Governance and board accountability; Data lifecycle management; Incident

response and breach notification; Third-party and vendor management; Risk Minimisation and last but not the least i.e. AI Governance and Techno-Legal.

a. Governance and Board Accountability

The most significant paradigm shift in India's emerging cyber regulatory framework is the explicit imposition of board-level responsibility.

Practical governance actions include:

- **Board-Approved Cybersecurity Policy:** Every corporate entity should have a board-approved Cyber Security and Data Protection Policy that addresses the DPDP Act's consent framework, breach notification obligations, data retention schedules, and data principal rights.
- **Cyber Risk as a Board Agenda Item:** It is recommended to add Cyber Risk as a Board-level Agenda item to strengthen cyber governance. The PCS should institutionalise cyber risk as a standing item on the risk committee and main board agenda.
- **Appointment of DPO and CERT-In PoC:** The DPDP Act mandates the appointment of an India-based DPO for SDFs. CERT-In Directions require a designated Point of Contact for all covered entities. The PCS can advise on the qualifications, appointment process, and documented governance charter for these roles.
- **Annual Report Disclosures:** The Board's Report under the Companies Act, 2013 and SEBI LODR Regulations must increasingly reflect an organisation's cyber risk profile, incidents, and compliance posture. The PCS should ensure that disclosures are accurate, complete, and reflective of the organisation's actual state of cyber preparedness.

b. Data Lifecycle Management

The DPDP Act's principle of "storage limitation" requires that personal data be retained only for as long as necessary for the purpose for which it was collected. Upon purpose fulfilment or consent withdrawal, data must be deleted.

The data lifecycle compliance programme should encompass:

- **Data Inventory and Mapping:** A comprehensive register of all personal data assets, including their origin, purpose, legal basis, storage location (including third-party processors and cloud infrastructure), and applicable retention period.
- **Privacy Notices and Consent Mechanisms:** Under the DPDP Rules, privacy notices must be standalone, in plain language, and available in all 22 scheduled languages of India. Consent mechanisms must be purpose-specific and easily withdrawable. Legacy data collected before the Rules came into force requires retrospective notices to be issued within the compliance window ending 13 May 2027.

- **Data Retention and Erasure Schedules:** Automated data lifecycle policies to delete data upon purpose fulfilment or consent withdrawal are mandated by the DPDP Act. In practice, this requires integration between legal compliance requirements and the organisation's IT/ERP systems.
- **Data Protection Impact Assessment (DPIA) for High-Risk Processing:** SDFs and any entity engaging in processing likely to result in high risk to data principals, large-scale processing of children's data, profiling, systematic monitoring should conduct DPIAs as a pre-emptive governance tool.

c. Incident Response and Breach Notification

Breach notification is arguably the most operationally demanding compliance requirement of the current regulatory framework. As a practical matter, meeting the CERT-In six-hour standard, which is the shortest in the world, requires that organisations have invested in detection and response infrastructure well before an incident occurs. The PCS plays a vital role in ensuring the following organisational capabilities exist:

- An Incident Response Plan (IRP) that is board-approved, CERT-In compliant, and tested through at least annual simulation exercises.
- An internal escalation matrix specifying the sequence of notifications.
- Pre-cleared notification templates for CERT-In reporting, SEBI incident portal submissions, and Data Principal communication, drafted by PCS and approved in advance by legal and compliance counsel.
- A comprehensive post-incident review process to determine root cause, assess regulatory exposure, and implement corrective actions is documented and presented to the board.

The CERT-In framework adopts a “response behaviour” orientation: even well-resourced organisations can attract regulatory scrutiny for procedural failures, while smaller entities with proactive and transparent response mechanisms are treated as compliant. This makes the quality of incident response governance not just the technical sophistication of the organisation the decisive compliance variable.

d. Third-Party and Vendor Risk Management

Modern business operations are inherently dependent upon third-party services: cloud platforms, payroll processors, marketing technology vendors, customer relationship management systems, and a variety of SaaS applications each process organisational data.

A robust third-party risk management programme should include:

- **Vendor Due Diligence:** Pre-onboarding assessment of prospective vendors' data security practices, certifications (ISO 27001 is the industry standard), incident history, and contractual willingness to meet DPDP Act requirements.

- **Data Processing Agreements (DPAs):** All vendor contracts involving personal data processing must include DPDP-compliant DPAs specifying security obligations, permitted processing purposes, breach notification timelines, data deletion upon contract termination, and audit rights of the Data Fiduciary.
- **Periodic Vendor Audits:** Annual or event-triggered security audits of significant vendors, with findings documented and presented to management or the Audit Committee.

e. Risk Minimisation in M&A Transactions

In most M&A transactions, personal data relating to customers, employees, vendors, and other stakeholders is accessed and shared from early diligence stages and often post-closing. Under the DPDP Act's rights-based framework, the sharing of identifiable personal data without lawful purpose, valid consent, or adequate safeguards can expose parties to regulatory risk even before transaction documents are executed, directly affecting data usability and deal value.

Except for limited court-approved restructurings, M&A transactions will increasingly be subject to DPDP compliance obligations. This transition necessitates a governance-led approach to transaction execution.

Deal approvals must now account for the following so as to safeguard the organisations from significant penalties:

- Data protection readiness
- Consent gaps
- Vendor dependencies
- Post-closing data usability
- Integration of data protection principles
- Data minimisation
- Vendor contract oversight
- Breach-response readiness

As regulatory scrutiny intensifies, DPDP preparedness by PCS will become a key determinant of transaction certainty, valuation protection, and sustainable deal execution.

f. AI Governance and the Techno-Legal Architect

The integration of Artificial Intelligence into corporate workflows has shifted boardrooms toward Agentic Governance, where AI systems act as active participants in record-keeping, board pack synthesis, and automated minute-taking. India AI Governance Guidelines (2026) provide a broad framework which can be followed for better governance. For PCS, this evolution demands a transition into a Techno-Legal Architect. It is no longer sufficient to merely interpret statutes; the PCS must validate that automated governance systems are free from systemic bias and accurately reflect the “sense of the meeting”.

A PRACTICAL CYBER-COMPLIANCE CHECKLIST FOR PCS

The following checklist distils the foregoing analysis into actionable compliance items that a PCS can use as a

diagnostic tool when onboarding a new client or conducting an annual compliance review. It is organised by the five primary frameworks applicable to corporate entities, including financial entities:

	DPDP Act, 2023 & DPDP Rules, 2025	CERT-In Directions, 2022	SEBI (CSCRF, 2024)	India AI Governance Guidelines, 2026	RBI Master Direction, 2023
1.	Conduct a full data mapping exercise covering all personal data flows.	Appoint a designated CERT-In Point of Contact with documented authority and contact details.	Classify the entity under the CSCRF's five-tier framework to determine specific applicable obligations.	Constitute AI Governance Committee.	Board approval of IT/Cyber policies.
2.	Determine whether the entity qualifies as a Significant Data Fiduciary (SDF).	Implement ICT log retention for 180 days with mandatory India-based storage.	Appoint a CISO at a CTO/CIO-equivalent level reporting directly to the MD/CEO for MIIs and Qualified REs.	Maintain AI systems inventory.	Quarterly ITSC review compliance tracking.
3.	Draft and implement privacy notices in plain language, ensuring availability in all 22 scheduled languages where required.	Establish a six-hour incident reporting capability encompassing detection, triage, and preliminary reporting.	Establish or join a compliant Security Operations Centre (SOC), or utilize M-SOCs via NSE/BSE for smaller entities.	Classify AI use-cases by risk.	Cyber risk reporting to Board monitored.
4.	Establish and operationalise a robust consent management mechanism.	Draft and obtain board approval for a CERT-In compliant Incident Response Plan.	Obtain mandatory ISO 27001 certification for MIIs and Qualified REs.	Document AI workflows and datasets.	CISO appointment and reporting independence verified.
5.	Appoint a Data Protection Officer (DPO) for SDFs and establish their reporting line and governance charter.	Conduct annual tabletop exercises to test the Incident Response Plan and six-hour reporting infrastructure.	Schedule Vulnerability Assessment and Penetration Testing (VAPT) at prescribed frequencies.	Ensure human oversight for critical AI decisions.	Vendor cyber risk assessment documentation reviewed.
6.	Establish a Data Principal Rights Response mechanism with a 90-day grievance resolution window.		Present quarterly cyber risk reports and budget reviews to the board.	Verify AI compliance with applicable laws.	BCP and DR drill records examined.
7.	Implement a data retention and automated erasure schedule to meet storage limitation requirements.		Maintain all encryption key management operations within India's territorial boundaries.	Conduct AI bias and risk assessments.	VA/PT testing periodicity compliance checked.
8.	Review and update all vendor contracts to include DPDP-compliant Data Processing Agreement (DPA) clauses.		Report cybersecurity incidents to SEBI/CERT-In within six hours and declare a "Disaster" within 30 minutes of critical system disruption.	Establish AI grievance and escalation mechanism.	Audit trail and access control oversight ensured.
9.	Establish a 72-hour detailed breach notification protocol for reporting to the Data Protection Board.			Review AI vendor contracts and data controls.	Incident reporting and escalation mechanism validated.
10.	Issue retrospective notices to all Data Principals whose data was collected before Rules came into force by the 13 May 2027 deadline.			Conduct periodic AI governance audits and training.	IS Audit observations closure monitoring maintained.

CONCLUSION

Rapid technological advancement and the advent of AI have triggered a major paradigm shift, forcing traditional law to catch up and redefine professional roles. For the PCS, this transition presents an unprecedented opportunity. As data privacy becomes a boardroom priority, navigating complex compliance mandates falls squarely within the PCS's domain. To remain highly relevant amidst these growing advancements, the modern PCS must transcend traditional administration, adapt to changing corporate needs, and evolve into a technological expert. By doing so, they can effectively serve as the true vanguard of corporate cyber governance.

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- i. *CERT-In Cyber Security Directions.*
- ii. *Digital Personal Data Protection Act, 2023 and Rules thereof.*
- iii. *India AI Governance Guidelines (February 2026)*
- iv. *Reserve Bank of India, Master Direction – Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023.*
- v. *SEBI Circular and SEBI (CSCRF).*



From Custodian to Architect: Emerging Digital Tools, Analytical Models and the Transformation of Practising Company Secretaries' Work in India

The profession of the Practising Company Secretary (PCS) in India has never stood still — but the pace of its current transformation is qualitatively different from anything the profession has experienced before. The convergence of an increasingly dense regulatory architecture with genuinely powerful digital tools has created both an unprecedented challenge and a remarkable opportunity. This article examines that convergence honestly: what the tools are, what they can and cannot do, how they intersect with the Companies Act, 2013, SEBI LODR Regulations, the Digital Personal Data Protection Act, 2023 and MCA's continuing digitisation agenda, and — critically — how a PCS professional can move from passive adoption to active deployment. The article gives particular attention to interactive analytical dashboards and compliance visualisation models as emerging instruments for client advisory, governance diagnostics, and regulatory communication, arguing that the PCS who can translate a complex market surveillance anomaly or a compliance obligation matrix into a dynamic visual model for a Board is delivering a categorically different quality of professional service. The underlying argument is straightforward: technology does not replace the PCS. But a PCS without technology is rapidly being replaced by one who has it.



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INTRODUCTION

A PROFESSION AT A CROSSROADS — AND WHY THIS MOMENT IS DIFFERENT

There is a telling symmetry in how the profession of Company Secretaryship has evolved. The first generation of Company Secretaries in independent India occupied a largely clerical terrain — maintaining statutory registers, coordinating board meetings, and navigating a nascent corporate law framework. The second generation inherited the Companies Act, 1956 and gradually built a professional identity rooted in procedural mastery and statutory compliance. The third, operating under the Companies Act, 2013, found themselves increasingly recognised as governance professionals — participants in audit committees, signatories on Secretarial Audit Reports, advisors to boards on director appointments and related party transactions.

The current generation is confronting something more radical: the simultaneous arrival of genuine

artificial intelligence tools, near-total digital regulatory infrastructure, and a data privacy regime that fundamentally changes the governance of personal information. This is not merely an upgrade of existing tools. It is a structural shift in the nature of compliance work itself, and it demands a correspondingly structural response from practitioners.

What separates the present moment from previous inflections is the simultaneity of the pressures. MCA's centralisation of processing through MCA21 Version 3.0, SEBI's expanding continuous disclosure obligations under LODR, the activation of the DPDP Rules in November 2025 with their 18-month enforcement clock, and the progressive expansion of BRSR Core assurance requirements — all of these are live and operational at the same time, not sequential. A PCS advising a mid-cap listed company in FY 2025-26 is simultaneously managing quarterly LODR filings, BRSR Core disclosures for the first time, a DPDP compliance gap assessment, and a Secretarial Audit under Section 204 — all while their client expects real-time governance visibility rather than quarterly paper reports.

"A Company Secretary embracing AI and Machine Learning is like a Formula 1 driver with a finely tuned F1 car—precision, speed, and control. Without it, they're still skilled, but racing with a road car on the same track."

The purpose of this article is not to celebrate technology for its own sake. Several of the tools now available to PCS professionals carry real risks — of misplaced reliance, data privacy exposure, professional liability, and what one might call the 'confident wrongness' problem of AI-generated outputs that sound authoritative but contain errors. The purpose is to examine the tools honestly, situate them within the regulatory framework, and offer a practitioner-level assessment of where they genuinely add value.

THE REGULATORY ARCHITECTURE: COMPLEXITY AS THE NEW NORMAL

a. The Companies Act, 2013 and the Weight of Statutory Responsibility

The Companies Act, 2013 is, by any honest assessment, a formidable compliance instrument. Its 470 Sections, Seven Schedules and accompanying rules create a compliance universe that demands sustained professional attention. For the PCS, the most significant provisions are simultaneously the most consequential: Section 204 mandating Secretarial Audits for prescribed companies, Section 205 defining the Company Secretary's functions as a Key Managerial Personnel and the penal provisions under Section 454 that can directly implicate the professional for non-compliance.

The Secretarial Audit Report in Form MR-3 has emerged, over the last decade, as a proxy document — read by institutional investors, lenders and increasingly by SEBI itself, as an indicator of a company's governance health. When a PCS signs that report, the professional is not merely certifying historical compliance. They are, in practice, placing their professional reputation on the quality of the company's governance processes. That weight has grown, and the tools available to discharge that responsibility must grow with it.

b. SEBI LODR: A Framework of Continuous Obligations

For PCS professionals advising listed entities, the SEBI Listing Obligations and Disclosure Requirements Regulations 2015 — as they have been amended through 2023 and 2024 — constitute an intricate layer of ongoing obligations that sit alongside, not beneath, the Companies Act framework. Quarterly compliance reports, the Annual Secretarial Compliance Report under SEBI Circular dated March 29, 2019, material event disclosures within 24 hours (and in some cases 30 minutes) of a board decision, and the increasingly detailed Related Party Transaction disclosure norms together constitute a compliance burden that simply cannot be managed sustainably through manual systems.

The SEBI LODR also brought the Business Responsibility and Sustainability Report into mandatory territory for the top 1,000 listed companies by market capitalisation — a disclosure requirement that has now expanded into BRSR Core, a sub-set of Key Performance Indicators requiring independent assurance. The applicability of BRSR Core assurance expanded from the top 150 companies in FY 2023-24 to the top 500 in FY 2025-26, with the full top 1,000 captured by FY 2026-27.

BRSR Core Milestones	Applicable Entities	Key Regulatory Scope
FY 2023-24	Top 150 listed companies	Mandatory BRSR Core assessment
FY 2024-25	Top 250 listed companies	BRSR Core + Value Chain ESG disclosures
FY 2025-26	Top 500 listed companies	Mandatory BRSR Core assessment
FY 2026-27	Top 1,000 listed companies	Full BRSR Core + Value Chain assurance

Sources: i. SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023 regarding BRSR Core and ESG disclosures.

ii. SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/99 and related implementation guidance.

iii. KPMG India, *Emerging Trends in BRSR Reporting by Listed Companies* (Issue 115/2026).

iv. *Glocert International, BRSR Core Assurance Readiness Guide for Indian Companies* (2026).

c. The DPDP Act, 2023: A New Governance Frontier

The Digital Personal Data Protection Act, 2023 and the DPDP Rules formally notified in November 2025, represent the most consequential addition to the PCS's responsibility matrix in recent years. The Act establishes a Data Fiduciary framework under which organisations processing personal data bear absolute accountability for collection, processing, storage and deletion of that data — with financial penalties structured to compel genuine compliance rather than token gesture.

For the PCS, the DPDP Act has direct professional implications. Statutory registers, director identification details, shareholder records, KMP personal data, and employee information maintained under the Companies Act are all 'personal data' within the Act's definition. The PCS advising on governance architecture must now integrate data protection considerations into every process: Board minute drafting, statutory register maintenance, document retention policies, and the choice of technology vendors who process client data on the firm's behalf.

DPDP Compliance Timeline	Target Milestone	Significance for PCS
Nov 13-14, 2025	Rules Notification	Data Protection Board activated; 18-month clock begins
Jun-Aug 2026	Integration Readiness	Consent management systems must be interoperable
Nov 2026	Legacy Data Revalidation	Historical consent records must be re-validated
Q1 2027	First SDF Audit Cycle	Independent audits mandatory for Significant Data Fiduciaries
May 2027	Full Enforcement	Complete penal powers — fines up to Rs.250 crore — active

Sources: i. *Digital Personal Data Protection Act, 2023.*

ii. *DPDP Rules, 2025 (notified on 13–14 November 2025).*

iii. *Ministry of Electronics and Information Technology (MeitY) notifications, implementation guidance, and stakeholder consultation documents.*

iv. *Industry and legal analyses interpreting the phased implementation roadmap under the DPDP framework.*

EMERGING TOOLS: AN ASSESSMENT

a. Artificial Intelligence and Generative AI in Compliance Work

Artificial intelligence, in its practical enterprise manifestation, is already embedded in several compliance-adjacent functions. AI-powered contract analysis tools can process hundreds of pages in minutes, flagging clauses that implicate regulatory thresholds or Related Party Transaction norms. Natural language processing systems monitor SEBI circulars and MCA notifications in real time, generating summarised compliance implications for specific company profiles within hours of a new notification's release.

Generative AI tools — large language models accessible via API or enterprise platform — have opened a specific and genuinely useful channel for PCS professionals: the ability to draft, summarise, and analyse regulatory content at speed. A PCS who needs to draft an initial AGM notice, prepare a first-cut analysis of a SEBI circular's applicability, or generate a comparison of Section 149 of the Companies Act with Regulation 17 of SEBI LODR on independent director requirements, can use a well-structured prompt to accelerate that work from hours to minutes.

However, the profession must be unambiguous about the limits. These models predict the statistically probable next word; they do not reason from first principles of law. They can confidently misquote a statutory provision, cite a non-existent circular, or miss a nuanced carve-out in a SEBI amendment. The professional responsibility — and the legal liability — remains with the PCS regardless of how the first draft was generated. AI accelerates the process; professional judgment determines whether the output is usable.

Critically, working with Generative AI tools requires a skill that is genuinely new for the profession: prompt engineering. The utility of an AI tool is directly proportional to the precision of the instructions given to it. Three elements determine the quality of any AI-generated output: Role Assignment — explicitly telling the model it is a legal researcher specialising in Indian corporate governance; Task Description — specifying the precise objective with relevant context; and Constraints — defining the format, word limit, regulatory sources to be cited, and the level of technical detail required. A PCS who has invested in developing this skill has access to a research accelerator of genuine power. One who treats AI tools as autonomous answer machines will, predictably, be disappointed — and potentially exposed.

b. Robotic Process Automation: The Workhorse of Digital Compliance

If Generative AI captures the imagination, Robotic Process Automation is the quiet engine running beneath much of what digital compliance has

already become. RPA tools are designed precisely for the structured, rules-based, high-volume tasks that constitute a significant proportion of PCS practice: populating MCA21 forms from internal data sources, verifying DIN details against the MCA register, extracting board resolution data for form filings, reconciling share capital audit figures against depository records.

For a PCS practice managing 60 to 100 client companies, a single RPA workflow that extracts data from board minutes and populates Form MGT-7 or DIR-12 can reduce processing time from three hours to thirty minutes per client, while simultaneously generating an auditable data trail. The aggregate efficiency gain — and the corresponding capacity to serve more clients without proportional headcount increase — is material. More importantly, RPA eliminates the category of errors caused by manual transcription: the wrong DIN, the incorrect date, the miskeyed PAN. These errors are not merely embarrassing; under MCA21's centralised adjudication module, they can trigger penalty proceedings.

c. Compliance Dashboards and Interactive Analytical Models

The PCS of this generation has an opportunity that no previous generation of the profession has had: to move from the compliance engine room of Indian corporate governance to its bridge. The tools exist. The regulatory environment demands their deployment.

The most transformative tool available to the modern PCS — and the one least discussed in professional literature — is the interactive compliance dashboard. Not the static spreadsheet-as-tracker that most practices still rely on, but the dynamic, real-time, graphically rich compliance intelligence platform that converts regulatory complexity into actionable visual information.

The distinction matters enormously, both operationally and in the advisory relationship with clients. Consider a scenario that will resonate with any PCS advising a listed company: SEBI issues a material amendment to the LODR Related Party Transaction norms. The traditional response is a written memorandum, circulated by email, reviewed inconsistently, and filed in a folder that no one revisits until the next compliance review. The dashboard-enabled response is entirely different. The amendment is mapped within 48 hours against the specific company's existing RPT framework, existing audit committee charter, and upcoming board meeting schedule, generating a visual action tracker with colour-coded urgency levels and deadline alerts that the compliance officer and CFO can access on any device.

The value proposition extends beyond operational efficiency into client communication. Boards are composed of individuals with varying degrees of regulatory familiarity. An independent director joining from an operational background may understand their fiduciary obligations in principle but struggle to navigate the procedural sequence of an RPT approval process across Sections 177 and 188 of the Companies Act, the LODR norms, and the specific timeline requirements for shareholder approval at prescribed thresholds. A

PCS who presents this as a dense legal memorandum is delivering information. A PCS who presents it as a clear, interactive process flow — colour-coded by regulatory source, annotated with threshold values, linked to the company's specific upcoming compliance calendar — is delivering understanding.

"The Company Secretary who can turn regulatory complexity into actionable intelligence is not just a compliance officer—they are a strategic partner competing with global advisory giants."

d. SEBI Market Surveillance Models and Anomaly Detection

A particularly sophisticated application of analytical modelling in the PCS context is the deployment of market surveillance and anomaly detection frameworks — tools that, until recently, were the exclusive preserve of SEBI itself and large institutional compliance teams. The democratisation of such capabilities through modern data platforms has opened a genuinely important opportunity for PCS professionals advising listed entities on insider trading compliance.

The SEBI (Prohibition of Insider Trading) Regulations, 2015 — specifically Regulations 3(5) and 3(6) — impose a non-negotiable obligation on listed entities to maintain a Structured Digital Database recording all individuals with access to Unpublished Price Sensitive Information, the nature of that information, and the recipients' PAN details. SEBI mandates cryptographic time-stamping, internal hosting, complete tamper-proofing, and an eight-year retention minimum. Managing this through standard office software is not merely impractical — it is legally indefensible.

Certified SDD software platforms now incorporate anomaly detection logic that tracks the flow of UPSI autonomously. When a listed company's board begins deliberating a merger, the system logs every internal and external transmission of that information without manual intervention, enforcing role-based access controls and generating an unalterable audit trail. More sophisticated implementations layer trading pattern analysis atop the UPSI tracking — flagging instances where a director's personal trading activity shows statistical correlation with UPSI access events in ways that would concern a SEBI examination team.

This is precisely the domain where the market surveillance dashboard model becomes professionally relevant for the PCS. A compliance officer reviewing a colour-coded anomaly heat-map of insider trading flags — showing, visually, the temporal relationship between UPSI events and trading activity — can identify and escalate a potential violation far more reliably than one reviewing a flat data log. The PCS who builds such a dashboard for a client, or who deploys a platform that generates one, is providing assurance at a level that the traditional Secretarial Audit cycle simply cannot match.

e. Client Segmentation Analytics: A Practice Management Tool

A less discussed but practically significant application of analytical modelling for the PCS is within practice

management itself — specifically, the use of client segmentation analytics to differentiate advisory offerings and resource allocation across a heterogeneous client portfolio.

A typical multi-client PCS practice serves entities that range, in their governance complexity and compliance burden, from dormant shell companies to listed entities with active SEBI compliance obligations, startup founders preparing for Series A governance audits, and unlisted public companies navigating the recently expanded demat compliance requirements. Treating all of these clients with the same advisory model — periodic visits, standard checklists, reactive responses — is an inefficient deployment of professional capacity and, more importantly, a disservice to clients whose actual governance needs are poorly understood.

K-Means clustering and related segmentation models, applied to a firm's client portfolio data — company type, listing status, annual turnover, compliance history, sector-specific regulatory exposure — can generate meaningful client clusters that allow the PCS to differentiate service intensity, anticipate regulatory transitions before they become crises, and present data-driven recommendations on governance investments that clients in each segment should be making. This is not an exotic academic exercise; it is the application of standard data analysis to the practical challenge of running an intelligent professional services firm.

CASE STUDIES: GOVERNANCE FAILURES AS PROFESSIONAL BENCHMARKS

No discussion of emerging tools in PCS practice would be professionally responsible without an examination of what happens when governance architecture — digital or otherwise — fails. The Indian corporate and startup landscape has provided instructive, if painful, case studies in recent years.

The absence of governance structures capable of using information — any information — to hold executive decision-making to account. In several of these cases, board minutes reflected a sanitised narrative that bore limited relationship to the actual substance of board deliberations. Audit committee compositions met the letter of independence requirements while failing their spirit. Related party transactions were disclosed selectively, and the individuals responsible for governance certification were either complicit or inadequately equipped to identify what they were certifying.

The lesson for the PCS is double-edged. Technology can prevent the category of failures caused by process breakdown — missed deadlines, incomplete disclosures, administrative oversights. It cannot prevent the category of failures caused by deliberate circumvention or captured governance. What it can do, however, is make deliberate circumvention harder to sustain. An SDD system that timestamps every UPSI access event creates a forensic record that is extremely difficult to explain away. A compliance dashboard that flags the non-execution of an audit committee meeting before a board decision makes the sequence of governance events visible in a way that a manually maintained calendar does not. A market surveillance anomaly detection model that identifies statistical irregularities in trading patterns provides an early-warning capability that changes the conversation from post-facto investigation to pre-emptive escalation.

The PCS's role in this context is unambiguous: build governance structures early, ensure independent director appointments carry substance rather than form, and use technology to make the governance record more transparent, more complete, and more defensible — not to make non-compliance easier to camouflage.

LEGAL AND ETHICAL DIMENSIONS OF TECHNOLOGY ADOPTION

a. Statutory Duties and the Limits of Delegation to Algorithms

Section 205(1) of the Companies Act, 2013 imposes a non-delegable duty on the Company Secretary to report to the Board regarding the company's compliance with applicable laws. Section 204 mandates the Secretarial Audit. Neither provision contemplates an algorithmic co-author; both place the professional responsibility squarely on the individual holding the designation.

This has a specific implication for AI-generated compliance outputs: they constitute research assistance, not professional conclusions. A GenAI tool that drafts a preliminary analysis of a SEBI amendment's implications is providing a first-cut document, not a legal opinion. The PCS who presents that output to a client board without independent verification is not merely taking a professional risk — they are potentially misrepresenting the quality of the advice being delivered.

Digital records generated by compliance platforms must also be capable of withstanding legal scrutiny. The Information Technology Act and the Indian Evidence Act (as adapted through the Bharatiya Sakshya Adhiniyam, 2023) impose specific standards on the admissibility of electronic records. An AI-generated compliance report whose algorithmic logic is opaque, whose data inputs cannot be traced, and whose outputs lack non-repudiable digital authentication, may simply not survive regulatory adjudication. The concept of Explainable AI — the ability to articulate, in human-understandable terms, precisely how an algorithm reached a conclusion — is not merely a technical aspiration; it is a legal necessity for evidence-grade digital compliance records.

b. Data Privacy and the DPDP Obligations of the PCS Firm

The DPDP Act's, 2023 Data Fiduciary framework applies to the PCS firm itself, not merely to the companies it advises. When a PCS practice processes personal data of client directors, shareholders, or employees — which it does, as a matter of routine, in maintaining statutory records and preparing compliance filings — the firm is a Data Fiduciary and bears the associated obligations.

This has an immediate practical implication for the use of cloud-based compliance platforms and AI tools. Uploading unredacted board minutes, KMP personal details, or PAN data to a public AI model constitutes a data privacy breach under the DPDP framework. The PCS must establish clear internal policies: AI tools used for drafting and analysis should receive anonymised or hypothetical data, never client-specific personal information. Cloud platforms processing client data must be vetted for data residency, access control, and

breach notification protocols — and this vetting must be contractually embedded, not merely assumed.

c. Professional Disclosure and the Ethics of AI-Assisted Practice

A question the profession has only begun to engage with is whether a PCS should disclose to clients that AI tools were used in preparing compliance filings or governance reports. There is currently no statutory requirement for such disclosure under Indian law. However, the ICSI's Code of Professional Conduct's principles of transparency and professional integrity would support a disclosure framework — particularly where AI tools have processed the client's confidential information.

The profession would benefit from proactive engagement with the ICSI on developing explicit guidelines for AI tool usage, disclosure standards, and vendor due diligence protocols. Waiting for a governance incident to precipitate reactive regulation is not a strategy the profession can afford, given the speed at which AI capabilities are advancing.

THE FUTURE: FROM COMPLIANCE CALENDAR TO REAL-TIME GOVERNANCE ARCHITECTURE

a. The Dashboard as a Governance Instrument

The compliance dashboard of the near future will not merely track filing deadlines. It will integrate live data from the MCA21 portal, SEBI SCORES 2.0 platform, internal document management systems, and market surveillance feeds to present a comprehensive, real-time picture of a company's governance health on a single interface. Board composition against Companies Act and LODR requirements, pending investor grievances on SCORES, overdue committee recommendations, BRSR performance metrics against disclosed targets, and DPDP compliance status — all visible simultaneously, updated continuously.

For the PCS providing governance advisory services, the ability to offer a client this kind of real-time governance dashboard — not as a periodic deliverable but as a live instrument — changes the nature of the advisory relationship. The PCS becomes a governance monitor rather than a periodic report preparer. This is not a diminution of the professional role; it is its elevation. The professional judgment required to design such a system, calibrate its thresholds, and interpret its outputs for a board, is considerably more sophisticated than the judgment required to compile a quarterly compliance checklist.

b. Predictive Analytics and Forward-Looking Risk Management

The next evolution of legal technology for PCS practice will move beyond historical tracking into predictive risk assessment.

For the PCS conducting a Secretarial Audit, an AI-assisted audit tool trained on the parameters of Form MR-3 and ICSI's Guidance Notes can flag variances between disclosed information and regulatory requirements systematically, covering a larger sample with greater consistency than a manual review permits.

The professional's contribution then shifts from data collection — which is where most audit time currently goes — to the analytical interpretation of flagged findings and the professional judgment required to reach a defensible conclusion.

c. Visual Governance Communication as a Core PCS Competency

There is one underappreciated competency that will differentiate the effective PCS of the next decade: the ability to translate regulatory complexity into visual clarity for non-specialist audiences. Boards are composed of professionals from diverse backgrounds. A newly-appointed independent director from an engineering or medical background may have excellent judgment on operational matters and genuine commitment to governance responsibilities, while finding the procedural architecture of the SEBI LODR — its committee structures, disclosure timelines, and approval sequences — genuinely bewildering in written form.

A PCS who responds to this challenge with a dense legal memorandum is delivering technically accurate information in a format that may not produce understanding. One who uses an interactive process flow — showing, visually, the RPT approval workflow from audit committee pre-clearance through board approval to shareholder resolution, colour-coded by regulatory source and annotated with specific threshold values — is delivering regulatory compliance in a form that a board member can internalise and act on. Similarly, a SEBI market surveillance anomaly heat-map, a DPD compliance status wheel, or an ESG metric tracker linked to the company's BRSR commitments — these are not merely aesthetic choices. They are communication tools that determine whether governance information produces governance action.

CONCLUSION

The transformation underway in PCS practice is not a gradual upgrade of familiar tools. It is a structural shift in what it means to practice Company Secretaryship competently in India's current regulatory environment. The convergence of AI-powered compliance tools, real-time digital regulatory infrastructure, data privacy obligations, and ESG assurance requirements has created a professional landscape where the PCS with only traditional skills is operating at a material disadvantage.

And yet the tools, for all their genuine power, do not diminish the importance of professional judgment — they raise its stakes. An AI that drafts a board resolution faster than any human can still produce a legally defective document if the professional who directed it did not understand the statutory requirements. A compliance dashboard that tracks 300 regulatory obligations in real time is worthless if the PCS cannot interpret a red flag and advise a board on its implications. A market surveillance anomaly model that identifies a suspicious trading pattern cannot escalate that finding to the right person without a professional who understands both what the model is detecting and what the regulatory consequences of that detection are.

The PCS of this generation has an opportunity that no previous generation of the profession has had: to move from the

compliance engine room of Indian corporate governance to its bridge. The tools exist. The regulatory environment demands their deployment. The question is whether the profession will engage with that opportunity deliberately, with intellectual seriousness and professional rigour, or whether it will arrive at digital practice by default — reactive, inadequately trained, and playing permanent catch-up with a regulatory architecture that does not wait.

The seven decades of professional tradition that ICSI has built argue for the former. This moment deserves no less.

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DPDP Rules 2025 and the Company Secretary as Data Governance Officer: Navigating India's New Data Protection Landscape

The Digital Personal Data Protection Rules, 2025, notified on 13 November 2025, mark the operationalisation of India's landmark DPDP Act, 2023 transforming high-level privacy principles into concrete, enforceable obligations for every organisation that processes personal data of individuals in India. With penalties reaching ₹250 crore per violation and a compliance deadline of 13 May 2027, this new framework has profound implications for corporate governance and the role of the Company Secretary. This article, authored from the perspective of a Practising Company Secretary at a technology-focused legal practice, critically examines the DPDP Rules through the lens of corporate compliance, board accountability, and the CS's unique position at the intersection of governance, law, and regulatory disclosure. It argues that the Company Secretary is and must position itself as the primary architect of DPDP compliance governance within the Indian corporate boardroom, bridging the gap between legal obligation, technology infrastructure, and stakeholder accountability.



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This article provides a comprehensive analysis of the DPDP Rules, 2025 from a CS practitioner's perspective. It examines the key obligations imposed on companies as Data Fiduciaries, the enhanced duties of Significant Data Fiduciaries (SDFs), the penalty framework, the interface between DPDP and existing corporate law obligations, and the practical steps that CS professionals must take to ensure their organisations achieve timely compliance. It also addresses the specific challenges faced by technology companies and startups — entities at the frontier of the data economy — where the intersection of digital business models and data governance is most acute.

₹250 Cr Maximum penalty per violation under the DPDP Act, 2023 — for failure to implement reasonable security safeguards. The Data Protection Board of India (DPBI) is already operational.

INTRODUCTION

Privacy, for most of the history of Indian corporate law, was a peripheral concern — a matter for technology teams, not boardrooms. That era has decisively ended. On 13 November 2025, the Ministry of Electronics and Information Technology (MeitY) notified the Digital Personal Data Protection Rules, 2025 (DPDP Rules), operationalising the Digital Personal Data Protection Act, 2023 (DPDP Act) — India's most comprehensive data protection legislation since the enactment of the Information Technology Act, 2000. The full compliance deadline is 13 May 2027, and the Data Protection Board of India (DPBI) is already operational.

For Company Secretaries, this development is not merely a new compliance checklist. It represents a structural expansion of the governance function. The DPDP framework — with its consent architecture, breach notification obligations, board-level accountability requirements, and penalty regime that can reach ₹250 crore per violation — places data protection squarely within the domain of corporate governance. And corporate governance is, by training, profession, and statute, the domain of the Company Secretary.

THE DPDP FRAMEWORK: ARCHITECTURE AND KEY CONCEPTS

1. The Act and the Rules: A Two-Tier Framework

The DPDP Act, 2023 establishes the foundational principles: the rights of Data Principals (individuals whose data is processed), the obligations of Data Fiduciaries (organisations that determine the purpose and means of processing), the constitution of the Data Protection Board of India (DPBI) as the regulatory and adjudicatory authority, and the penalty framework. The Act is deliberately principle-based — it establishes what must be achieved without prescribing in exhaustive detail how to achieve it.

The DPDP Rules, 2025 provide the operational precision that the Act left to subordinate legislation. They specify: the form and content of consent notices; the mechanics of data erasure and the right to be forgotten; the registration and obligations of Consent Managers; the breach notification procedure and timelines; the enhanced obligations of Significant Data Fiduciaries; and the procedures for cross-border data transfers. For compliance professionals, the Rules are where the rubber meets the road.

2. Who is a Data Fiduciary? Applicability to Indian Companies

Every company incorporated under the Companies Act, 2013 that processes digital personal data of individuals in India — whether as an employer processing employee data, a consumer-facing business processing customer data, or a B2B service provider processing vendor data — is a Data Fiduciary under the DPDP Act. The obligations imposed on Data Fiduciaries are comprehensive: lawful processing on the basis of consent or legitimate use, purpose limitation, data minimisation, accuracy maintenance, storage limitation, security safeguards, and accountability.

The Act also creates a sub-category of Significant Data Fiduciaries (SDFs) — entities designated by the Central Government on the basis of the volume and sensitivity of data processed, the risk to the rights of Data Principals, and national security considerations. SDFs are subject to

enhanced obligations, including mandatory appointment of a Data Protection Officer (DPO), periodic Data Protection Impact Assessments (DPIAs), and annual audits by independent data auditors.

Every company that processes digital personal data of individuals in India is a Data Fiduciary under the DPDP Act — and every Data Fiduciary needs a Company Secretary who understands what that means.

KEY OBLIGATIONS UNDER DPDP RULES, 2025: A GOVERNANCE MAP

The following table maps the principal obligations under the DPDP Rules, 2025 against the corresponding governance role of the Company Secretary, providing a structured reference for CS practitioners designing their organisation's DPDP compliance programme.

Table 1: DPDP Rules 2025 — Key Obligations and the Role of the Company Secretary

Stakeholder	Key Obligation under DPDP Rules, 2025	Role of Company Secretary
Data Fiduciary (All Companies)	Obtain free, specific, informed consent before processing personal data; issue plain-language notice in all 22 scheduled languages	Draft consent frameworks; advise board on data governance policy; review vendor contracts for DPDP clauses
Significant Data Fiduciary (SDF)	Appoint Data Protection Officer (DPO); conduct periodic Data Protection Impact Assessments (DPIAs); mandatory annual audits by independent auditors	Facilitate DPO appointment; co-ordinate DPIA disclosures; ensure board oversight of audit outcomes
All Entities	Report personal data breaches to Data Protection Board of India (DPBI) within prescribed timelines; notify affected data principals	Maintain breach register; draft board-level breach response protocols; file regulatory notifications
Companies with Child Data	Verifiable parental consent before processing data of minors; prohibition on tracking/behavioural monitoring of children	Review product/service data flows; advise on age-gating mechanisms and consent verification systems
Cross-Border Transfers	Transfer personal data only to countries notified by Central Government; maintain transfer impact records	Monitor approved country list; update data processing agreements; advise on cross-border M&A due diligence

Source: DPDP Act, 2023; DPDP Rules, 2025 (notified 13 November 2025). Author's analysis.

1. Consent Architecture: The Governance Dimension

The DPDP Rules require that consent be obtained through a clear, standalone notice — separate from other terms and conditions — that itemises the personal data to be processed, the purpose of processing, and the manner in which Data Principals can withdraw consent. For companies operating consumer-facing digital platforms, this requires a fundamental redesign of existing consent mechanisms, privacy policies, and terms of service.

From a governance perspective, the consent architecture is not merely a technology problem — it is a board accountability issue. The DPDP framework makes the company (as Data Fiduciary) responsible for the accuracy and completeness of consent notices. This means the board must approve the organisation's consent framework and ensure it is reviewed

periodically. The Company Secretary, as the primary advisor to the board on compliance matters, is the natural owner of this governance process.

2. The Data Protection Officer: Appointment, Role, and Independence

For companies designated as Significant Data Fiduciaries, the appointment of a Data Protection Officer (DPO) is mandatory under Section 10(2) of the Digital Personal Data Protection Act (DPDPA), 2023. The DPO must be a person based in India and must report directly to the Board of Directors — not to the Chief Executive Officer or the Chief Technology Officer. This structural requirement — board-level reporting for the DPO — mirrors the independence requirements that apply to the Compliance Officer under SEBI's LODR Regulations and the Company Secretary under the Companies Act, 2013.

The parallel is instructive. Just as the Company Secretary derives the authority to advise the board independently of management, the DPO's effectiveness depends on their independence from operational management. In many organisations, particularly mid-sized companies that are not yet large enough to justify a standalone DPO, the Company Secretary's governance expertise makes his/her the most suitable candidate to either serve as DPO or to closely support the DPO function.

India's digital economy is the fastest-growing in the world. The companies that will lead this economy are data companies. And the governance of those companies will increasingly be defined by how well they protect the personal data entrusted to them.

this mandate to encompass DPDP compliance reporting requires no structural change — only a conceptual expansion of the CS's existing role.

2. Interface Between DPDP and Companies Act Obligations

The DPDP framework does not operate in isolation from existing corporate law obligations. Several important intersections must be navigated by the CS practitioner.

First, the Board's Report under Section 134 of the Companies Act should, going forward, include a disclosure on the company's DPDP compliance posture — the status of consent frameworks, the outcomes of any DPDP audits, and any breach notifications made to the DPBI during the year. Second, the Secretarial Audit under Section 204 should be extended to cover DPDP compliance, given that the Secretarial Auditor is required to report on compliance with 'all applicable laws' — and the DPDP Act is unambiguously an applicable law for virtually every company.

Third, and perhaps most importantly, the DPDP framework has direct implications for the M&A due diligence process. A resolution applicant or acquirer who fails to identify and price the target company's DPDP compliance gaps —

THE PENALTY FRAMEWORK: BOARD ACCOUNTABILITY AND PERSONAL LIABILITY

The DPDP Act's penalty framework is designed to ensure that data protection failures attract consequences commensurate with the risk they pose to individual rights and national interests. The penalty quantum — reaching ₹250 crore for the most serious violations — is not merely symbolic. It is calibrated to be significant even for large enterprises, and potentially existential for mid-sized and smaller companies.

Table 2: DPDP Penalty Framework — Compliance Stakes for Indian Companies

Violation	Maximum Penalty (₹ Crore)	Practical Implication for Governance
Failure to implement reasonable security safeguards (Section 8(5))	₹250 Crore	Board must approve and oversee a documented Information Security Policy aligned with DPDP standards
Failure to notify DPBI or Data Principals of a breach (Section 8(6))	₹200 Crore	CS must design and maintain a Board-approved breach notification SOP with defined escalation timelines
Non-compliance with special provisions for processing children's data (Section 9)	₹200 Crore	Review all products/services collecting user data; age-gate where necessary; obtain verifiable consent
Failure to fulfil additional Significant Data Fiduciary obligations (Section 10)	₹150 Crore	SDFs must appoint a DPO, conduct DPIAs, and submit to annual independent audits — CS to monitor compliance
Failure of Consent Manager to comply with DPDP Rules	₹50 Crore	Applicable to platforms acting as Consent Managers — CS to review contracts and ensure DPDP compliance

Source: Schedule to the DPDP Act, 2023. INR figures are per instance of non-compliance.

1. Board-Level Accountability: The CS's Role in Risk Governance

The scale of potential penalties under the DPDP framework requires that data protection risk be treated as a material corporate risk — alongside credit risk, market risk, and operational risk — and be subject to the same board-level governance disciplines. This means: regular reporting of DPDP compliance status to the Board and Audit Committee; inclusion of DPDP risk in the company's risk register and Enterprise Risk Management (ERM) framework; and appropriate disclosure in the Board's Report under Section 134 of the Companies Act, 2013.

The Company Secretary is uniquely positioned to drive this integration. His/her existing mandate under the Companies Act includes responsibility for board-level compliance reporting, coordination of Audit Committee meetings, and oversight of the Annual Report. Extending

including outstanding consent deficiencies, unaddressed breach notifications, or pending DPBI investigations — may find themselves inheriting liabilities that were not reflected in the purchase price. CS professionals advising on M&A transactions must integrate DPDP due diligence into their standard checklist.

May 2027

Deadline for full DPDP Rules compliance — including consent frameworks, breach notification SOPs, DPIA processes, and (for SDFs) DPO appointment and independent annual audits.

SPECIAL CHALLENGES: TECHNOLOGY COMPANIES, STARTUPS & FINTECH

1. The Data-Rich Business Model and DPDP Exposure

For technology companies, consumer internet platforms, fintech firms, and SaaS businesses — entities whose entire value proposition is built on the collection and analysis of user data — the DPDP framework is not merely a compliance requirement. It is a fundamental

business model constraint. A fintech company that uses customer transaction data to offer personalised financial products must now ensure that its consent architecture is granular enough to support each specific use of data. A consumer platform that monetises user behaviour data through targeted advertising must ensure that its advertising partners are contractually bound to DPDP-compliant data processing standards.

The Company Secretary at a technology company must, therefore, develop a working understanding of the company's data architecture — the systems in which personal data is collected, stored, and processed — in order to provide meaningful governance advice. This does not require technical expertise in database management or software engineering. It requires the ability to ask the right questions: What data do we collect? Why do we collect it? Who has access to it? How long do we retain it? What is our legal basis for each processing activity?

2. Cross-Border Data Transfers and Global Business Operations

For companies with global operations — including foreign subsidiaries, offshore development centres, and cloud computing arrangements with foreign service providers — the DPDP Rules' cross-border transfer framework introduces a new compliance variable. Personal data of Indian individuals may be transferred to foreign jurisdictions only where the Central Government has specifically permitted such transfer. The list of approved countries has not yet been published in its final form; companies currently operating cross-border data flows must monitor MeitY's notifications closely.

The Company Secretary advising multinationals or companies with cross-border data flows must ensure that: all data processing agreements with foreign vendors are reviewed for DPDP compliance; the company maintains a current record of cross-border data transfers and the legal basis for each; and any changes to the approved country list are reflected promptly in the company's vendor management and data governance frameworks.

3. Startups and the DPDP Compliance Paradox

For early-stage startups — companies that are data-intensive by design but resource-constrained by necessity — the DPDP framework presents a genuine compliance paradox. The Act applies to all Data Fiduciaries irrespective of size or stage of development; there is no explicit startup exemption analogous to the small company concession under the Companies Act. Yet the cost of building a full DPDP compliance infrastructure — data mapping, consent management systems, DPO functions, DPIA frameworks — can be prohibitive for a company operating on a Series A runway.

The ICSI and the MCA have an opportunity here to develop simplified DPDP compliance templates specifically designed for startups recognised under the DPIIT framework. The Company Secretary community — many of whose members advise startup boards through the ICSI's startup advisory initiatives — can play a meaningful role in developing and disseminating these templates.

THE DPDP COMPLIANCE ROADMAP: A CS PRACTITIONER'S ACTION PLAN

Given the May 2027 compliance deadline, companies — and their Company Secretaries — cannot afford a 'wait and watch' approach. The following action checklist, organised by priority level, provides a structured starting point for DPDP compliance governance.

Table 3: CS-Led DPDP Compliance Action Checklist (2025–2027)

Priority	Action Item	Timeline	Owner
High	Conduct enterprise-wide Data Audit — map all personal data collected, stored, processed	Immediate (0–3 months)	CS + DPO + IT
High	Identify if company qualifies as Significant Data Fiduciary (SDF); initiate DPO appointment if applicable	0–3 months	CS + Legal
High	Review and redraft consent notices for all digital touchpoints in plain language (22 languages for SDFs)	0–6 months	CS + Marketing
Medium	Update all third-party vendor and processor contracts with DPDP-compliant data processing clauses	3–9 months	CS + Procurement
Medium	Design Breach Notification SOP; obtain board approval; test via tabletop exercise	3–9 months	CS + Board
Medium	Assess cross-border data transfer flows; ensure destinations are on MeitY-approved country list	3–9 months	CS + DPO
Ongoing	Include DPDP compliance status as standing agenda item in Board/Audit Committee meetings	Quarterly	CS
Ongoing	Conduct annual DPDP compliance audit (mandatory for SDFs); present findings to Board	Annual (from 2026)	CS + Auditor

Source: Author's framework based on DPDP Rules, 2025. Priority levels are indicative; organisations should calibrate based on their specific risk profile.

1. Data Audit: The Foundation of DPDP Compliance

The starting point for any DPDP compliance programme is a comprehensive data audit — a systematic mapping of every category of personal data the organisation collects, stores, processes, and shares, together with the legal basis for each processing activity, the retention period, and the third parties with whom the data is shared. This is not a one-time exercise; it must be maintained as a living document and updated whenever a new product, service, or system processing personal data is introduced.

The Company Secretary should lead the governance process for the data audit — commissioning it, reviewing the outcomes, presenting findings to the Audit Committee, and ensuring that remediation actions are tracked and reported. The actual technical execution will involve IT and legal teams, but the governance framework

for the audit — the terms of reference, the reporting structure, and the follow-up mechanism — is squarely within the CS's domain.

2. Board Training and Awareness: The Governance Imperative

Board members in India are personally accountable for their company's regulatory compliance posture. The DPDP Act, while it does not impose personal criminal liability on individual directors for data breaches, creates institutional accountability at the board level through its requirement that the DPO report directly to the Board. This means the Board must be sufficiently informed about DPDP obligations to exercise meaningful oversight.

The Company Secretary should arrange for a structured DPDP awareness session for the Board of Directors — covering the key obligations, the penalty framework, the company's current compliance status, and the remediation roadmap. This is a governance investment that also serves a protective function: a board that has been informed of DPDP obligations, and has received and approved a compliance plan, is in a far stronger position if the DPBI ever investigates the company's data practices.

UPSKILLING IMPERATIVES: THE COMPANY SECRETARY AS A DIGITAL GOVERNANCE LEADER

The DPDP framework is one dimension of a broader transformation in the governance landscape — a transformation driven by the digitalisation of business, the proliferation of data, and the growing regulatory expectation that boards and their advisors will be technically literate as well as legally competent. For Company Secretaries, this transformation is both a challenge and an opportunity.

The challenge is real: DPDP compliance requires CS professionals to develop a working familiarity with concepts — data mapping, consent management, DPIAs, security safeguards — that have not historically been part of the CS skill set. The opportunity is equally real: the CS who masters these concepts occupies a uniquely valuable position, able to translate technical data governance requirements into the language of board reporting, regulatory disclosure, and institutional accountability that the boardroom understands.

The ICSI's existing Continuing Professional Development (CPD) framework, supplemented by targeted courses on data governance and DPDP compliance, can provide the institutional infrastructure for this upskilling. CS professionals practising in technology-intensive sectors — fintech, healthtech, e-commerce, SaaS — should treat DPDP literacy as a priority professional development investment for 2025–26.

The Company Secretary who masters data governance is not adding a new function — He/she is extending the oldest function in his/her profession: the governance of risk, disclosure, and accountability at the heart of the Indian boardroom.

CONCLUSION

The DPDP Rules, 2025 are not a technical regulation for IT departments. They are a governance framework for the Indian boardroom. By imposing board-level accountability for data protection, requiring direct reporting lines from the DPO to the Board, and calibrating penalties at a scale that demands senior management attention, the DPDP framework has made

data governance a core component of corporate governance — and corporate governance is the Company Secretary's calling.

The Company Secretary who understands the DPDP framework — who can conduct a data audit, design a consent governance framework, advise on DPO appointment, manage breach notification obligations, and integrate DPDP risk into the Board's Report — is not merely a compliance officer. CS is a strategic governance advisor, providing a service that no other professional in the Indian corporate ecosystem is as well-positioned to provide.

India's digital economy is the fastest-growing in the world. The companies that will lead this economy are data companies. And the governance of those companies — their accountability to their customers, their regulators, and their stakeholders — will increasingly be defined by how well they protect the personal data entrusted to them. The Company Secretary who is ready for this world — technically literate, governance-oriented, and proactively engaged with the DPDP framework — is not just keeping pace with the profession. CS is shaping its future.

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Digital Personal Data Protection Act, 2023: Compliance Architecture and Emerging Professional Implications

The primary objective of the DPDP Act, 2023 is disclosed in the long title of the Act. It clearly states that the Act seeks to enable the processing of digital personal data in a manner that recognises not only the right of individuals to protect their personal data but also the need to process such data for lawful purposes.



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INTRODUCTION

The Central Government has, after much delay and debate, notified the timeline within which the Digital Personal Data Protection Act, 2023 (DPDP Act, 2023)¹ will be enforced. Considering the apprehensions raised by various sections of society including corporates, non-governmental organizations and civil rights activists, the Central Government has adopted an eighteen-month step-by-step rollout programme for enforcing the Act.

As a first step, the provisions relating to the Data Protection Board of India (DPBI) have been enforced with effect from 13.11.2025. By a separate notification, the said

Board has been established with its Headquarters at the National Capital Region of India.² The total strength of the Board has been fixed at four members.³ The next step involves the bringing into force those provisions of the Act relating to Consent Managers and their registration with the Board, with effect from 13.11.2026. Finally, the remaining provisions of the Act, including the new rights and liability regime, will come into force on 13.05.2027. Till then, the criminal liability regime already existing under the Information Technology Act, 2000 will continue.⁴

This one-and-a-half-year transitional period provides all stakeholders with sufficient time to adapt themselves to the new liability regime that will eventually come into force. This article provides a bird's-eye view of the new legal framework being set up under the DPDP Act, 2023.

CONCEPTUAL FRAMEWORK

The primary objective of the DPDP Act, 2023 is disclosed in the long title of the Act. It clearly states that the Act seeks to enable the processing of digital personal data in a manner that recognises not only the right of individuals to protect their personal data but also the need to process such data for lawful purposes. A definition has been provided in the Act for 'data'⁵ and 'personal data'⁶ with the intent of clearly defining the scope of the legislation. Every representation of information, facts, etc. that is shared or stored in cyberspace and is capable of being communicated, interpreted, or processed is defined as data. However, only such data about any individual that discloses some aspect of its identity is treated as personal data. Examples of personal data of an individual includes his/her name, age, image, gender, address, phone number, PAN card details, Aadhaar details, bank account details, credit card details, etc.

To achieve the objectives of the Act, four conceptual entities, namely: (a) Data Principal,⁷ (b) Data Fiduciary,⁸

² See G.S.R. 844(E) [F. No. AA-11038/1/2025-CL & ES], dated 13.11.2025

³ See G.S.R. 845(E) [F. No. AA-11038/1/2025-CL & ES], dated 13.11.2025

⁴ See Section 43A of the Information Technology Act, 2000. The said provision will be repealed by virtue of Section 44(2)(a) of DPDP Act, 2023 when the new penalty-based liability regime comes into force on 13.05.2027

⁵ Section 2(h) of the DPDP Act, 2023

⁶ Section 2(i) of the DPDP Act, 2023

⁷ Section 2(j) of the DPDP Act, 2023

⁸ Section 2(i) of the DPDP Act, 2023

¹ See G.S.R. 843(E) [F. No. AA-11038/1/2025-CL & ES], dated 13.11.2025

(c) Data Processor⁹ and (d) Consent Manager¹⁰ have been created. Data Principal refers to an individual whose personal data is being processed whereas Data Fiduciary refers to any person who determines the purpose and means of processing the personal data of Data Principals. Data Processor refers to any person who is engaged by the Data Fiduciary for processing the personal data of Data Principals.¹¹ For example, suppose an individual 'A' purchases medicines from an online pharmacy 'B'. In addition to the medical prescription, 'A' may provide his credit card details to 'B' for making payments. 'A' may also provide his postal address to 'B' for delivering the medicines. 'B' may engage 'C' to process the personal data of customers like 'A'. Here, 'A' is the Data Principal, 'B' is the Data Fiduciary, and 'C' is the Data Processor.

A Data Principal may engage himself/herself in several transactions with different Data Fiduciaries. Since it is practically difficult for a Data Principal to keep an updated record of all personal data given by him/her to different Data Fiduciaries, the Act permits the Data Principal to take the assistance of any Consent Manager who is registered with the Data Protection Board of India.¹² The Consent Manager is essentially an online platform where a Data Principal can store his/her personal data. He/she uses the said platform for the purpose of giving/withdrawing consent to the processing of his/her personal data by various Data Fiduciaries onboarded onto the platform and subscribed by him/her for availing various services. Thus, the Consent Manager acts as an intermediary between the Data Principal and the Data Fiduciary.¹³

Through the DPDP Act, 2023, Parliament has laid down a strong regulatory framework for efficient processing of digital personal data even while safeguarding the privacy rights of individuals.

The DPDP Act, 2023 imposes several obligations on a Data Fiduciary in relation to the personal data of a Data Principal which must be fulfilled before or at the time of processing the said data for business or other lawful purposes. The primary obligation is to obtain the consent of the Data Principal before processing his/her personal data. The consent obtained from the Data Principal must be free, specific, informed, unconditional, unambiguous and accompanied by a clear affirmative action. The DPDP Act and Rules require Data Fiduciaries to issue notices in simple language to the Data Principal while obtaining consent.¹⁴ Also, the personal data can be processed only to the extent necessary for fulfilling the purpose for which consent was obtained.¹⁵

Further, the Data Fiduciary is under a statutory obligation to stop further processing of the personal data of a Data Principal once the Data Principal withdraws consent.¹⁶

For the purpose of enabling easy withdrawal of consent, the original consent notice should contain an online communication link that can be utilised by the Data Principal for withdrawing the consent.¹⁷

The Act also requires a Data Fiduciary to provide a grievance redressal mechanism for enabling the Data Principal to redress any grievance.¹⁸ Additionally, every Data Fiduciary is tasked with an obligation to promptly report every personal data breach to the Data Protection Board of India as well as to each affected Data Principal.¹⁹

Even though the Act prescribes a consent-based data processing regime, it also permits the Data Fiduciary to process the personal data of a Data Principal independent of his/her consent in certain limited circumstances like responding to medical emergencies, for complying with judicial orders, for taking measures during disasters or epidemics, for protecting intellectual property rights of employers, for protecting the sovereignty and integrity of India or security of the state, for complying with any obligation under law, etc.²⁰

DATA PROTECTION BOARD OF INDIA (DPBI)

The Act empowers the Central Government to establish a Data Protection Board of India (DPBI) for ensuring effective implementation of the DPDP Act, 2023.²¹ The Board consists of a chairperson and three members (all of them appointed for a term of two years) having expertise in law, dispute resolution, digital economy, administration, data governance, etc.²² The primary function of the Board is to inquire

into complaints made by a Data Principal in respect of any personal data breach or failure of the Data Fiduciary/ Consent Manager to observe statutory obligations and impose penalty as provided under the Act, after inquiry.²³ Its duties also include taking quick remedial responses to any intimation of personal data breach by any Data Fiduciary.²⁴

The Board, in the performance of its functions, is vested with several powers of a Civil Court, including powers to issue interim orders.²⁵ The Board is also expected to follow the principles of natural justice while performing its adjudicatory functions.²⁶ The orders of the Board are subject to appeal before the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) constituted under the Telecom Regulatory Authority of India Act, 1997.²⁷

¹⁷ See Section 6(3) of the DPDP Act, 2023 and Rule 3 of the DPDP Rules, 2025

¹⁸ Section 13 of the DPDP Act, 2023

¹⁹ Section 8(6) of the DPDP Act, 2023

²⁰ Section 7(c) to 7(i) of the DPDP Act, 2023

²¹ Section 18 of the DPDP Act, 2023. DPBI has already been established. See *supra* note 2

²² Sections 19 & 20 of the DPDP Act, 2023

²³ Section 27(2) of the DPDP Act, 2023

²⁴ Section 27(1) of the DPDP Act, 2023

²⁵ Section 28(10) of the DPDP Act, 2023

²⁶ Section 28(6) of the DPDP Act, 2023

²⁷ Section 29 of the DPDP Act, 2023

⁹ Section 2(k) of the DPDP Act, 2023

¹⁰ Section 2(g) of the DPDP Act, 2023

¹¹ Section 8(2) of the DPDP Act, 2023

¹² Sections 6(7) to 6(9) of the DPDP Act, 2023

¹³ See First Schedule of the DPDP Rules, 2025

¹⁴ Sections 4, 5 and 6 of the DPDP Act, 2023

¹⁵ Section 6(1) of the DPDP Act, 2023

¹⁶ Sections 6(4) to 6(6) of the DPDP Act, 2023

LIABILITY REGIME

The DPDP Act, 2023 seeks to replace the existing criminal liability regime for data protection²⁸ with a penalty-based liability regime.²⁹ Under the new liability regime, if the Data Protection Board of India, on an inquiry conducted by it, determines that there has been a significant breach of the provisions of the Act by any person, then it is empowered to impose monetary penalties on that person, after hearing him.³⁰ While the Schedule to the Act specifies the maximum penalties that can be imposed for different breaches,³¹ the actual quantum of penalty to be imposed has to be determined by the Board after taking into consideration several factors including the nature, gravity, and duration of the breach, the type and nature of the personal data affected by the breach, the repetitive nature of the breach, whether the person responsible for the breach has derived any benefit from the breach, whether effective and timely steps were taken to mitigate the effects of the breach and the likely impact of the monetary penalty on the person responsible for the breach.³²

MISCELLANEOUS FEATURES

Apart from the broad features discussed above, the Act has incorporated several additional features. The Act requires the Board to explore the possibility of resolution of complaints by mediation or by any other alternate dispute resolution mechanism.³³ The Central Government has powers under the Act to strictly regulate the transfer of personal data by a Data Fiduciary to any other country or territory outside India.³⁴ Further, the Act empowers the Central Government to classify Data Fiduciaries as Significant Data Fiduciaries based on several factors such as the volume and sensitivity of personal data processed, risk to the rights of Data Principals and the legitimate concerns of the state relating to security, sovereignty, and integrity of India.³⁵ Once so classified, the Data Fiduciary will have to meet additional statutory obligations such as conducting periodic independent data audits, undertaking Data Protection Impact Assessment and appointing a Data Protection Officer based in India who will be responsible to the governing body of the Data Fiduciary.³⁶ The Act also allows the Central Government, on a reference made to it by the Board, to block access by the public to any information hosted by a Data Fiduciary under certain circumstances after hearing the Data Fiduciary.³⁷

IMPACT ON THE PROFESSION OF COMPANY SECRETARY

Once the DPDP Act, 2023 becomes fully operational in May 2027, Company Secretaries will need to prepare



additional compliance reports particularly for data-driven companies. Unless adequately trained, Company Secretaries will have to rely on the reports prepared by cybersecurity professionals and data auditors. Hence, there is an urgent need for capacity building in cybersecurity and data protection laws for Company Secretaries. This objective can be achieved in the short term by organising training programmes, seminars, workshops, refresher courses, etc. In the long term, the syllabus of the Company Secretary programme may have to be suitably modified to include topics relating to digital data protection and cybersecurity compliance.

CONCLUSION

Through the DPDP Act, 2023, Parliament has laid down a strong regulatory framework for efficient processing of digital personal data even while safeguarding the privacy rights of individuals. The Act is being enforced in a gradual and phased manner so as to give sufficient time to the Data Fiduciaries and Consent Managers to put in place the infrastructure necessary to comply with the provisions of the Act. When fully enforced, the DPDP Act, 2023 will go a long way to advance the objectives of Digital India.

²⁸ Section 44(2)(a) of the DPDP Act, 2023

²⁹ Section 27(1)(b) of the DPDP Act, 2023

³⁰ Section 33(1) of the DPDP Act, 2023

³¹ The maximum penalty imposed under the Act can be as high as ₹250 crores.

See Schedule of the DPDP Act, 2023

³² Section 33(2) of DPDP Act, 2023

³³ Section 31 of the DPDP Act, 2023

³⁴ Section 16 of the DPDP Act, 2023

³⁵ Section 10(1) of the DPDP Act, 2023

³⁶ Section 10(2) of the DPDP Act, 2023

³⁷ Section 37 of the DPDP Act, 2023



Cloud-Based Compliance and Documentation: The Company Secretary's Governance Framework in the Digital Age

The rapid evolution of regulatory frameworks and digital governance practices has significantly transformed the compliance landscape for modern organizations. The traditional paper-based and fragmented compliance mechanisms proving inadequate in addressing the growing complexity, volume, and cross-jurisdictional nature of regulatory obligations. Against this backdrop, cloud-based compliance and documentation systems have emerged as strategic tools for enhancing efficiency, transparency, accessibility, and audit readiness. This article examines the concept, components, regulatory implications, benefits, challenges, and emerging trends associated with cloud-driven compliance management systems for Company Secretaries. It highlights the role of digital infrastructure such as document repositories, audit-trails, compliance calendars, workflow automation, and integration of APIs in strengthening governance frameworks. Further, the impact of evolving technologies including Artificial Intelligence (AI), blockchain, and API-based ecosystems in reshaping the compliance functions is also discussed along with the role of the in-house governance experts i.e. the Company Secretaries.



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INTRODUCTION

In modern corporate environment, regulatory requirements are proliferating in both complexity and volume. With these evolving statutory standards, organizations now operate in a landscape where not only the legal compliance but also the documentation integrity and auditability are continuously evolving. These are the vitals for sustainable governance and has transformed the way of handling compliance. Against this backdrop, Company Secretaries (CS) – as custodians of corporate compliance and governance have to navigate an increasingly complex maze of laws, rules, filings, and cross-jurisdictional documentation. Thus, cloud-based compliance and documentation systems are emerging as a transformative tool upgrading the way professionals fulfil their mandates and their adoption is no longer optional; but a strategic necessity for them. These technologies offer automation, scalability, accessibility, security, and integration possibilities that are critical for effective compliance management in this digital era.

A cloud-based compliance thus is nothing but the cloud-based systems which refers to the software and databases that are hosted remotely on the internet servers and accessed via web-based interfaces or APIs. The key features include their scalability, centralized repository, managed infrastructure, and not to forget the on-demand access. The most important aspect of using a cloud-based system is its accessibility from

anywhere with internet. Another one is the centralized repository which is the single source of truth for data and documents, followed up with the scalability i.e. the storage and computing scale with organizational needs and managed infrastructure of security, backups, and updates handled by the provider.

DIGITAL INFRASTRUCTURE UNDERPINNING CLOUD COMPLIANCE SYSTEMS: COMPONENTS AND CAPABILITIES

The cloud-based compliance and documentation systems are specialized platforms build to support digital storage of governance documents, regulatory checklists and calendars, automated submission workflows, integration with internal ERP/HR/SAP systems, audit facilitation modules and compliance dashboards and alerts. The digital infrastructure i.e. the components of cloud-based compliance systems and their functionality are as follows:-

Component	Purpose / Functionality
Document Repository	Provides a centralized and searchable digital storage system for statutory records, minutes, resolutions, agreements, certificates, and other corporate documents.
Compliance Calendar	Tracks statutory due dates, regulatory filings, meeting schedules, and generates automated reminders to ensure timely compliance.
Workflow Engine	Automates compliance processes, approval hierarchies, task assignments, and maintains audit trails for accountability and transparency.
Reporting & Dashboards	Offers real-time insights through dashboards, compliance status reports, key performance indicators (KPIs), and pending action summaries.
Alerts & Notifications	Sends timely alerts through email, SMS, or portal notifications regarding upcoming deadlines, approvals, and compliance deviations.

Component	Purpose / Functionality
Access Controls	Ensures secure access through role-based permissions, authentication mechanisms, and restricted document visibility.
Integration APIs	Facilitates seamless integration with accounting, finance, HR, taxation, ERP, and other enterprise systems for synchronized operations.
Audit Trail & Version Control	Maintains detailed records of document modifications, user activities, approvals, and historical versions for regulatory and audit purposes.
Data Backup & Recovery	Enables automatic backup and disaster recovery mechanisms to ensure data protection, continuity, and system resilience.
Cloud Security Features	Incorporates encryption, multi-factor authentication, firewall protection, and cybersecurity protocols to safeguard sensitive corporate information.

The cloud platforms reimagine traditional compliance processes and transform the Company Secretary practices. For the Company Secretary (CS), this shift is not merely about moving files from cabinets to cloud but more about reconceptualizing compliance, governance, and audit-trail management in the digital, distributed environment. In practice, the role of the Company Secretary (CS) morphs from just being the custodians of the paper files to the “governance-in-the-cloud officer” in this digital age, overseeing the design and use of digital secretarial systems rather than just feeding them manually drafted records. Key elements of cloud compliance for the Company Secretary (CS) must be its regulatory alignments with the applicable laws such as the Companies Act, 2013, SEBI Guidelines, FEMA, and local data-protection rules (e.g. India's Digital Personal Data Protection Act, 2023). Other elements include its data security and integrity for the protection of cloud-stored records against unauthorized access, and loss, and preserving the integrity for audit and secretarial audit purposes. The other two important aspects are namely the audit-readiness and documentations, and the jurisdiction and data-localization. Whereas the cloud-based workflows must generate user-access trails and version histories which can be produced at the time of statutory or secretarial audits and also requires that certain corporates data (e.g. shareholder records, boards minutes) be stored in specific jurisdiction or accessible only under certain defined conditions. Now-a-days listed companies moving its board-minute system from paper binders and email attachments to a cloud-based board-portal and document-management platform are the case illustrative examples for cloud-based compliance and documentation.

REGULATORY LANDSCAPE TOUCHING CLOUD-BASED DOCUMENTATION

To understand the cloud-based compliance and documentation in terms of practical implementations for the Company Secretary one must map the relevant statutory and regulatory threads, which are as follows:

- **For the Companies Act, 2013, and rules, key compliance points must be authenticity, retention and accessibility:** As many filings are already done in e-forms via MCA21, increasingly, the underlying documents such as agendas, draft minutes, and consents are stored in cloud-based document-management systems. Therefore, the Company Secretary must ensure that the cloud-based retention policies of the software providing these facilities must mirror the authenticity, retention and accessibility of such.
- **SEBI (Listing Obligations and Disclosure Requirements) Regulations:** For listed companies, SEBI mandates timely disclosures, board-level approvals, and “such other records” maintenance as may be required for compliance. Thus, the Company Secretary must ensure that the board-level approvals and minutes are preserved in a structured, version-controlled manner while handling communication, board packs, and disclosure drafts via cloud-based collaboration platforms.
- **FEMA, RBI, and Cross-border Data flows:** For groups with foreign shareholders or overseas operations, cross-border data flows raise questions under FEMA and RBI-related reporting norms. The Company Secretary along with the CFO and legal counsel must evaluate the cloud providers having the data centers outside India.
- **Data-protection and privacy Laws:** In India, the Digital personal data Protection Act, 2023 (and similar global frameworks) affects how personal data e.g. director's KYC, shareholders personal details, and employee records is stored and processed in cloud. The Company Secretary, therefore must see that the cloud-based registers and other documentation comply with principle-based obligations such as consent, limitation, and data minimization.
- **Sector-specific rules (banking, insurance, telecom, etc.):** The Company Secretary must layer these sector-specific standards over the general Companies Act-based compliance framework, as the financial sector and regulated-industry companies are subject to additional guidelines on data security, encryption, and audit-trail requirements.

OTHER PRACTICAL CHECKLIST FOR THE CS-LED CLOUD-COMPLIANCE

Interfacing cloud-based Standard Operating Procedure (SOP) software aligns corporate policies to operations and bridges the gap between process and procedure management. The following checklist can be adapted into a broad-approval policy or internal Standard Operating Procedure (SOP) for cloud-compliant documentation and record keeping as the cloud-compliance remains a live, monitored function rather than a one-time project -

- **Retention, deletion, and legal-hold:** Retention rules aligned with statutory timelines documented, configured and export capability for the litigation or regulatory matters.
- **Audit-trail and logging:** For all key repositories, user-action logs and for periodic log-review mechanism with IT and internal audit user-action logs enabled.

Cloud compliance and documentation for a Company Secretary are not peripheral IT concerns, they are central to legal defensibility, audit-readiness and governance integrity. These cloud compliance-based software have transitioned from optional tools to indispensable pillars in Company Secretary's toolkit.

- **Vendor and third-party management:** Data-processing addendum and breach notification clauses in cloud-service contracts and due diligence checklist completion for cloud-vendors.
- **E-signatures and workflows:** Automated workflows for circulation of board minutes and e-filing, where applicable and digital signatures mapped to relevant statutory and internal approvals.
- **System design and access control:** Role-based access with defined permissions for each user groups, creation of centralized board-document and statutory-register repositories in the cloud, and version-control and mandatory change reason field enabled for key documents.
- **Governance and Policy Design:** Roles and responsibilities for cloud-documentation governance documentation and approval of the cloud-based documentation policy covering retention, access, versioning, and data protection.

KEY BENEFITS AND EMERGING TRENDS IN CLOUD-DRIVEN COMPLIANCE MANAGEMENT

For the Practicing Company Secretary, cloud platforms reduce manual intervention, minimize compliance risks, and improve accessibility to critical records from any location. Additionally, better governance practices are promised through seamless collaboration among stakeholders and secured documentation. Some of the key advantages include -

- i. **Improved Scalability and Cost Efficiency:** Cloud-based system scale without the requirement of installation of new server or data migration, handling increasing volumes of documents and users without degradation as the organization grows. Further, as these systems operating on subscription models (SaaS), the need for maintenance teams and heavy IT infrastructure is reduced making the costs predictable.
- ii. **Audit Compliance and Traceability of documents:** The more enhanced features like system control, capturing audit logs and version histories are unmatched as compared to the paper records.
- iii. **Remote and distributed Work Enablement:** Earlier post-covid business environment and now during the Mideast war crisis, cloud platforms support remote governance activities, which are the important requirements for a smooth and efficient working of the professional saving time and energy. Cloud-platforms centralize information and automate tasks, saving time and reducing manual efforts.

As the cloud-based systems are evolving rapidly, the Company Secretary as the in-house “governance” experts should anticipate the several emerging trends in cloud compliance technologies and keep a pace with it. The Key trends include -

- i. **Greater Integration of AI tools and Machine Learning:** AI-enabled tools may automatically flag non-compliance (e.g., missing board approvals for related-party transactions) by scanning cloud-stored contracts and minutes from its database. The Company Secretary therefore must ensure such tools do not override human judgement and are calibrated to statutory requirements

as the suggested action in AI and machine learning system are based on certain patterns which auto-classify documents.

- ii. **Blockchain for Immutable Records:** The Blockchain technologies ensures tamper-proof documentation, distributed verification and time-stamped audit-trails. The documents stored on blockchain have forensic reliability. Since some platforms are experimenting with blockchain-style immutable logs for board decisions and key resolutions. The Company Secretary as part of integrity-proof layer for critical documents can evaluate the features of blockchain.
- iii. **API-First Ecosystems:** The cloud-compliance tools increasingly offer APIs to connect with the accounting platforms, regulator portals, ERP and HR software, and CRM systems, eliminating the manual data entry and saving the time.
- iv. **Regulatory Intelligence, Updates and Mobile Enhancements:** These cloud-based systems provide automated regulatory feeds that keep compliance calendars updated with real-time legislative changes. Also, the mobile access, push notifications and intuitive dashboards improve adoption.
- v. **Convergence of ESG, data-protection, and governance:** The Company Secretary can integrate ESG-policy files, data-processing-consent records, and sustainability reports into the same government centric cloud architecture. As ESG and data-protection reporting gain importance, cloud-based documentation will increasingly serve as the evidentiary backbone for these disclosures.

The Company Secretary does not manage cloud-systems alone, an effective governance structure is essential where the model roles and responsibilities matrix for cloud-compliant documentation is stated. The board, directors, CFO/finance head, IT and Information security and the internal and external audit are equally responsible for overall governance of cloud-based systems and documentations for its effective functioning. Within this matrix, The Company secretary acts as an integrator, ensuring the legal, regulatory, and audit requirements are “translated” well into actionable technical and procedural controls.

CLOUD-BASED SYSTEMS AND DOCUMENTATION: RISK AND CHALLENGES IN ADOPTION AND IMPLEMENTATION

Despite all the benefits, there are still certain key challenges and risk associated with the adoption of cloud-based compliance systems. These challenges are-

- i. **Loss of Integration with Legacy Systems or tampering:** If cloud-based minutes or resolutions are edited without proper version control or audit logs, the company may face challenges in proving authenticity during litigations or regulatory proceedings. As aligning taxonomies, structuring unstructured data, and establishing real-time integration is complex.
- ii. **Data Security and Unauthorized access:** Shared cloud drives or poorly configured permissions can allow third parties to view sensitive information or insider trading-related communications. Despite having robust cloud

security, the organizations still sometimes fear the risk of cyber breaches, cross-border regulatory restrictions on cloud storage and sensitive records outsourcing.

- iii. **Audit and Secretarial-audit challenges:** If cloud-based systems lack clear logs, migration history, or user attribution, the secretarial auditor may flag inadequate retention practices, and inability to reconstruct the chain of approvals because of the unexplained amendments to the records.
- iv. **Third-party cloud-vendor risk:** Many companies use global cloud providers as Microsoft 365, Google Workspace and platform-specific board-portal vendors. In such cases, may be the cloud provider is compliant with the specific standards but the ultimate responsibility still lies with the company and in order to mitigate the risks understanding the vendor's certifications and data-handling policies is a must. Ensuring the contract with vendors must include audit-rights, data protection and breach-notifications clauses.
- v. **Violation of data localization and retention mandates:** The violation of data protection laws and other specific norms may be caused due to storing registrable corporate records in foreign jurisdictions without checking the localization requirements. Also, the auto archival rules in cloud storage may inadvertently erase records before the statutory retention periods of the documents expire.
- vi. **Regulatory and Legal implications:** Compliances with privacy laws such as sectoral privacy requirements, and IT Act and Rules in India is critical when handling personal data of stakeholders.

List of few Compliance-Based Software for the Company Secretary:

The Institute of Company Secretaries of India (ICSI), in order to help the members to manage their client's operations and serve them efficiently with the help of Information Technology, have collaborated with several compliance-based software providers understanding the need of the hour. The list of which is mentioned below:

- i. **Complinty:** While understanding the need of a separate compliance-based software for the Practising Company Secretaries, The ICSI have collaborated with the Complinty for providing integrated compliance software. The Complinty helps in managing secretarial compliance, tracking legal assignments and updates and other related tasks of an efficient cloud-based compliance software.
- ii. **Axar Digital Service Private Limited:** The software provides paid services to comply with SEBI (PIT) Regulations, 2015, by providing tailored precision, UPSI tracking, grey list mastery, and streamlined TWC issuance.
- iii. **proCS:** The ready to use automated self-service portal provides easy-to-use automated solution to ensure the compliance requirements such as automated data backup and disaster management, auto capturing of UPSI with e-mail-based automation, audit log reports and SDD database etc.
- iv. **complyRelax:** This service provider compliance-based software is specially for managing secretarial and legal compliance and uses compliance tracker, meeting manager, registration manger, multi-user dashboard, DSC management, and MCA transaction tracker.

- v. **FYN ONE:** By availing the pro-subscription of this compliance-based software application specialized in billing and accounting, the Company Secretaries can get benefitted in managing the billing and e-invoicing, inventory and e-way bill, expenses and payments, unlimited client profiles, accounting and taxation in the cloud-based compliance system along with unlimited users with permission-based access.
- vi. **eMSME:** This cloud-based software helps in automated government scheme discovery for MSMEs, also building network with MSME experts, enhancing services to MSME clients, giving single source information about central and selected state's MSME scheme, and providing compliance health check.

CONCLUSION

Cloud compliance and documentation for a Company Secretary are not peripheral IT concerns, they are central to legal defensibility, audit-readiness and governance integrity. These cloud compliance-based software have transitioned from optional tools to indispensable pillars in Company Secretary's toolkit. In the era of regulatory complexity, digital governance is not merely a technological choice but a strategic one. The professional embracing cloud solutions will not only streamline compliance but also elevate their role as trusted advisers in corporate governance, risk management, and ethical leadership as the cloud-based software are beneficial in multiple ways from enhancing operational efficiency, to saving time and cost, to secure and centralizing document management, and many such other features. Therefore, by proactively mapping statutory requirements onto cloud-based workflows, defining clear access control, retention rules, embedding audit-trails and data protection safeguards, the professionals can transform the cloud-based compliance risk into a governance-enabling asset.

The journey to cloud adoption involves organizational, technological and regulatory challenges but the long-term benefits far outweigh the transition costs. The continuous innovation of these platforms along with the AI, blockchain, and integrated ecosystems are proof that they will further redefine the possibilities of governance excellence and compliance mastery.

For practitioners, the key takeaway is simple and clear - every time any organization adopts a new cloud platform that touches board-level communication, statutory records, or personal data, the Company Secretary, as the in-house "governance" expert must be involved not just as a record-keeper, but as a governance architect and compliance guardian. As in the cloud era, compliance is not where documents are stored, but how they are secured, tracked and governed because in digital age, compliance is no longer looked in cabinets; it lives in code, workflows, and audit-trails.

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The Corporate Laws (Amendment) Bill, 2026

Re-enactment of Section 153 of the Companies Act, 1956: Companies Not to enter Trusts in Register of Members

Section 153 seeks to enact the principle that the company is entitled to treat the person whose name appears on the register of members in respect of any shares as the absolute owner thereof, and is not obliged (rather, not entitled) to recognise any equities and will not put on the register the name of a person who is the real owner of the shares where the person whose name appears on the register is not the real owner. The object of the section is to relieve a company from taking notice of equitable interest in shares, and to preclude persons claiming under an equitable title from converting the company into a trustee for them.



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INTRODUCTION

Section 88 of the Companies Act, 2013 ('the Act') mandates that every company shall keep and maintain, amongst others, register of members indicating separately for each class of equity and preference shares held by each member residing in or outside India.

Sub-section (3) of Section 88 provides that the register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the corresponding register and index for the purposes of this Act.

Form No. MGT-1 prescribes the form of Register of Members [Pursuant to Section 88 (1)(a) of the Companies Act, 2013 and rule 3(1) of the Companies (Management and Administration) Rules, 2014, and it requires entering in the register name of every member (or names of joint holders of shares). It also requires details of declaration received by a company under Section 89. The form MGT-1 requires name of every member to be entered in the register and also, *inter alia*, date of declaration under Section 89, if applicable, name and address of beneficial owner. But, unlike Section 153 of the 1956 Act, it does not prohibit taking notice of any trust, express, implied or constructive, and entering it on the register of members or of debenture holders.

RE-ENACTMENT OF SECTION 153 OF COMPANIES ACT, 1956

Section 153 of the Companies Act, 1956, which corresponded to Section 53 of Indian Companies Act, Section 33 of Indian Companies Act, 1913, Section 117 of English Companies Act, 1948 and Section 360 of English Companies Act, 1985, was a useful and crucial legislative innovation. For a reason unknown, it was not included in the Companies Act, 2013 and after 13 years of enactment of the 2013 Act, it is proposed to be inserted in the 2013 Act.

Section 153 read as follows:

"153. Trusts not to be entered on register — No notice of any trust, express, implied or constructive, shall be entered on the register of members or of debenture holders."

Here, 'notice' means information, note or observation. The phrase "taking notice" means to make note of or write down something in order to give special attention to something. To take notice of a trust means taking cognizance of or recognizing by a company a beneficial interest in shares of the beneficial owner as against the legal owner of the shares whose name appears in the register of members.

Thus, Section 153 prohibited companies from entering in the register of members in relation to any member, the fact of the shares being held in trust or that the shares held by the legal owner are subject to interest of someone else (beneficial owner). The use of the negative construction and 'shall' is indicative of the mandatory prohibitive character of the provision.

Section 153 of the 1956 Act was not re-enacted by the 2013 Act. Now, Clause 31 of the Corporate Laws (Amendment) Bill, 2026 (Bill No. 85 of 2026) proposes to re-enact Section 153. Clause 31 of the Bill reads as follows:

AMENDMENT OF SECTION 88

In Section 88 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

"(2A) No notice of any trust, whether express, implied or constructive, shall be entered in the register of members or debenture holders maintained under sub-section (1)."

The Corporate Laws (Amendment) Bill, 2026

Re-enactment of Section 153 of the Companies Act, 1956: Companies Not to enter Trusts in Register of Members

The purpose behind this re-enactment has not been clarified in the Notes on Clauses appended to the Bill. In the Notes of Clauses appended to the Bill, it is stated:

“Clause 31 of the Bill seeks to insert a new sub-section (2A) in Section 88 of the Companies Act to provide that no notice of any trust, whether express, implied, or constructive, shall be entered in the register of members or debenture holders as maintained under sub-section (I) of the said Section.”

The purpose is, however, discernible from the recommendation of the COMPANY LAW COMMITTEE (2022), which had observed in paras 7.1 to 7.4, as follows:

“SPECIFIC PROHIBITION ON THE INCLUSION OF TRUSTS ON THE REGISTER OF MEMBERS

7.1 Under Section 89(10) of CA-13 and the Companies (Significant Beneficial Owners) Rules, 2018, beneficial interest in a share includes, directly or indirectly, through any contract, arrangement or otherwise, the right or entitlement of a person alone or together with any other person to (i) exercise any or all of the rights attached to such share; or (ii) receive or participate in any dividend or other distribution in respect of such share. Such beneficial interest may be held through a trust whereby shares are held in a company by one party for the benefit of another.

7.2 Section 153 of the erstwhile CA-56 provided that the register of members or debenture holders shall not contain notice of any trust expressly, impliedly or constructively. The rationale behind this Section was to relieve the company from taking notice of third-party rights regarding the shares registered in the names of any members.

7.3 The Committee noted that there are no provisions corresponding to Section 153 of CA-56 in CA-13. However, Para 4, Table F- Schedule I of CA-13 currently prohibits a company from recognising a person holding any share upon a trust. The Committee agreed that the provision akin to Section 153 of CA-56 would provide further clarity on this issue.

7.4 In light of the above, the Committee recommended the insertion of a provision corresponding to Section 153 of CA-56 in CA-13 that expressly prohibits companies from entering notice of any trust, express, implied, or constructive on their register of members or of debenture holders.”

Para 4 referred to in the Committee’s Recommendation is Regulation 4 of Table F to the 2013 Act, which reads as follows:

“4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.”

SECTION 187C OF THE COMPANIES ACT, 1956

While Section 153 of the 1956 Act prohibited entering on the register of members any trust in respect of any shares, the Companies (Amendment) Act, 1974 inserted in the Act Section 87C, which created an exception and allowed (rather, obligated) companies to enter in the register “Notwithstanding anything contained” in Section 153, and it mandated companies to enter in the register the fact of a person whose name is entered in the register of members of a company as the holder of a share in that company but who does not hold the beneficial interest in such share. Sub-section (4) of Section 187C specifically provided that,

“(4) Notwithstanding anything contained in Section 153 where any declaration referred to in sub-section (1), sub-section (2) or sub-section (3) is made to a company, the company shall make a note of such declaration, in its register of members and shall file, within thirty days from the date of receipt of the declaration by it, a return in the prescribed form with the Registrar with regard to such declaration.”

The purpose behind enacting Section 187C was stated in the Notes to the Clauses stated:

“By Section 187C, it is made obligatory that all *benami* holdings of shares in existence at the commencement of the Amendment Act must be declared both by the *benamidar* and the beneficial owner and failure to do so will be punishable. Likewise, all beneficial interest in shares in future also to be declared and with a view to check any possible evasion of the proposed legislation, it is provided that the *benami* holdings of shares must be reported both by the *benamidar* and the beneficial owner within the specified time and failure to do so is made punishable. All collateral agreements entered into, or instruments executed in connection with *benami* holdings, which are not so reported, cannot be enforced by the beneficial owner or any person claiming through him.

It will be noticed that the purpose of Section 187C was only to require declaration ‘benami holdings’. The scope of Section 187C was, however, not limited to benami shareholding but it applied to every kind of beneficial interest in shares.

SECTION 89 OF COMPANIES ACT, 2013

Section 89 of the 2013 Act corresponds to Section 187C of the 1956 Act. While Section 153 of the 1956 Act prohibited companies from taking cognizance of and entering in the register of members anything about shares held by a member having beneficial interest of a member of a company, Section 187C (now Section 89) made it mandatory to enter in the register, beneficial interest of a person who is the holder of shares but who does not have beneficial interest in the shares.

Sub-section (6), corresponding to sub-section (4) of Section 187C, provides as follows:

“(6) Where any declaration under this Section is made to a company, the company shall make a note of such declaration in the register concerned and shall file, within thirty days from the date of receipt of declaration by it, a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be prescribed.”

It was stated by the MCA in the context of Section 187C of the 1956 Act that “this Section envisages two kinds of interests in shares – the legal interest which vests in the registered holder and the beneficial interest which vests in the beneficial owner of the shares, such as trustee and beneficiary of a trust. The company must take note of the declaration of the beneficial interest in shares as received by it and record it in register of members and also file a return with the registrar giving details of beneficial holder and the registered holder.”

WHAT AMOUNTS TO ‘BENEFICIAL INTEREST’ IN SHARES?

Sub-section (10) of Section 89 inclusively defines ‘beneficial interest’ as follows:

“For the purposes of this Section and Section 90, beneficial interest in a share includes, directly or indirectly, through any contract, arrangement or otherwise, the right or entitlement of a person alone or together with any other person to —

- (i) exercise or cause to be exercised any or all of the rights attached to such share; or
- (ii) receive or participate in any dividend or other distribution in respect of such share.”

Prior to introduction of sub-section (10) of Section 89, Section 89 provided that ‘beneficial owner’ will be the person in whom ‘beneficial interest’ is vested. There was no clarity as to what amounts to ‘beneficial interest’ and on what grounds can it be said that the ‘beneficial interest’ lies with a person, not being a person whose name is registered in the ‘Register of Members’.

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.”

In *M/s. Indian Oil Corporation v. M/s. NEPC India Ltd.* AIR 2006 SC 2780, the Supreme Court held: The term ‘beneficial interest’ has a specific meaning and connotation. When a trust is created vesting a property in the trustee, the right of the beneficiary against the trustee (who is the owner of the trust property) is known as the beneficial interest’. The trustee has the power of management and the beneficiary has the right of enjoyment. Whenever there is a breach

of any duty imposed on the trustee with reference to the trust property or the beneficiary, he commits a breach of trust.

In *Central Bureau of Investigation v. Duncans Agro Industries Ltd.*, Calcutta, ¹ the Supreme Court held: The term ‘beneficial interest’ has a specific meaning and connotation. When a trust is created vesting a property in the trustee, the right of the beneficiary against the trustee (who is the owner of the trust property) is known as the ‘beneficial

interest’. The trustee has the power of management and the beneficiary has the right of enjoyment. Whenever there is a breach of any duty imposed on the trustee with reference to the trust property or the beneficiary, he commits a breach of trust.

Section 3 of the Indian Trusts Act, 1882 provides that a “trust” is an obligation annexed to the ownership of property, and arising out of a confidence reposed in and accepted by the owner, or declared and accepted by him, for the benefit of another, or of another and the owner; and the “beneficial interest” or “interest” of the beneficiary is his right against the trustee as owner of the trust-property.

Section 2(12) of the Prohibition of Benami Property Transactions Act defines ‘beneficial owner’ as a person, whether his identity is known or not, for whose benefit the benami property is held by a benamidar.

In *Ahmed Abdulla Ahmed Al Ghurair (Through Their Power of Attorney Holder Bartholomew Kamya) v Star Health and Allied Insurance Company Limited*², the Supreme

¹ (1996)5 SCC 591

² AIR 2019 SC 413.



Court held: The term ‘Beneficial interest’ is defined under Section 3 of the Indian Trust Act, 1882 which is reproduced hereunder: “Beneficial interest” or “interest of the beneficiary is his right against the trustee as owner of the trust property.” As it can be discerned from the definition of ‘Beneficial interest’ provided in Section 3 of the Indian Trust Act, 1882, there are two parties involved in an issue governing beneficial interest. One is a beneficiary named as ‘beneficial owner’ and the other is the owner named as ‘registered owner’ being the trustee of the property or the asset in question. Thus, one can deduce the underlining principle that the ownership is nonetheless legal over the trust property, which vests on him but he also acts as a trustee of the beneficiary. A beneficial owner may include a person who stands behind the registered owner when he acts like a trustee, legal representative or an agent.

The legal position was summarised in *Enviroco Ltd. v. Farstad Supply*³ in these words:

“(37) The starting point is that the definition of “member” in what is now Section 112 of the 2006 Act... reflects a fundamental principle of United Kingdom company law, namely that, except where express provision is made to the contrary, the person on the register of the members is the member to the exclusion of any other person...”

(38) Ever since the Companies Clauses Consolidation Act, 1845 and the Companies Act, 1862... membership has been determined by entry on the register of members. The company’s legislation proceeds on that basis and would be unworkable if that were not so...

(39) For those and other purposes the legislation makes it clear that the member is the person on the register, and where it is necessary to apply the legislation to persons who are not on the register, special provision is made...”

It was held in an old English case, that no statement qualifying the entry of their names to show that they held the shares in a representative capacity can be entered in the register of members of a company.⁴

³. (2011) 1 WLR 921; (2011) 3 All ER 451; [2011] 2 BCLC 165 (UKSC).

⁴. *Re, T H Saunders & Co. Ltd.* (1908) 1 Ch 415.

MEANING OF ‘TRUST’

In simple words, trust is a relationship in which one person (the trustee) holds the title to property (the trust estate or trust property) for the benefit of another (the beneficiary). It is an arrangement enabling property to be held by a person or persons (the trustees) for the benefit of some other person or persons (the beneficiaries). The trustee is the legal owner of the property but the beneficiary has an equitable interest in it. Equitable interest is an interest in, or ownership of, property that is recognised by equity but not by the common law. Equity means a beneficial interest in an asset. A beneficiary under a trust has an equitable interest.

The Indian Trusts Act defines ‘trust’ as an obligation annexed to the ownership of property, and arising out of a confidence reposed in and accepted by the owner, or declared and accepted by him, for the benefit of another, or of another and the owner. The person who reposes or declares the confidence is called the “author of the trust”; the person who accepts the confidence is called the “trustee”; the person for whose benefit the confidence is accepted is called the “beneficiary”; the subject matter of the trust is called “trust-property” or “trust-money”; the “beneficial interest” or “interest” of the beneficiary is his right against the trustee as owner of the trust property; and the instrument, if any, by which the trust is declared is called the “instrument of trust”.

Section 153 does not seem to have used the term ‘trust’ in any strict sense or a sense in which it defined in any law. It must be taken in an ordinary sense. In ordinary parlance, trust means -

- a property-interest held by one person for the benefit of another;
- a legal arrangement in which a person or organization controls property and/or money for another person or organization;
- an arrangement in which someone’s property or money is legally held or managed by someone else or by an organization;

- an arrangement in which a group of people or an organization (the trustees) have legal control of money or property for another person or group of people (the beneficiary/beneficiaries); an amount of money or property that is controlled in this way.

It was held by the Calcutta High Court that assuming that the registered shareholder is not the real owner of the share but if he is a member in the books of the company, it is he alone who would be entitled to exercise the rights of a shareholder, viz. to vote as such or to receive the dividend payable in respect of the share and it certainly follows that he alone is liable for share calls or to be put on the list of contributories in case the company is wound up.⁵

OBJECT AND SCOPE OF SECTION 153 AS EXPLAINED BY COURTS

As Section 153 of the 1956 Act applies to every kind of “trust, express, implied or constructive”, it is expedient to understand meaning and scope of the word ‘trust’.

Section 153 seeks to enact the principle that the company is entitled to treat the person whose name appears on the register of members in respect of any shares as the absolute owner thereof, and is not obliged (rather, not entitled) to recognise any equities and will not put on the register the name of a person who is the real owner of the shares where the person whose name appears on the register is not the real owner. The object of the Section is to relieve a company from taking notice of equitable interest in shares, and to preclude persons claiming under an equitable title from converting the company into a trustee for them.⁶

As stated in a well-known treatise on Company Law, companies, are not to take notice of equitable interests in shares. Companies have nothing whatever to do with the relation between trustees and their *cestui que trust* in respect of the shares of the company. They can only look to the man whose name is on the register, and cannot look behind the register, to look whether the registered share holder is the beneficial owner.⁷

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.

The Madras High Court explained the object of Section 153 in the following words:

⁵ *Murshidabad Loan Office Ltd. v Re Perkins, ex parte Mexican Santa Barbara Mining Co. Chandra Chakravarty (supra).*

⁶ *Buckley on Company Law*, 11th edn., page 254.

⁷ *Mexican Mining Co., re Perkins* 24 Q.B.D; 613 (616); *Pulbrook v. Richmond Mining Co.*, 9 Oh. D. 610.

“The object of the Section appears to relieve the company from any obligation to take notice of equitable interests in its shares and also to preclude any person claiming an equitable interest in shares from treating the company as a trustee in respect thereof. All that the Section says is that no notice of any trust, etc., shall be entered on the register of members or debenture holders. The register is a notice to persons dealing with the company as regards the ownership of the shares or debentures. The object of Section seems to be that such persons dealing with the company may not be affected by the entry of any kind of trust. Therefore, there is no ground to hold that the company itself cannot take notice of or recognise any trust brought to its notice otherwise than by entry in the register. It would be open to the company to say that it cannot take note of any relations between the trustees and the *cestui que trust* in respect of the shares of the company. If a trustee is on the company's register as a holder of shares, the relations which he may have with some other person in respect of the shares are matters with which the company has nothing whatsoever to do. But if the company itself is aware that the person in whose name the share is entered is only a benamidar there is nothing in the language of section to preclude the company from putting forward that contention.”⁸

IS THERE A CONFLICT BETWEEN 88(2A) AND SECTION 89?

There may appear, *prima facie*, a conflict between the provision proposed to be inserted through Section 88(2A) and Section 89, since, as noted earlier, Section 89 does permit (in fact mandate) companies to take notice of trust on their registers of members and is thus directly in conflict with the provision in Section 88(2A) that a company shall not enter in the register of members or debenture holders a trust, whether express, implied or constructive. Furthermore, as already noted, Section 89(6) explicitly mandates a company to make a note of such declaration in the register concerned. This may undoubtedly appear to have the effect of rendering the provision in Section 88(2A) redundant and therefore no purpose will be served by enacting that provision, which was also the result of enacting Section 187C in 1974.

There is, however, no conflict. Section 89 of the 2013 Act does not permit a company dealing with the beneficial owner of the shares ignoring the registered shareholder for any purposes (some of which are mentioned above). The company must deal only with the registered shareholder for all purposes and leave the relationship between the two to be governed by their *inter se* contract.

A COMPANY CANNOT DEAL WITH THE BENEFICIAL OWNER

Notwithstanding a declaration having been received and thereby having knowledge of legal owner of shares not being beneficial owner, a company cannot deal with the beneficial owner of the shares whose name is not on the Register of Members as a member but whose declaration under Section 89 has been entered by the company

⁸ *Parameshwari (S.) v Kamadhenu Metal Rolling Mills Pvt Ltd* (1970) 2 Comp LJ 120 (Mad): AIR 1971 Mad 293.

on its Register of Members. This position will remain unchanged even after the enactment of sub-section (2A) of Section 88.

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.

In *Murshidabad Loan Office Ltd. v. Satish Chandra Chakravarty* [1943] 13 Comp Cas 159 (Cal), the Calcutta High Court aptly summarised the principle in the following words:

“Section 33 (of the Indian Companies Act, 1913, corresponding to Section 153 of the 1956 Act) expressly says that no notice of any trust, express, implied or constructive, should be entered on the register or be receivable by the Registrar. Assuming that the registered shareholder is not the real owner of the share but if he is the member in the books of the Company, it is he alone who would be entitled to exercise the rights of a shareholder, viz., to vote as such or to receive the dividend payable in respect of the share and it certainly follows that he alone is liable for share calls or to be put on the list of contributories in case the Company is wound up. It is a settled principle of English law that it is only the registered holder of a share who can be made liable in respect of anything unpaid on the share and it makes no difference whether he is the beneficial owner of the share or a mere trustee, and in the latter case, it is immaterial whether the Company is or is not cognizant of the trust. ... The *cestui que trust* cannot be made liable either as shareholder or as a contributory The same principle has been adopted by English Courts in a large number of cases.”

The company's duty in regard to the declaration ends with the noting of the declaration in the register of members and filing of it with the Registrar and does not extend to recognising the relationship between the registered shareholder and the beneficial owner of the shares any further.

Likewise, the provisions of Section 89 have no impact on the rights and powers of a member under the Act or the Articles of the company concerned, such as rights to:

- a) receive notices of general and class meetings of the company;
- b) receive from the company other documents which it serves on members;
- c) receive rights and other preferential offers in respect of shares and other securities of the company;
- d) receive dividend and bonus shares;

- e) attend and vote general and class meetings and exercise other rights in relation to meetings;
- f) exercise any other rights and powers which a member is entitled to exercise in relation to the company.

These rights and powers, so far as the company is concerned, shall continue to vest in the registered holder of the shares in spite of the beneficial interest therein having been declared under this Section.

Section 123 of the 2013 Act provides that no dividend shall be paid by a company in respect of any share therein, except to the registered holder of such share or to his order or to his bankers. The expression ‘registered holder’ in this provision is persons holding shares in a company and registered as such in the register of members of the company. Accordingly, it is a clear mandate of the Act of Parliament that dividend can be paid only to the members of the company. The negative language of the provision is indicative of its mandatory nature.⁹

A company is not bound to, and must not, recognize the existence of any trust and will pay dividends only to the person whose name appears on the records of the company as a shareholder even though such a person may hold shares for another person only as a trustee. A limited company when it parts with moneys available for distribution among its shareholders, is not concerned with the fate of those moneys in the hands of any shareholder. The company does not know and does not care whether a shareholder is a trustee of his shares or not. It is of no concern to a company which is parting with moneys to a shareholder whether that shareholder (if he be a trustee) will hold them as trustee for A absolutely or as trustee for A for life only.¹⁰

Therefore, only those persons whose names are on the register of members (or the register of beneficial owners of shares maintained by the Depository) can be treated as members and are entitled to dividend. As a corollary of this proposition, it is only after the name of a person is entered in the register of members that he is entitled to a dividend declared by the company after such entry.

Where shares are transferred, the relationship between the transferor and the transferee, between the period of transfer of shares and the registration thereof by the company in its books, is one of trustee and *cestui que trust*, however, so far as the company is concerned, it is the transferor whom company recognises as its shareholder or a member inasmuch as both these expressions are synonymous. As a natural corollary of this principle, the transferor continues to enjoy the rights of a member until the transferee's name is put on the register of members as a member of the company, an important amongst these rights being one of dividends declared by the company after the shares were transferred and before the registration thereof. The company, in such a case, pays the dividends to the transferor being the registered holder of the shares under transfer. □

⁹ *Mannalal Khetan v Kedar Nath Khetan* (1977) 47 Comp Cas 185 (SC): AIR 1977 SC 536.

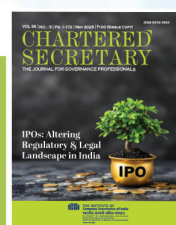
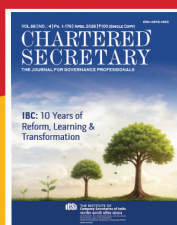
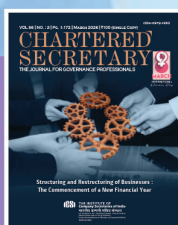
¹⁰ *Richard Hill, In re; Robert Alan Hill v Permanent Trustee Company of New South Wales Ltd* (1931) 1 Comp Cas 1 (PC).



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- Cloud-Based Compliance and Documentation Systems: A Strategic Imperative for the Modern Practising Company Secretary in India's Evolving Regulatory Ecosystem

Cloud-Based Compliance and Documentation Systems: A Strategic Imperative for the Modern Practising Company Secretary in India's Evolving Regulatory Ecosystem

The corporate regulatory framework in India has changed significantly in its structure. The paper will look at whether the cloud-based compliance and documentation systems are a need or an option for the modern PCS professional in India's regulatory landscape post-2024. Using a multi-layered conceptual framework based on regulatory technology (RegTech) literature, the study assesses the cloud infrastructure on four points: It is suggested to use a novel four-layer cloud architecture. The results show that about 77 percent of the total operational costs can be saved by adopting the cloud, compared to traditional on-premises solutions, while deadline-miss events are cut by more than 83 percent, and the accuracy of form-filing is enhanced by 22-26 percent. The paper outlines a technology evolution pathway until 2033 that ranges from predictive compliance analytics, board minutes that are stored on blockchain with tamper-proof time stamps, and autonomous regulatory agents powered by generative AI.



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INTRODUCTION

The era of digital transformation has arrived for India's corporate governance. FY 2024-2026 was a particularly consequential period with the MCA completing the rollout of MCA21 V3 which involved multiple legacy processes being streamlined into a single modular form and the introduction of an Application Programming

Interface (API) first data-streaming architecture that will revolutionise the way statutory filings are conducted (MCA, 2026). At the same time, SEBI tightened the LODR timelines, and even RBI issued RBI (2024) Master Direction on Outsourcing of IT Services, stating that regulators expect the institutions to take responsibility for data integrity even if it is managed by a third party.

In this environment, the Practising Company Secretary (PCS) is no longer simply a form-filer, but rather a 24/7 digital compliance custodian that reacts to real-time signals from regulators, tracks the history of communications and transactions with regulators and other regulators' APIs, and acts on a wide range of other data in real time. This is at odds with the way most PCS practices are currently run: local storage is disorganized, email records are not shared nor easily accessible, and compliance calendars are kept in spreadsheets.

A structural solution is available in the form of cloud-based compliance systems. With SaaS, PaaS and IaaS delivery models running on servers located in India, and adhering to data localisation rules, PCS companies can streamline their entire documentation and filing process. This paper asserts that it's not an optional add-on, but a business requirement, for enterprises to adopt the cloud, driven by more than just efficiency it's necessitated by regulation. The key research question is: What should the architecture of compliance and how can it be justifiable for the specific statutory duties of Indian PCS professionals within the regulatory framework of 2024–2026.

LITERATURE REVIEW

a. Regulatory Technology (RegTech): Origins and Evolution

After the global financial crisis of 2008, banks and financial institutions (FIs) faced new compliance requirement under Basel III, Dodd-Frank and similar

national laws, spawning RegTech as a new discipline in the FinTech environment (Arner, Barberis, & Buckley, 2017). Arner et al. described RegTech as an evolutionary process that started with 'RegTech 1.0' (the simple digitisation of the manual compliance process) and progressed to 'RegTech 2.0' (cloud-based, data-centric and proactive risk management). They envision 'RegTech 3.0' – self-managed and AI-powered regulation interfaces. This evolution is reflected in the MCA's development from EDAC (1997) to MCA21, V1 (2006) to V3 (2023-2026) in the Indian setting, where each version called for advanced technology from the practitioners.

b. Cloud Computing: Definitional Framework and Service Models

The NIST Special Publication 800-145 (Mell & Grance, 2011) states that cloud computing is "a model for enabling ubiquitous, on-demand access to a shared pool of configurable computing resources that can be rapidly provisioned with minimal management effort. It has five key features on-demand self-service, broad network access, resource pooling, rapid elasticity, and measured service which meet the operational needs for compliance-driven PCS practices. There are three main service models (SaaS, PaaS, IaaS) and four main deployment models (public, private, community, hybrid) that have their own risk and compliance implications, as summarised in Table-1.

Table 1: Cloud Service Models and Their Application in PCS Compliance Practice

Service Model	Description	PCS Use Case	Example Vendors (India)
SaaS	Software delivered over the internet; no local installation required	Compliance portals, e-filing dashboards, and ROC form auto-fill	Zoho, Clear Tax, IRIS, MCA21 V3
PaaS	Cloud platform for developing, testing, and deploying applications	Custom workflow engines, regulatory rule builders	AWS GovCloud, Azure India, Google Cloud
IaaS	Virtualised computing infrastructure on demand	Secure document repositories, disaster recovery	NIC Cloud (MeitY), Reliance Jio Cloud, BSNL Cloud

Source - Authors own Contribution

c. Indian Regulatory Context: MCA21 V3, SEBI, and RBI

In their paper (Chandran et al. 2025), Chandran et al. explain the 'security by design' and 'modular API' philosophy of MCA21 V3 and its implications for parallel digital maturity of professional intermediaries. Their empirical findings from 240 PCS practitioners showed that 67 percent of practitioners are still using a hybrid paper-digital workflow in 2024, which results in systematic weaknesses in audit trails. The Master Direction on Outsourcing of IT Services (2024) and the DPDP Act, 2023, both provide a basis for making decisions about cloud adoption. The DPDP Act introduces the term 'Data Fiduciary' which is defined as a legal entity that establishes the purpose and means of the processing of personal data. When dealing with client corporate data, the DPDP Act also sets out positive obligations for PCS firms. It is

important to note that a PCS firm cannot outsource the responsibility of data protection to its cloud provider, it is an accountable Data Fiduciary and must ensure that its cloud provider acts as a compliant 'Data Processor' (MeitY, 2023).

d. Sustainability, ESG, and Green Computing

Kumaran and Kamal (2025) showed that cloud-centralised infrastructure has a significantly smaller per transaction carbon footprint compared to distributed on-premises servers, thanks to its ability to pool resources and due to energy-efficient hyperscale data centres. The progressively increasing external reporting mandates for listed companies within SEBI's BRSR framework will require PCS practitioners performing secretarial audits to report on the digitised verifiability of sustainability metrics for their clients. To generate and audit such metrics requires data to be stored in a centralised architecture, which is provided by cloud infrastructure.

e. Data Sovereignty and Vendor Lock-in Risks

Data sovereignty conflicts and vendor lock-in were identified as the two biggest structural challenges to cloud adoption for regulated professionals in a structured review of privacy issues in cloud-hosted professional data (Zandesh, 2024). The Data Sovereignty is governed under Section 16 of the DPDP Act, 2023 and sector-specific RBI guidelines where data of Indian citizens must be retained within the Indian borders. If a cloud provider stops providing certain services, or if it leaves India, then the proprietary API

ecosystems, along with non-portable data formats, could result in professional risk and compromise years of statutory records.

RESEARCH GAP

The current body of literature on RegTech and cloud computing is mainly geared towards large financial institutions and regulators. Research targeted at operational size, statutory requirements and resource constraints of individual or medium-sized PCS firms is very limited in India. A critical limitation in all the existing works is that none of them has suggested a practice-ready multi-layer cloud compliance architecture that covers MCA filing processes, SEBI disclosure management, RBI regulatory reporting and DPDP Act requirements all in one. This paper seeks to fill this void by designing a four-layer architecture with both regulatory specificity and practical implementability for firms that have between 2 and 50 professional staff members.

OBJECTIVES OF THE STUDY

This study pursues five specific objectives:

1. To assess the quantitative effect of cloud-based compliance systems on filing accuracy, operational cost reduction, and meeting deadlines for PCS practices.
2. To examine the architecture of cloud infrastructures and its ability to ensure high-availability and disaster recovery features, aligned to India's compliance cycles (mainly July-October and January-March).
3. To create an integrated four-layered cloud compliance framework, that caters to the concurrent regulatory requirements of MCA, SEBI and RBI.
4. To identify and recommend practical solutions to address the major issues of cloud adoption, data localisation, cybersecurity, skill gaps and interoperability from the regulatory and legal perspective in India.
5. To chart the technology trend for cloud-based compliance systems up to 2033 with predictive analytics, blockchain, and generative AI.

DISCUSSIONS: THE PRACTICE-ORIENTED CASE FOR CLOUD**a. Improving Compliance Accuracy and Reducing Operational Costs**

The biggest professional liability risk for a PCS is the false statement, incorrect certification and late filing under Section 448 of the Companies Act, 2013. There are three ways in cloud-based platforms for compliance reduce this exposure. First, automated deadline management engines sync up with the statutory deadline calendar provided by the MCA, SEBI and RBI and send out multi-level alerts ranging from early warning (15 days before) to critical notification (48 hours before) to principal escalation (on the day of the deadline). Second, there is a mapping challenge, as everything is combined with the name change, registered office change, object clause change and share capital restructuring in a single modular form, and cloud-based form engines can tackle this by using preconfigured rule sets (IncorpX, 2026). Third, the transition from Capex to OpEx lowers the fixed costs of an average 15-staff PCS company by about 77 per cent, as shown in Table 2.

Table 2: Comparative Cost Analysis – Traditional vs. Cloud-Based Compliance Infrastructure (Indicative figures for a 15-staff PCS firm, FY 2025–26)

Cost Parameter	Traditional Model (₹/yr)	Cloud Model (₹/yr)	Estimated Saving
IT Infrastructure (hardware + maintenance)	₹4,50,000	₹85,000	81% reduction (OpEx vs Capex shift)
Software Licensing	₹1,20,000	₹48,000	60% reduction (SaaS subscription)
IT Support Staff / Outsourcing	₹2,40,000	₹36,000	85% reduction (vendor-managed infrastructure)
Data Recovery & Backup	₹60,000	Included in SLA	100% cost elimination (bundled service)
Regulatory Penalty Risk (estimated)	₹3,00,000+	₹20,000–50,000	>83% reduction (automated deadlines)
TOTAL ESTIMATED COST	₹11,70,000+	₹2,69,000+	~77% aggregate saving

Source: Author's Contribution.

Note: Cost figures are indicative and based on market rates for cloud services in India (AWS India, Azure India, Zoho) and typical on-premises infrastructure costs for professional services firms. Actual savings will vary based on firm size, existing infrastructure, and chosen service tier.

Table 3: Cloud Adoption – Measurable Compliance Performance Improvement

Compliance Metric	Traditional Model	Cloud-Based Model	Improvement
Form Filing Accuracy Rate	72–78%	94–98%	+22–26 percentage points
System Uptime During Audit Season	85–90%	≥99.9%	+10–15 percentage points
Average Deadline Miss Rate (per firm/yr)	8–12 instances	0–2 instances	83–100% reduction
Time to Generate Secretarial Audit Report	3–5 working days	4–8 working hours	~80% time saving
Data Recovery Time Objective (RTO)	24–72 hours	<1 hour (geo-redundant)	>95% reduction in recovery time

Source: Author's Contribution.

b. High Availability and Uptime During Compliance Seasons

The regulatory filing process in India is a highly seasonal one. The 'Peak Compliance Season' is two focused windows one for the annuals (July-October) and one for the secretarial audit reports (July-October), one for board performance evaluation (July-October), one for SEBI quarterly disclosures (January-March), one for NBFC compliance certificate (January-March), one for advance tax filing (January-March). These times can see demand for the PCS documentation infrastructure rise by as much as 300-400 per cent over baseline. During these high-traffic times, traditional on-premise servers, which are optimized for average usage, often experience fluctuations in performance or even failure.

Cloud infrastructure solves the problem with elastic scaling, enabling the automatic provisioning of additional compute and storage resources without manual intervention. The hyperscale cloud services with data centres in India (AWS India, Microsoft Azure India Central, Google Cloud Delhi/Mumbai) offer 99.9 percent uptime SLAs (service level agreements) in their contractual agreements, which equals to an annual downtime of no more than 8.76 hours. Active-Active multi-region geographic redundancy means that even with failure of one data centre, there is no loss of access, something which no on-premise solution can economically achieve at a mid-sized practice level. The 'Anywhere Access' also allows distributed workforce models during peak times: A PCS principal can authorize filings made by a junior professional, and the entire review process cryptographically logs in the audit trail, meeting the Companies Act's condition of 'maker-checker' in electronic filing.

Over the years and successive regulatory periods, the role of Company Secretary has shown its ability to change from a legal compliance officer to an advisor to the governance.

c. Mitigation of Data Management and Professional Risk

Some of the most private corporate information that exists are the categories of data held by a PCS firm, the board resolutions, the statutory registers, the share certificates, the secretarial audit workpapers, the client DSC credentials and the confidential disclosures made to

SEBI. Physical files are susceptible to fire, flood, and theft. Ransomware attacks on local digital storage have become a common occurrence among professional service companies in India since 2022 (CERT-In, 2024). Cloud storage uses several layers of protection: AES-256 encryption at rest and in transit, immutable backup snapshots, geographic redundancy in at least two Indian data centres, and a Zero-Trust Architecture that validates all access requests, regardless of where the network comes from. A continuous, tamper-proof audit trail of all documents, generated and modified, is recorded through the cloud. This directly addresses the requirement of audit trail function in electronic books of account starting FY 2023-24 under Rule 3(1) of the Companies (Accounts) Rules, 2014. A PCS (practice control system) firm with records kept in a system that supports audit trails can provide a legally defensible record of all activities made on a client's statutory records which could make a significant difference if the matter goes before the SEBI or another regulatory authority for an audit or to court in case of a challenge under Section 209A of the Companies Act.

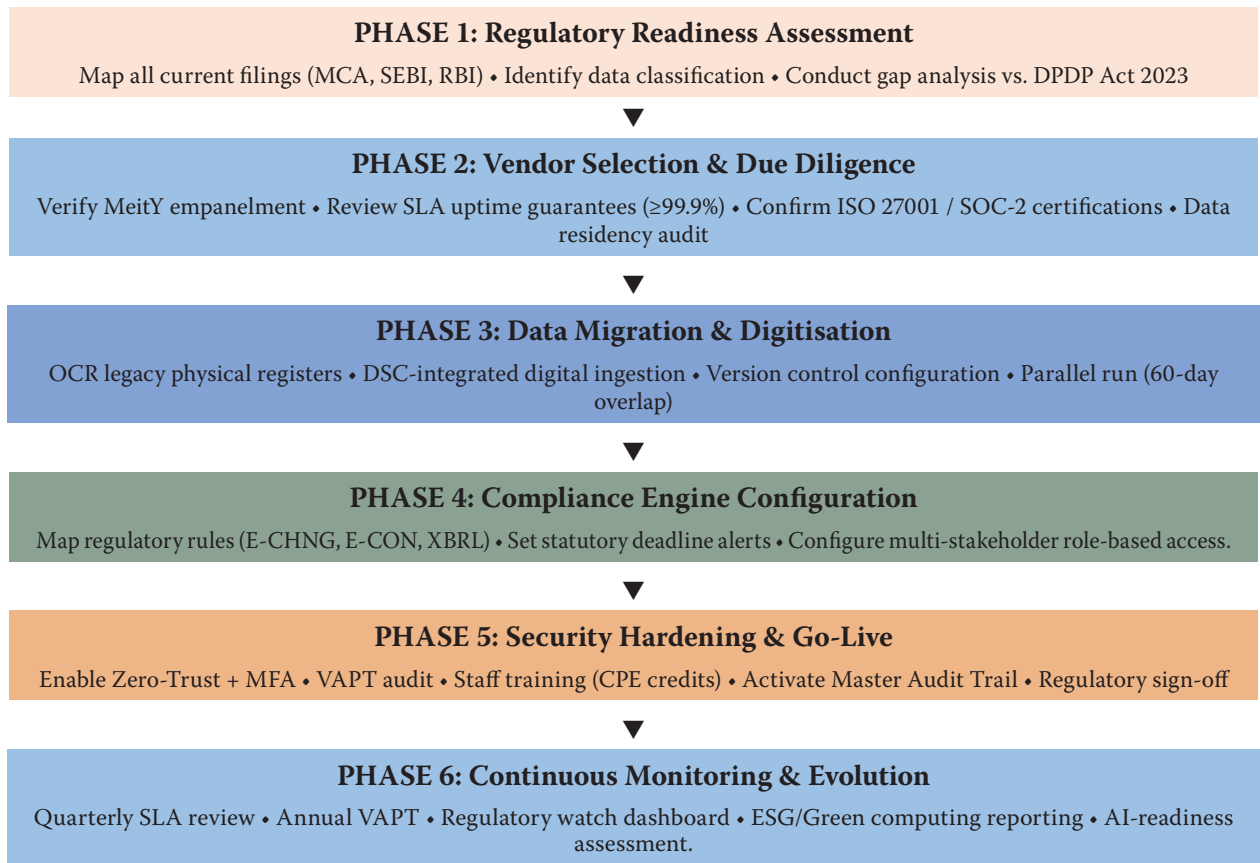
PROPOSED INTEGRATED CLOUD-BASED COMPLIANCE FRAMEWORK

Based on literature review and operational requirements identified in Section 5, the paper suggests a four-layer cloud compliance framework specific to Indian practices of PCS. The framework is intended to be scalable, modular and support practices from sole practitioners to multi-partner practices with 50+ professional staff, and can be scaled as practices and/or regulatory needs change.

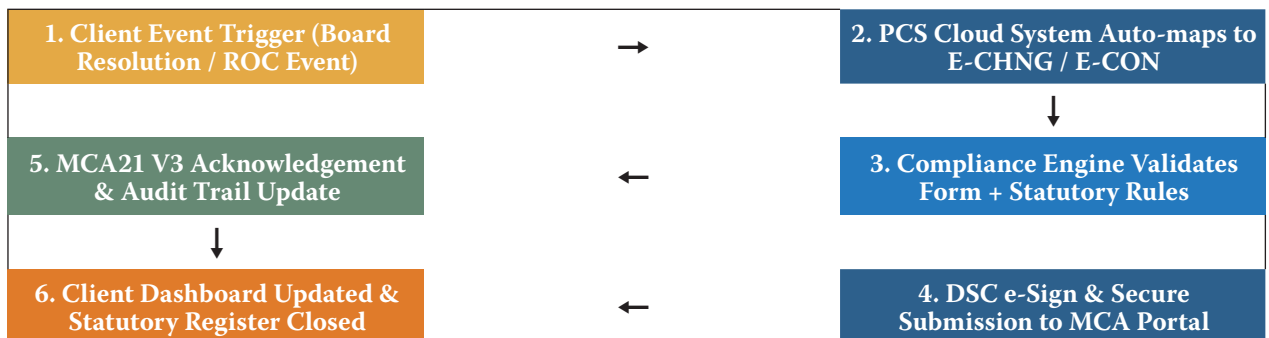
Table 4: Four-Layer Cloud Compliance Framework for Indian PCS Practices – Architecture, Functions, and Standards (Source -Authors own)

Layer	Name	Primary Function	Key Components & Standards
Layer 1	Infrastructure & Data Sovereignty	Raw data ingestion, storage, and localisation compliance	MeitY-empanelled CSPs; OCR digitisation of legacy registers; DSC-integrated ingestion; ISO 27001 certification; DPDP Act 2023 compliance controls
Layer 2	Logic & Compliance Automation	Rule-based processing, form mapping, and version control	Regulatory Rules Engine (E-CHNG, E-CON, XBRL); workflow approval system; version history; automated statutory deadline alerts; SEBI LODR timeline management
Layer 3	Multi-Stakeholder Interface	Role-based views for regulators, clients, and auditors	MCA View (E-CHNG/E-CON); SEBI View (LODR, BRSR/ESG); RBI View (CIMS, NBFC registers); Client Board Dashboard; External Auditor Read-only Portal
Layer 4	Security & Governance Overlay	Encryption, access control, and an immutable audit trail	Zero-Trust Architecture; AES-256 encryption at rest and in transit; MFA; Master Audit Trail (Companies Act Rule 9A compliant); SOC-2 Type II; VAPT annual certification

Source: Author's Contribution

Figure 1: Cloud Adoption Decision & Implementation Flowchart for PCS Firms*Source: Author's Contribution*

Note: Each phase gate requires PCS sign-off and documented evidence for regulatory defensibility.

Figure 2: MCA21 V3 Cloud-Integrated Filing Process Flow*Source: Author's Contribution*

The architecture of this framework is designed to run in the vertical direction with raw data being fed into the system at Layer 1 (infrastructure); processed at Layer 2 (compliance engine); presented to stakeholders at Layer 3 (interface); and secured throughout by Layer 4 (security governance). Layer 3 provides independent role-specific interfaces for each regulator to ensure that SEBI LODR data or RBI NBFC registers are not inadvertently exposed to third parties during an MCA E-CHNG workflow. Data Sovereignty Guarantee is one of the critical design principles that all the four layers must be hosted on Cloud Service Providers (CSPs) that are empanelled by MeitY and committed to hosting the data within the territorial jurisdiction of India, abiding by the DPDP Act, 2023. Currently, MeitY has empanelled five CSPs (NIC Cloud, STPI Cloud, Reliance Jio Cloud, Tata Communications), and a limited number of foreign hyperscalers with dedicated data zones in India) for delivering Cloud services.

CHALLENGES AND MITIGATION STRATEGIES

The challenges of cloud adoption in the Indian PCS context are different from that of large corporate IT departments in terms of structural, regulatory and human issues. Table 5 provides an exhaustive challenge-mitigation matrix based on empirical evidence from the studies of RegTech adoption and the provisions of the regulatory frameworks in India.

Table 5: Cloud Adoption Challenges and Mitigation Strategies – Indian PCS Practice Context

Challenge	Root Cause & Regulatory Reference	Mitigation Strategy
Data Localization	RBI Master Direction (2024). DPDP Act 2023 mandates cross-border restrictions	Engage only MeitY-empanelled CSPs (e.g., NIC, STPI); contractual data residency clauses; audit cloud provider SLAs annually.
Cybersecurity	CERT-In Incident Reporting Rules 2022; SEBI Cybersecurity Framework 2024	Implement Zero-Trust Architecture; mandatory MFA for all portal access; SOC-2 Type II certified vendors; annual VAPT audits
Skill Gap	Low digital literacy in tier-2/3 PCS practices; no ICSI-mandated cloud curriculum as of 2025	Mandatory CPE credits for cloud literacy; ICSI-recognised Digital Compliance Certification (DCC) program; quarterly vendor training
Interoperability / Vendor Lock-in	Proprietary APIs; absence of a unified data standard across MCA, SEBI, and RBI platforms	Adopt Open Data Standards (ISO 27001, OData); a multi-cloud strategy; and an API-centric architecture with open connectors.
Cost Barriers	High initial migration cost for small PCS firms; variable pricing models of hyperscalers	Phased migration roadmap; shared-cost consortium model for small firms; government subsidy under the DIGI-CONNECT scheme
Regulatory Uncertainty	Evolving DPDP Rules; potential sector-specific cloud use guidelines from SEBI / RBI	Maintain the regulatory watch dashboard; subscribe to ICSI Info Capsules; engage legal counsel for quarterly compliance review.

Source: Author's Contribution

(References: DPDP Act 2023; CERT-In Rules, 2022; RBI Master Direction 2024; SEBI Cybersecurity Framework 2024; ICSI CPE Guidelines)

In addition to these structural issues, the PCS community is also challenged with one more: cloud adoption could mean that it poses a threat to the existing workflows, rather than an improvement. This mindset shift goes beyond the professional identity of 'document custodian' to become a 'digital governance architect. This change is already taking place in progressive PCS practices that have started to offer 'Real-Time Compliance Dashboards' that cost 25-40 per cent more than conventional secretarial retainers.

FUTURE EVOLUTION: TECHNOLOGY ROADMAP 2026–2033

As the technology of cloud meets AI, blockchain and green infrastructure requirements, the compliance landscape for PCS professionals will change in a fundamental way over the next decade. Table 6 is a structured roadmap to match the SEBI-MCA-RBI roadmap for the regulations.

Table 6: Cloud-Enabled Compliance Technology Roadmap for PCS Practices, 2026–2033

Horizon	Technology	Compliance Application	Expected Impact for PCS
2026–2028	AI-Assisted Form Mapping	Auto-populate E-CHNG/E-CON from corporate records	50–70% reduction in manual data entry time; fewer form-rejection errors
2027–2030	Predictive Compliance Analytics	Flag potential resolution conflicts before board approval	Proactive risk management; reduced professional negligence claims
2028–2032	Blockchain-Immutable Minutes	Tamper-proof board meeting records with embedded DSC timestamps	Eliminates backdating risk; legally defensible in regulatory inquiries
2029–2033	Green / Sustainable Computing Mandates	Digital carbon footprint reporting under ESG/BRSR frameworks	Cloud-centralised infra enables single-source energy audit; SEBI ESG compliance ready
2030+	Autonomous RegTech Agents (Gen-AI)	24/7 regulatory monitoring with self-filing for routine returns	PCS shifts from transactional compliance to a strategic advisory role

Source: Author's Contribution

The most impactful short-term trend is the incorporation of LLM-powered AI into cloud compliance tools. The models are trained on the Companies Act 2013, SEBI LODR Regulations, RBI Master Directions and ICSI Secretarial Standards and can be used to review draft resolutions, identify potential Ultra Vires actions, identify contradictions with existing Articles of Association and produce first drafts of statutory notices and Secretarial audit reports. It does not replace, nor diminish, the role of the PCS professional, but makes it more than ever one of strategic oversight and of providing professional certification, functions which demand human judgment and personal legal responsibility that cannot be algorithmically replaced.

The addition of blockchain has the potential to revolutionize the PCS role of minute keeping and board meeting documentation. A blockchain anchored minutes register which includes a cryptographic link to the prior minutes entry, an immutable minutes timestamp, and the DSC hash of the certifying PCS, creates a much more legally defensible minutes history than any conventional digital record, and is tamper evident. The pilot implementations have been documented in Singapore's ACRA digital corporate registry and the UK's Companies House digital transformation programme, offering proof of concept in the Indian regulatory landscape.

LIMITATIONS

There are some limitations to this study. The conceptual design of the four-layer framework has not been tested empirically using a controlled deployment study, future research should focus on field validation across a representative sample of PCS firms. Secondly, the DPDP Rules had not been finalised when they were submitted and the exact nature of professional services information might necessitate changes to the data localisation architecture of the Rules. Thirdly, the framework assumes at least 20 Mbps broadband connection, a service that is not available in some tier-3 cities and semi-urban areas where PCS practices are providing service to local corporate customers. Lastly, the cost figures presented in Table 2 reflect the published market rates only—the actual savings will depend on the negotiated pricing, the existing infrastructural write-offs and transition costs not notionalized in the static comparison model.

CONCLUSION

The author comment that based on regulatory requirements, architectural evidence and quantitative performance data, the compliance and documentation systems in the cloud is not just a technological update, it is a strategic imperative for Practising Company Secretaries working in the regulatory environment of post-2024 India. The automation and API-first approach of MCA21 V3, along with data protection mandates of DPDP Act 2023, SEBI and RBI's cybersecurity expectations, and ESG reporting requirements under BRSR have made it impossible for on-premise systems to meet compliance

infrastructure requirements within an economical and reliable framework on a scale of a professional practice. The technology roadmap to 2033 also confirms that today's cloud adoption will enable practitioners to take cloud, AI, blockchain, and green computing capabilities without having to reinvent the architecture. Over the years and successive regulatory periods the role of Company Secretary has shown its ability to change from a legal compliance officer to an advisor to the Board.

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Appendix A: Glossary of Technical and Regulatory Terms

Term / Abbreviation	Definition
AES-256	Advanced Encryption Standard with 256-bit key length; gold standard for data encryption at rest and in transit.
BRSR	Business Responsibility and Sustainability Reporting – SEBI's mandatory ESG disclosure framework for listed companies.
DPDP Act 2023	Digital Personal Data Protection Act, 2023 – India's primary legislation governing personal data processing, establishing Data Fiduciary obligations.
E-CHNG	Electronic Change Form – MCA21 V3 module consolidating name change, registered office shift, object clause amendment, and capital restructuring.
E-CON	Electronic Conversion Form – MCA21 V3 module for entity type conversions (e.g., private to public company).
IaaS	Infrastructure-as-a-Service – Cloud delivery of virtualised computing, storage, and networking resources.
MeitY	Ministry of Electronics and Information Technology – Governs India's IT policy; operates the CSP empanelment scheme.
PaaS	Platform-as-a-Service – Cloud delivery of development and deployment platforms.
PCS	Practising Company Secretary – A Fellow or Associate Member of ICSI holding a Certificate of Practice.
RegTech	Regulatory Technology – Application of digital technology to regulatory compliance, reporting, and monitoring.
SaaS	Software-as-a-Service – Cloud delivery of software applications accessed via a web browser.
SLA	Service Level Agreement – Contractual commitment by a CSP regarding uptime, performance, and support.
VAPT	Vulnerability Assessment and Penetration Testing – Mandatory security audit under CERT-In and SEBI Cybersecurity Framework.
XBRL	Extensible Business Reporting Language – Machine-readable financial data standard mandated by MCA for financial statement filings.
Zero-Trust Architecture	A security model that requires verification of every access request regardless of network location or prior authentication status.





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Workplace related stress is experienced by almost everyone at some period or other. It may vary from one individual to another, in terms of duration, and intensity. It is equally noted both in employer and employee, and workers of every level from the top to the lowest rung.

In order to be able to cope with it, the cause of stress has to be identified and the remedial measures undertaken. Some of the common causes are:

- Inability to deliver the expected results. This could be due to inadequate training or orientation to the expected performance. The senior person needs to recognize this short coming and point it out and guide the worker. The worker, in turn needs to work harder to acquire the speed and skill required for the discharge of his/her duties and not take amiss the instruction given.
- Unrealistic expectations and deadlines to be met. When any project is assigned, a worker must be able to assess his/her capability and commit to a realistic deadline. The person assigning the task also must be mindful of the efficiency and competence of the person being given the assignment. A small window of flexibility is a must if disappointments are to be avoided. In case the task is not completed in time or to the satisfaction of the assigner, then, both must sit down and analyze the reasons and find solutions.
- Transfer, especially to another city/state which necessitates relocation is a matter of stress, both for the person and the entire family. One has to consider the wisdom of disrupting the education of the children and the situation of the spouse in case he/she is also employed. In such cases, especially if there is no extended family within the premises or nearby, the spouse being transferred may have to relocate alone. Relocation to a new place often poses some challenges of renting a place, house-keeping and a sense of loneliness. Transfers and relocations are common and expected in certain jobs like the Armed Forces and Foreign Service. Recognizing the stress of moving, these organizations provide assistance for housing, school admissions and settling down. The assistance is modest and every organization that has provisions for transferring employees could put into place a system to provide such assistance. It would go a long way in helping the employee to adjust to the



WORKPLACE RELATED STRESS

new environment and be at ease. It would definitely create the condition for being more productive at work. Transfers provide an opportunity for exposure to another city/state, its culture, cuisine and people. This is a learning experience and beneficial to the growth of the individual. Living alone gives one more time to pursue hobbies and opt for games and physical activities which help one to stay fit. One must view the relocation through this lens rather than consider it a punishment posting which only causes depression. The management, in turn must consider carefully the need to transfer an individual depending on the vulnerabilities and personal situation of the employee. A sympathetic attitude of the employer rewards the organization with greater loyalty and work efficiency of the employee.

- Health issues prevent optimum efficiency of the employee and should be addressed. Many organizations provide medical facilities. Sometimes, the medical issue is due to faulty diet and meal times. Due to long hours of travel to reach the workplace, some employees are not able to eat properly before leaving home and may depend on some street food for their meals. Over a period of time, this adversely affects the health. In some offices, a local small scale agency has been identified for regular supply of lunch boxes with homemade meals. This greatly reduces stress in many ways. Car-pooling is also done by many to provide company during the long travel time and supplement cost. In many schools, children are given admission only if they reside within a certain radius. This is to make sure children do not have to commute long distances and get too tired to give their best in studies and games. Perhaps offices which have several branches could also consider this in cases where the job description fits the post. A high ranking officer in the forces told me that the convention was to post husband and wife in far off places if both were serving officers. This often made one of the two resign or bear the turbulence of separation of partners and children from one or the other. She said that she was lucky as soon after she joined the forces and married a colleague, the Armed Forces collectively decided that if both partners were in service, every effort should be made to post them in the same city or nearby depending on the vacancy for

the appropriate post. It was found that there was a huge difference in the amount of casual and medical leave taken by such personnel and the work output greatly improved. This aspect of providing the best environment for employees in order to elicit optimum work efficiency should be seriously considered by the management.

- Uncertainty or conflict in role assignment is a genuine cause for concern and stress in every employee. Every good establishment has a protocol for providing orientation to each employee with a detailed work description and expectations. The definite demarcation of responsibility is essential for work commitment of employees. This ensures accountability and prevents blame games being indulged in.
- Outdated or poor management practices produce all round stress in the workplace. A top management professional of a Public Sector Undertaking once shared an experience with me. They had well qualified staff but somehow there were constant delays in delivery of results. They engaged a professional to help them identify the reasons for this lack of expected efficiency.

His observations were that most travelled 3 to 4 hours to get to work. They were tired by the time they got to the workplace. Many started out so early that they barely had time to take a bite before leaving home. Many just carried some snacks and fruits for their meals. They reached home late in the evenings and hardly spent any quality time with the wife and children. They felt a lack of any meaningful activity with the children and often felt frustrated as growing children need parental presence, not just logistical support. Children are vulnerable and can be steered into wrong directions by peers if parents do not find the time to remain well connected to the children on a daily basis. Some employees felt there was a lack of appreciation and recognition of work well done. This too caused some discontent. Lack of exercise due to lack of time made the overall health to decline slowly. Many felt guilty not being able to run errands or contribute in activities of running the household.

Suggestions were sought by the employees who were apprised of the above observations. These were reviewed by a panel consisting of employee and key management ranking officials.

- a) A standard procedure was outlined for work assignment and assessment which would be evaluated monthly and recognition given where due.
- b) A gym would be set up with time limits for people to do short work outs while taking a break from the long hours of sitting at the monitor.
- c) A negotiation would be carried out with a general store owner in the vicinity so that a purchase list could be handed over at the Reception Desk on entry. The Receptionist would coordinate with the store and have the items delivered in separate packets for the employee to take home at the end of the day without having to make time/ excuse for the errands.
- d) A homemade meal service was identified for providing simple hot meals for those who could not manage that due to time constraints or single status.

The suggestions were implemented. The change in work culture, hugely improved the efficiency of the employee. The addition of exercise and hot meals provided by a home-made meal service, improved the sense of wellbeing of the employees and the general atmosphere of cordiality.

Women employees shared their concerns for safety at the workplace and the guilt they felt for not being able to spend more time attending the children's needs and chores at home. The decision to work in the case of a woman depends largely on the family structure, support and financial situation. If children are school going then it is important that a family member or trustworthy adult is present to attend them when they return from school. Without daily supervision and parental control children can, and do, tend to stray from the right path. A young lady shared with me the story of her achievements and promising career. After marriage and starting a family, she found herself struggling to be a hands on mother while working full time. When the children started school, she realized that if she continued to work, the children would have to be largely left to hired help for their daily needs. She realized the challenges and demands of her professional life would not allow her to fully experience the joy of bringing up her own children and molding their character so she resigned from her job. I asked her if she regretted her choice. She said that she was very happy being with her children and giving them time and a stable family life. They both were doing very well in studies and other activities. She too, meanwhile was doing some online and some classroom courses to acquire further skills and qualifications which would enable her to work full time once the children completed school and left the home. So the call to pursue a career or not is the call of the woman to take and once she makes a decision, she alone lives with the consequences. Balancing the responsibilities at home with the demands at the workplace is in itself a feat. Women are also natural care givers. Luckily, most of them appear to seamlessly manage the multiple tasks assigned to them in a matter of fact manner. They form an important part of our work force and work as efficiently as men. However, if and when they face sexual overtures/harassment, it creates in them a sense of fear and extreme stress. Many need their jobs to supplement the family income so they do not want to lose their position and this makes them react as silent sufferers instead of reporting the incident. This is especially the case when the person harassing them is a senior in position. Women must take courage and report such incidents without fear to a senior woman colleague or to the senior most person in the office who commands the respect of the others and has the power to take action. Women need to remember that the Prevention of Sexual Harassment (POSH) is there and every woman has protection under this Policy. Timely action may be sufficient to prevent such behavior in the future from this specific person or others. Remaining silent gives the signal of willingness and leads to further uneasy situations. Workplace romance is not uncommon and needs to be strictly guarded against as it interferes with work competence and complicates life in many ways. It is best nipped in the bud.

Whatever be the cause of stress in the workplace, the best option is to discuss the issue in an objective and dispassionate manner with the seniors in the organization or a team constituted for this purpose, and seek their advice. A direct approach is the most effective and creates the most empathy.

Call For ARTICLES

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LEGAL WORLD



- G.L. Sultania & ANR v. SEBI & Ors [SC]
- LYKA Labs Ltd. v. Modi Lifecare Industries Ltd. [NCLAT]
- Vivriti Capital Limited v. Gensol Electric Vehicles Private Ltd. [NCLAT]
- Alpha Corp Development Pvt. Ltd. v. Greater Noida Industrial Development Authority & Ors [SC]
- Mohit v. Pernod Ricard India Pvt. Ltd. & Ors [CCI]
- Natural Support Consultancy Services Pvt. Ltd. v. National Bank For Agriculture And Rural Development & Anr [CCI]
- Elecon Engineering Company Ltd. v. Bhartiya Rail Bijlee Company Ltd. & Anr [SC]
- MD. Masudul Haque Ansari v. State of Jharkhand & Ors [JHK]
- Madhu Singh v. State of U.P. & Ors [ALL]



Corporate Laws

Landmark Judgement

LMJ 06:06:2026

G.L. SULTANIA & ANR v. SEBI & ORS [SC]

Appeal (civil) 1672 of 2006 with connected appeals

B.P. Singh & Altamas Kabir, JJ. [Decided on 16/05/2007]

Equivalent citations: AIR 2007 SC 2172; 2007 (5) SCC 133; 2007 (7) SCALE 674; (2007) 137 Comp Cas 658.

Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997- valuation of shares of the target company by three valuers- Board accepted the value of one of the valuer- Tribunal concurred- further challenged in appeal- whether the valuation was proper -Held, Yes.

Brief facts:

The grievance of the appellants before the Tribunal was that the Securities and Exchange Board (hereinafter referred to as the 'Board') as well as the Merchant Banker had not properly valued the shares of the target company in accordance with the parameters laid down in Regulation 20(5) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as the 'Takeover Code'). Respondent No. 3, who is the real contesting respondent, on the other hand contended before the Appellate Tribunal that the valuation of shares was done having regard to the parameters laid down under Regulation 20(5) of the Takeover Code and the Board had taken all necessary precautions to safeguard the interest of the shareholders so as to ensure payment of best price for the shares to be sold by them. It was further contended that the shares were valued by three reputed firms of valuers and the Board ultimately approved the highest price per share determined by the firm of valuers appointed by the Board namely, M/s. Patni and Company.

Decision: Dismissed.

Reason:

We are of the considered view that the submission urged by the appellants is not tenable. There is nothing in the Regulations which requires the Board to pass a reasoned order for all it does as a regulator. Being a regulator the Board has to take various steps, issue directions from time

to time and pass appropriate orders. While considering the offer price to be incorporated in the letter of offer, it must no doubt apply its mind to the offer price proposed to be incorporated in the letter of offer and the basis thereof. If it finds that the offer price is reasonable and the valuation report is satisfactory it may approve the offer price to be incorporated in the letter of offer. The power of the Board under Regulation 44(f) must be understood in the context of the scheme of the Regulations. Any price which it might "determine" under the aforesaid Regulations must also be determined having regard to the factors enumerated in Regulation 20(5). If it finds that the valuer's report takes into consideration all the relevant factors and the offer price has been determined applying the principles applicable to such valuation, it may have no reason to differ. It may not approve the offer document, if it finds the price offered to be low and unreasonable, applying the parameters laid down in Regulation 20(5). It must, therefore, follow that the Board must approve the price offered unless it is shown that the valuation arrived at must be faulted for non-compliance with the Regulations which lay down the norms and parameters which must be observed. It cannot be lost sight of that the scheme of the Regulations is to permit an intending acquirer to make his offer to the shareholders whose shares are sought to be acquired. Despite the regulatory powers of the Board, the offer still remains that of the acquirer and not the Board. The Board has only to be satisfied that the offer made is reasonable and fair and in the interest of the shareholders. In case of doubt it may seek the opinion of another expert valuer which impliedly supports the contention that it is not expected to act as an expert valuer. If there is material on record to show that the Board applied its mind to the offer made and considered it in the light of the relevant provisions of the Regulations and all factors enumerated therein, its decision to approve the offer price to be incorporated in the letter of offer cannot be faulted on the ground that it has not passed a reasoned order. The facts of this case disclose that the Board not only considered the offer document submitted by the acquirers along with the report of the valuer, it took the precaution to seek the opinion of another expert valuer in view of complaints made by some shareholders. The appellants cannot therefore make a grievance that their objections were not given due weight. Thereafter, it also gave an opportunity to the acquirers to get the opinion of another expert valuer. Ultimately the Board reached the conclusion that the share price fixed by the expert valuer appointed by it represented the true and fair value of the shares in question and being the highest was also in the interest of the shareholders. The suggestion of the Board to the acquirers to incorporate in the public offer, the offer price on the basis of the valuation report of M/s. Patni and Company was accepted by the acquirers and the offer price earlier suggested by them was enhanced. We are, therefore, satisfied that the Board acted in a reasonable manner and in consonance with the Regulations. Only after considering all relevant matters it approved the offer price to be incorporated in the public offer document.

We have carefully examined the report submitted by M/s. Patni and Company. It is quite apparent to us that

the report cannot be assailed on the ground that it does not take notice of various factors mentioned in Regulation 20(5) of the Takeover Code. The valuer has in fact referred to the said Regulations and enumerated the factors to be taken into account. It has thereafter proceeded to make the necessary calculations after giving due weightage to various factors. In doing so the valuer has relied upon the principles approved by this Court in Hindustan Lever Employees Union (supra). Learned counsel for the appellants submitted that the principles approved in Hindustan Lever Employees Union (supra) were not relevant and should not have been applied by the valuer. This was because that was a case of amalgamation of two companies and it was in that context that the valuation of the shares had to be determined. It is true that Hindustan Lever Employees Union (supra) related to a case of amalgamation but for determining the value of the shares of the companies for the purpose of equivalence and to determine the ratio in which the shares were to be allotted, the valuer had to determine the value of the shares of the amalgamating companies applying the same accounting principles of valuation which are usually applied by the valuer in valuation of shares for other purposes as well. We, therefore, find no substance in the submission of learned counsel for the appellants that the valuer had committed a mistake in applying the principles approved by this Court in Hindustan Lever Employees Union (supra).

We are, therefore, satisfied that the Board committed no error in accepting the report of M/s. Patni & Co. The Board has acted in a reasonable manner and made its best efforts to secure a reasonable price for the shares of the shareholders. It has exercised its discretion wisely and we find no reason to interfere. We, therefore, find no merit in these appeals and they are accordingly dismissed but without any order as to costs.

LW 41:06:2026

LYKA LABS LTD. v. MODI LIFECARE INDUSTRIES LTD. [NCLAT]

Company Appeal (AT) (Insolvency) No. 726 of 2024

Ashok Bhushan, Barun Mitra & Arun Baroka.
[Decided on 19/05/2026]

Insolvency and Bankruptcy Code, 2016- Section 9- CIRP by operational creditor- royalty payable under technical guidance agreement- demand notice did not enclosed invoice- NCLT rejected the application-whether correct-Held, No.

Brief facts:

A Technical Guidance Agreement (TG Agreement) was executed between the Appellant and the Respondent, as per which the Respondent i.e. Modi Lifecare Industries Ltd. had agreed to pay royalty fees for printing on its labels and cartons that the products were manufactured under the technical guidance of the Appellant i.e. Lyka Labs Ltd. As per Clause 1D of this Agreement, the Respondent would be liable to pay a minimum royalty fees of ₹1 Crore per annum or 5% of its total sales value, whichever was higher for the period ending 2013. The Respondent failed

to pay the agreed royalty and the Appellant filed the impugned CIRP application before the NCLT.

The NCLT by the impugned order rejected the Company Petition on the ground that the Appellant had failed to attach invoice for the royalty demand in the demand notice.

Decision: Allowed.

Reason:

We find that Technical Guidance Agreement has been signed between the Lyka Labs Ltd. and Modi Lifecare Industries Ltd. A minimum royalty fees was to be paid for which the records exist. The Respondent has also acknowledged / admitted the liability of about ₹63,00,000/- at page 83 in the APB in the letter dated 31st July 2017, which is a letter from the respondent Modi Lifecare Industries Ltd. to M/s. Lyka Labs, the appellant.

The impugned order has returned a finding that the demand notice under Section 8 issued by the appellant-operational creditor upon the corporate debtor was not a valid demand notice, as the appellant had not supplied the respondent-CD with a copy of the various invoices for the amount claimed in the application. In this case, the terms of the technical guidance agreement dated 14th September 2012, made it clear that invoices would not always be an essential part of the transaction. The respondent was liable to pay a minimum amount towards royalty fees for every period of 12 months or 5% of its total sales value, whichever was higher. We also note that there were no terms under the technical guidance agreement which made it mandatory for the appellant to raise an invoice at the end of every period/block of 12 months, even for the minimum royalty fees payable. We note that the computation of the royalty fee payable by the respondent emanates from the technical guidance agreement itself. Further, the technical guidance agreement did not cast any liability upon the appellant to raise invoices upon the respondent for making it liable to pay the minimum royalty fees to the appellant. We therefore find that the contention that the demand notice was defective because invoices had not been annexed is incorrect, and the finding of the adjudicating authority relating to this issue cannot be sustained.

The Adjudicating Authority has relied upon Rule 5 of the IBBI (Application to Adjudicating Authority) Rule 2016 and has concluded that, since invoices were not enclosed, therefore the application is defective. A plain reading of the above rule indicates that it is not necessary that the copies of the invoice have to be attached. A copy of the demand notice which clearly establishes the operational debt or the demand is more than sufficient. In this case, the technical guidance agreement which allowed payment to be made by the operational creditor was more than sufficient, and therefore the argument that invoices were not attached is unsustainable.

Thus, in the facts and circumstances of the present case, we find that in the present Section 9 proceedings, except for accounts reconciliation for which the correspondence

was going on between the two parties, there is no pre-existing dispute between them. The Respondent contends that the royalty fees was to be paid 5% on the actual basis and furthermore the Appellant has not provided any invoices to back up his claim. This has been refuted by the Appellant by saying that the TG Agreement did not provide for any invoices and the original agreement had fixed royalty fees to be paid. We also note that the respondent, in its letter dated 31st July 2017, has conveyed to the appellant that, with reference to the demand of Rs.63 lakhs approximately the CFO or auditor could be in touch with them and therefore, there is an acceptance of the amount of Rs.63 lakhs, approximately.

Thus, we find that debt and default is admitted. And in turn we find that the conditions for initiation of Section 9 i.e. the existence of the debt and default is satisfied. Therefore, we are inclined to allow the Appeal.

LW 42:06:2026

VIVRITI CAPITAL LIMITED v. GENSOL ELECTRIC VEHICLES PRIVATE LTD. [NCLAT]

Comp. App. (AT) (Ins) No. 1460 of 2025

Ashok Bhushan & Barun Mitra. [Decided on 13/05/2026]

Insolvency and Bankruptcy Code, 2016- Section 7- CIRP by financial creditor- cash collateral adjusted against the instalment due- loan was called back – CIRP application filed- NCLT rejected on the ground of adjustment of cash collateral- whether correct- Held, No.

Brief facts:

The Appellant sanctioned a non-revolving rupee term loan of Rs.5,00,00,000/- to the Respondent. The default was committed by the Corporate Debtor in making payment of the instalment due and a Notice was issued by the Appellant to the Corporate Debtor claiming total amount of Rs.18,68,342/-. As the CD failed to pay, the appellant adjusted the same from the cash collateral. Thereafter, the Appellant issued loan recall notice for the outstanding amount of Rs.3,87,87,657/- as on 05.03.2025. After the said loan recall notice, when no repayment was made, Section 7 application was filed by the Appellant. The Adjudicating Authority rejected the application.

Decision: Allowed.

Reason:

We have considered the submission of the Ld. Counsel for the Appellant and perused the record. The notice dated 17.04.2025 was part of Section 7 application which mention that default has been committed of payment of Rs.18,68,342/- which was required to be paid on 05.03.2025. The default being committed notice dated 17.04.2025 was issued but no repayment was made. In pursuance of the notice, hence, the amount was recouped from the cash collateral as per the agreement between the parties. Subsequently, on 02.05.2025, loan recall notice was issued by the Financial Creditor giving details of facility agreement and defaults committed by the Financial Creditor. Total outstanding was mentioned in the loan recall notice including principal and interest

accrued. After the loan recall notice when amount was not paid, Section 7 application was filed. In Part-IV of Section 7 application, the Appellant has given brief facts of the case, details of the facility agreement and the details with regard to default committed. The above detailed pleading in Part-IV clearly mentioned the default including the loan recall notice on 02.05.2025. It was mentioned that default was committed on 05.03.2025 which continues.

The Adjudicating Authority has taken note of the recoupment from cash collateral and has come to conclusion that after recoupment from cash collateral default on 05.03.2025 came to an end. Under the facility agreement which was entered between the parties, the event of default has been provided in clause 14 and consequence of the event of the default are given in para-15.

The cash collateral which was part of security could have very well be adjusted by the Financial Creditor towards the payment of any outstanding dues but recoupment from cash collateral cannot lead to conclusion that no default was committed on the relevant date.

The observation of the Adjudicating Authority that Section 7 application is defective and incomplete cannot be sustained. All relevant pleadings were contained in Part-IV and default was clearly made out. In the facts of the present case, we are of the view that order impugned cannot be sustained. The impugned order rejecting Section 7 application is set aside. The Section 7 application is revived before the Adjudicating Authority for passing a fresh order in accordance with law at an early date. The Adjudicating Authority is directed to pass an appropriate order expeditiously preferably within six months from the date this order is produced.

LW 43:06:2026

ALPHA CORP DEVELOPMENT PVT. LTD. v. GREATER NOIDA INDUSTRIAL DEVELOPMENT AUTHORITY & ORS [SC]

Civil Appeal No. 1526 of 2023 with connected appeals

Sanjay Kumar & Alok Aradhe, JJ. [Decided on 05/05/2026]

Insolvency and Bankruptcy Code, 2016- infrastructure project- CIRP by home buyers- holding company CD developed the plots- subsidiary companies held the land- resolution plan included the assets of the landowning subsidiaries of the CD- NCLT approved the resolution plan- NCLAT reversed the plan by refusing to pierce the corporate veil- whether correct- Held, No.

Brief facts:

In this case the Supreme Court has lifted the corporate veil of the corporate debtor, who was having development rights by including the assets of the subsidiaries having ownership title over the underlying lands also in order to allow the resolution plan presented by the successful applicant, appellant herein, to complete the infra housing project. The corporate veil was pierced by applying the concept of one economic entity to the entire group.

Respondent GNIDA leased out 3 plots to Earth Towne Infrastructures Pvt. Ltd. (ETPIL), Neo Multimedia Ltd.

(NML) and Nishita Software Pvt. Ltd. (NSPL). All these land holding companies are subsidiaries of Earth Infrastructures Ltd. (EIL), which had development agreement with these subsidiaries to develop the plots. A financial creditor had initiated CIRP against EIL. In this proceedings the appellants i.e. Successful Resolution Applicants submitted resolution plan including the lands belonging to the subsidiaries and proposal to complete the housing projects therein.

NCLT approved the resolution plan and on appeal by GNIDA, NCLAT reversed the order on the ground that the land parcels of the subsidiaries of the CD cannot be included in the resolution plan. Aggrieved by the order the successful resolution applicants appealed to the Supreme Court.

Decision: Allowed.

Reason:

The NCLAT noted that, in terms of the 'Explanation' to Section 18, the assets of a subsidiary of the corporate debtor could not be included within the term 'assets'. This observation was made in the context of the leasehold rights having been conferred by GNIDA, not upon EIL, the CD, but upon ETI, which was practically its subsidiary. The same logic was applied to the leasehold rights held by the other subsidiary companies of EIL, viz., Neo Multimedia Limited and Nishtha Software Private Limited.

The sheet anchor of GNIDA's case is that the assets of subsidiary companies cannot be made part of the assets of the holding company that was subjected to CIRP proceedings. Section 2(87) of the Companies Act, 2013, defines a subsidiary company or subsidiary to mean a separate legal entity. No doubt, the concept of holding companies and subsidiary companies is firmly entrenched in our corporate scenario and once it is established that the holding and subsidiary companies are independent legal entities in their own right, the sanctity of such legal status has to be maintained unless circumstances exist that require lifting/piercing of the corporate veil. The question that arises is whether this was a fit case to lift the corporate veil. Though the NCLAT was averse to doing so, we are inclined to hold otherwise.

As is clear from the aforesaid observations when, in reality, associated or group companies are inextricably connected so as to form part of one concern, the corporate veil should be lifted. Applying this principle in *ArcelorMittal India Private Limited vs. Satish Kumar Gupta*, this Court affirmed that where protection of public interest is of paramount importance or where a company has been formed to evade obligations enforced by law and by the Courts, the Court would disregard the corporate veil. It was further observed that this principle would be applied even to group companies so that one is able to look at the economic entity of the group as a whole.

Neo Multimedia Limited and Nishtha Software Private Limited were both wholly-owned subsidiaries of EIL, the CD. They had leases over the lands in which EIL was to develop the projects, viz., Earth TechOne and Earth Sapphire Court. ETIPL was incorporated only to enable GNIDA's leasing of land for development of Earth Towne and was controlled by

EIL, with a 98% shareholding. ETIPL, therefore, stands on a different footing from the other two companies, insofar as GNIDA is concerned. In any event, we may note that all three companies either share common directors with EIL and/or have their relations as directors. The only assets of the three companies were the lands leased out to them by GNIDA for these projects. The companies' shareholdings indicate that EIL was the dominant and majority shareholder.

In effect, GNIDA cannot claim ignorance of the constructions by EIL in relation to all three projects. Each case that comes before a Court, in the context of lifting of the corporate veil, would have to turn upon its own individual facts. Given the facts obtaining presently, we are of the firm view that this was an eminently fit case for lifting the corporate veil, as EIL was the main driving force in the development of the projects and in payment of GNIDA's dues. The subsidiary companies were only a front.

Alpha's resolution plan, which was approved by the CoC on 11.11.2019 and by the NCLT on 08.06.2021, provided under Clause 4 thereof, that it would seek a waiver from GNIDA of its dues but added that if such waiver was not granted, the dues would be proportionately distributed amongst all the allottees. Clause 12.1 of the resolution plan contemplated issuance of a 'No Dues Certificate' by GNIDA prior to conveyances in relation to Earth Sapphire Court as well as Earth TechOne. Alpha, however, stated before this Court that it was willing to pay GNIDA its dues without penal interest/penal charges, given sufficient amount of time, without burdening the homebuyers.

Though, the aforesaid policy/package would have application only to Earth Towne, being a residential project, and may not apply *stricto sensu* to the other two projects, which are commercial in nature, we may note the higher objective underlying this policy, i.e., to secure completion of stalled development projects. As that was the very aim of the CIRP proceedings initiated against EIL, the CD, we are of the opinion that by adopting the policy to some extent to suit the present situation, the successful resolution applicants, Alpha and Roma, can be permitted to proceed with their resolution plans to complete the projects, viz., Earth Towne, Earth Sapphire Court and Earth TechOne, while protecting the interests of GNIDA also.

We would expect Alpha and Roma, the successful resolution applicants, to stand by their commitment that such dues would not be burdened upon the home/office space buyers who have already suffered sufficiently by the delay in the execution of the projects. The said dues shall be cleared by Alpha and Roma on their own. The payments in that regard, in equated monthly instalments, shall be made over twenty four months. The first such payment shall be made on or before the 7th day of July, 2026. Registration of the homes/office spaces in favour of the allottees shall be undertaken only after payment of the dues of GNIDA in totality and with its active participation, so as to confer the status of sub-lessees upon the buyers.

The resolution plans of Alpha and Roma shall stand restored. The successful resolution applicants shall endeavour to complete the projects within the time frames indicated by them in their resolution plans.



Competition Laws

LW 44:06:2026

MOHIT v. PERNOD RICARD INDIA PVT. LTD. & ORS [CCI]

Case No. 09 of 2024

Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Anurag.

[Decided on 04/05/2026]

Competition Act, 2002- Sections 3&4- alcoholic beverages- licensing- allegation of bid rigging and cartelisation- investigation ordered.

Brief facts:

The Informant has raised allegations of bid rigging in tenders invited by the Department of Excise, Entertainment and Luxury Tax ('Excise Department') for the grant of licence for wholesale supply of country liquor in the National Capital Territory ('NCT') of Delhi for the year 2022-23. There were two set of allegations raised in the Information, i.e., (a) the manufacturers of country liquor/IMFL entered into bid rigging in the tenders invited by the Excise Department; and (b) cartel formation amongst liquor manufacturers, wholesalers and retailers in Delhi in the context of the Excise Policy, 2021-22.

Decision: Investigation ordered.

Reason:

The Commission now proceeds to analyse the conduct of Pernod Ricard under Section 3(4) of the Act. The Commission is of the view that the alleged conduct of Pernod Ricard, i.e., indulging in concerted behaviour with some retailers/wholesalers, thereby inducing them to push its brands, purportedly, to achieve higher market share, concomitantly with offering corporate guarantees, is a conduct falling within the realm of exclusive dealing agreement as defined in Section 3(4)(b) of the Act. The term 'exclusive dealing agreement' includes "any agreement restricting in any manner the purchaser or the seller, as the case may be, in the course of his trade from acquiring or selling or otherwise dealing in any goods or services other than those of the seller or the purchaser or any other person, as the case may be."

The Commission is of the view that consistent highest market shares enjoyed by Pernod Ricard over a span of five years prima facie indicate a position of strength to cause AAEC in terms of Section 3(4) of the Act. Accordingly, the Commission is of the prima facie view that purported arrangement entered into between Pernod Ricard and few retailers may result in distortion of supply which can eventually translate into distortion of demand, with end consumers switching preference to the product available in supply.

In this regard, the Commission is of the view that such conduct is likely to have AAEC in as much as the non-dealing in the product of the competitors through vertical arrangements between Pernod Ricard and retailers is likely to result in distortion of demand by way of moving retail demand away from the competing brands to Pernod Ricard, artificially, thereby leading to a situation of driving existing competitors out of the market. Further, where the retail demand is distorted through an arrangement between Pernod Ricard and retailers to augment the business of Pernod Ricard, such an action is likely to result in restriction of choice to end consumers rather than benefit them in any manner.

In view of the foregoing, the Commission is of the prima facie view that the restrictive conduct by Pernod Ricard with its retailers/wholesalers, purportedly, to induce brand pushing and achieve higher market share in IMFL market in Delhi, falls within the purview of 'exclusive dealing agreement' as defined in Section 3(4)(b) of the Act read with Section 3(1) of the Act and therefore be investigated for plausible contravention under the provisions of the Act.

Based on the foregoing analysis, the Commission is of the view that a prima facie case of contravention under Section 3(4)(b) read with Section 3(1) of the Act is made out against the OPs identified in paragraph 46. Accordingly, the Commission directs the Director General ('DG') to cause an investigation into the matter in relation to the alleged conduct under the provisions of Section 26(1) of the Act. The Commission also directs the DG to complete the investigation and submit an investigation report within a period of 90 days from the date of receipt of the order.

LW 45:06:2026

NATURAL SUPPORT CONSULTANCY SERVICES PVT. LTD. v. NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT & ANR [CCI]

Case No. 26 of 2025

Ravneet Kaur, Anil Agrawal, Sweta Kakkad & Deepak Anurag.

[Decided on 20/04/2026]

Competition Act, 2002- Sections 3 & 4- concerted practice and abuse of dominance – tender for providing software programme Finacle- whether tenable-Held, No.

Brief facts:

The Informant's primary grievance is that OP-1 issued the 2023 RFP restricting participation to SIs who are authorised partners of Infosys for the Finacle CBS platform, thereby allegedly excluding other service providers. The Informant further contended that repeated extensions of the earlier tender with Infosys and Wipro constituted a concerted practice, in violation of Section 3(4) of the Act. The Informant has alleged that the conduct on the part of NABARD is in violation of Section 4(2)(a)(i), 4(2)(b)(i), 4(2)(b)(ii), 4(2)(c) and 4(2)(e) of the Act. The conduct of NABARD and Infosys is alleged to be in violation of Section 3(4)(b) and 3(4)(b) of the Act.

Decision: Dismissed.**Reason:**

Now, the Commission proceeds to analyse the issue of abuse of dominance by NABARD in violation of Section 4 of the Act. The Commission notes that Finacle software is a banking software developed by Infosys. Having perused the response filed by NABARD, the Commission notes that the 2023 RFP, was limited to authorized partners/SIs of Finacle OEM i.e. Infosys because the cooperative banks were already operating on the Finacle CBS platform. This condition is not restrictive because upgradation to a new version i.e. from Finacle 7.x to Finacle 10.2.25 required compatibility, data security, and software integrity. Only authorized partners have access to proprietary tools and support from Infosys and engagement of unauthorized vendors could risk data corruption, system failure, security breaches, financial burden etc. Therefore, the Commission is of the opinion that the restriction to authorized partners/SIs of Finacle OEM is not unfair and discriminatory or excluding other service providers and the same does not amount to abuse of dominance, in contravention of the provisions of Section 4 of the Act.

With regard to violation of Section 3 of the Act, the Commission notes that the Informant has alleged that arrangement/agreement between NABARD and Infosys constitute vertical anti-competitive agreement which is in violation of Section 3(4)(b) and Section 3(4)(d) of the Act.

In this regard, the Commission notes that the procuring authority has a discretion to set eligibility, technical, and financial conditions. The continuation of agreement between the OPs of Finacle software and the 2023 RFP restricting bidders to authorized partners/SIs of OEM i.e. Infosys, are not restrictive conditions. The extensions and renewals were done to maintain continuity of essential banking operations. NABARD exercised its statutory mandate transparently and reasonably. The RFP was open, objective, and non-discriminatory, grounded in technical and rural banking realities. Thus, the Commission is of the view that there was no evidence of bias toward Infosys and of any exclusive dealing agreement or refusal to deal. Hence, there is no violation of Section 3(4)(b) and Section 3(4)(d) of the Act.

In light of the above, the Commission is of the view that no prima facie case of contravention of Sections 3 and 4 of the Act is made out in the present matter. The Commission directs that the matter be closed forthwith under Section 26(2) of the Act.



General Laws

LW 46:06:2026

**ELECON ENGINEERING COMPANY LTD. v.
BHARTIYA RAIL BIJLEE COMPANY LTD. & ANR [SC]**

Civil Appeal No.....of 2026 [@ SLP(C) No.33128 of 2025]

Sanjay Kumar & K. Vinod Chandran, J. [Decided on 07/ 05 / 2026]

Arbitration and Conciliation Act, 1996- Section 11- Contractor collaborating with appellant for then execution of the project for the employer- interconnected agreements- disputes arose- collaborator approached the court for the appointment of arbitrator - non-signatory party contractor objected to the arbitration- whether correct- Held, No.

Brief facts:

A Collaborator's request for arbitration, which collaboration was essential to technically qualify the Contractor to proffer a bid was declined on the ground of there being no privity of contract. The High Court considering a petition under Section 11(6) of the Arbitration and Conciliation Act, 1996 (Act of 1996) rejected the same against which the present appeal is filed. We refer to the parties as the Employer; the 1st respondent herein, the Contractor; the 2nd respondent and the Collaborator; the appellant.

The High Court noticed the trite principle that even non-signatories to an agreement with an arbitration clause would be entitled to invoke it, if such non-signatory is a veritable party to the arbitration agreement. However, finding that there was nothing in the notice under Section 21 of the Act of 1996 to find such inextricable connection; the notice also having specifically sought for a consent to initiate an arbitration, declined the prayer.

Decision: Allowed.**Reason:**

The contract awarded was for installing a Coal Handling Plant Package for Nabinagar Thermal Power Project of the respondent, the Employer. The successful bidder/Contractor, the 2nd respondent collaborated with the appellant for its design capabilities and supply of certain equipment/materials based on the latter's experience in a project of the required strength and its successful operation for one year. The bid form also contains various DJUs to be executed by 'a Collaborator/Associate' along with the Contractor for the Coal Handling Plant for Nabinagar Thermal Power Project. The DJU was executed by the Collaborator with the Contractor, in favour of the Employer which clearly indicates that the Collaborator was an inseparable part of the contract and its execution.

In response to the notice under Section 21, the Employer specifically referred to the DJU and the 'joint and several' responsibilities of the Contractor and the Collaborator to complete the project. The tripartite agreement was also referred to along with various letters issued by the Employer to the Collaborator for effective completion of the project. Despite the Employer having called upon the Collaborator to fulfil its obligations as per the DJU, due to the disability of the Contractor, the Employer asserted absence of privity of contract and refused consent for adjudication of the dispute between themselves in its letter dated 29.07.2022.

We are of the opinion that the contract by itself necessitated the execution of joint undertaking by the Contractor and the Collaborator who had the 'joint and several' liability for the due completion of the contract. The arbitration clause applied

both to the Collaborator and the Contractor insofar as the disputes with the Employer and between themselves the agreement of collaboration provided a like clause for dispute resolution. On the Contractor defaulting in the completion of the project, the Employer had also called upon the collaborator to fulfil the obligations as per the DJU specifically raising the issue of joint and several responsibilities. The meetings convened between the Employer, the Contractor and the Collaborator, after delay in execution of the contract, the tripartite agreement entered into between them and the further communications addressed to the collaborator to take up his responsibility as per the DJU makes the Collaborator a veritable party to the contract who is also entitled to invoke the arbitration clause as available in the contract between the Contractor and the Employer in which the DJU executed by the Collaborator and the Contractor, in favour of the Employer is an inextricable part.

On the above reasoning, we find the High Court to have wrongly declined the prayer for arbitration. We set aside the judgment impugned and allow the petition.

LW 47:06:2026

MD. MASUDUL HAQUE ANSARI v. STATE OF JHARKHAND & ORS [JHK]

Acquittal Appeal No. 10 of 2012

Rajesh Kumar, J. [Decided on 07/05/2026]

Negotiable Instruments Act, 1881- Sections 138 & 141- friendly loan-cheque dishonour- Trial court acquitted the drawer- whether tenable- Held, Yes.

Brief facts:

The complainant gave a total loan of rupees two lakhs in cash to the accused against which in security the accused gave two postdated cheques. Upon presentation both the cheques were dishonoured due to insufficient funds. The complainant issued demand notice to the accused but the accused failed to pay. In that circumstances the complainant filed this case. Accordingly the complainant filed complaint before the learned CJM. The Trial court acquitted the accused on the ground that the loan was not a commercial transaction but a friendly transaction which cannot be enforceable as such. Being aggrieved by the said judgment of acquittal, the appellant-complainant has preferred the present appeal.

Decision: Dismissed.

Reason:

Thus, the presumption lies in favour of the holder of cheque in due course that the cheque has been issued for discharge of legally enforceable dues and the onus lies upon the other side to discharge this presumption, but if the material is available on record, suggesting that it is not for the legally enforceable dues, rather it was a friendly transaction between the parties which does not form any contract or does not give any right to impose the same as legally enforceable debt, then that presumption goes and the court has to decide the matter, as per the material available on record.

The Hon'ble Apex Court has settled the law in the judgment, passed in the case of *Rajesh Jain Vs. Ajay Singh*, reported in (2023) 10 Supreme Court Cases 148. In the Indian Contract Act, 1872 to form a legally enforceable contract, there has to

be an agreement between the parties and the consideration is the more basic ingredients. The consideration has to be commercial. The friendship cannot be a consideration to form a contract. Thus, if no contract has been formed, then the transaction cannot be legally enforced and it does not come under the definition of legally enforceable debt and the jurisdiction of Section 138 of N.I Act is not applicable.

Thus, this Court finds that the material available on record, does not require any interference in the judgment of acquittal. In the result, the acquittal appeal stands dismissed.

LW 48:06:2026

MADHU SINGH v. STATE OF U.P. & ORS [ALL]

Application u/s 482 No. - 19215 of 2007

Sandeep Jain, J. [Decided on 06/05/ 2026]

Negotiable Instruments Act, 1881- Sections 138 & 141- cheque dishonour- issued from joint account- signed by one joint holder- summons issued to the other joint holder who had not signed the cheques- whether tenable- Held, No.

Brief facts:

The complainant/respondent no. 2, advanced loan to co-accused Rahul Thind who had a joint account with the Appellant. In discharge of the loan Rahul Thind issued cheques from the joint account. Upon presentation the cheques were bounced and the complainant filed a cheque dishonour case before the Magistrate who took cognizance and issued summons to Rahul Thind and the Appellant. The cheques were signed by Rahul Thind only. The said summoning order has been challenged only by the accused/applicant Madhu Singh by filing the present application under Section 482 Cr.P.C.

Decision: Allowed.

Reason:

As rightly pointed out by the learned Senior Counsel for the appellant, the interpretation sought to be advanced by the respondents would add words to Section 141 and extend the principle of vicarious liability to persons who are not named in it.

In the present case, it is not disputed that the cheques in question were issued from a joint bank account maintained by Rahul Thind and Madhu Singh. However, it is equally undisputed that the cheques were signed solely by Rahul Thind. Therefore, in light of the settled legal position, the applicant Madhu Singh, not being a signatory to the cheques, cannot be held liable for the offence under Section 138 of the N.I. Act. Moreover, a perusal of the complaint reveals that the allegations are primarily directed against Rahul Thind, and no specific role has been attributed to the applicant Madhu Singh, except that she is jointly and severally liable to repay the loan. Even on this ground, no prima facie case is made out against her.

In view of the aforesaid facts and legal position, this Court is of the considered opinion that the trial court erred in summoning the applicant Madhu Singh to face trial under Section 138 of the N.I. Act. The summoning order, to that extent, is unsustainable in law and is liable to be quashed. Accordingly, the application is allowed.

5

FROM THE GOVERNMENT

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- Foreign Exchange Management (Authorised Persons) Regulations, 2026



Corporate Laws

Ministry of Corporate Affairs

01 The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2026

[Issued by the Ministry of Corporate Affairs [e-F No. CSR-10/13/2025-CSR-MCA] dated 27.05.2026]

In exercise of the powers conferred by Section 135 and sub-sections (1) and (2) of Section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Corporate Social Responsibility Policy) Rules, 2014, namely:-

1. Short title and commencement. - (1) These rules may be called the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2026.

- (2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the said rules), in rule 2, in the sub-rule (1), -

- (i) after clause (h), the following clause shall be inserted, namely: -

'(ha) "Not for Profit Organization" has the same meaning as in clause (e) of regulation 292A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.'

- (ii) after clause (k), the following clause shall be inserted, namely: -

'(l) "zero coupon zero principal instrument" means an instrument declared as a security that is issued by a Not for Profit Organization registered with the Social Stock Exchange segment of a recognised Stock Exchange in accordance with the regulations made by the Securities and Exchange Board of India.'

3. In the said rules, after rule 4, the following rule shall be inserted, namely:-

"4A Corporate Social Responsibility implementation through zero coupon zero principal instrument:-

- (1) A company may carry out Corporate Social Responsibility activities through a zero coupon zero principal instrument:

Provided that the expenditure incurred for such instrument shall not exceed ten percent of the total Corporate Social Responsibility expenditure of such company for that financial year.

- (2) The company that has subscribed in a zero coupon zero principal instrument shall be exempted from undertaking impact assessment of any project funded by such an instrument.
- (3) The Not for Profit Organisation issuing the zero coupon zero principal instrument and raising fund therefrom shall -
 - (a) undertake a project with a duration not more than three succeeding financial years from the issue of such zero coupon zero principal instrument; and
 - (b) on termination of listing of such zero coupon zero principal instrument, transfer the unspent amount to any fund included in Schedule VII to the Act and submit its compliance report to the Securities Exchange Board of India;
- (4) The provisions of rule 4, except sub-rules (5) and (6) shall be applicable to the implementation of Corporate Social Responsibility through a zero coupon zero principal instrument."

RAHUL JAIN
Joint Secretary

02 Notification of Amendments

[Issued by the Ministry of Corporate Affairs [e-F No. CSR-10/13/2025-CSR-MCA] dated 27.05.2026]

In exercise of the powers conferred by sub-section (1) of Section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following further amendments in the Schedule VII to the said Act, namely: —

In the said Schedule, after item (xii) and the entries relating thereto, the following item and entry shall be inserted, namely:-

"(xiii) Subscription to zero coupon zero principal instruments on Social Stock Exchange."

2. This notification shall come into force on the date of its publication in the Official Gazette.

RAHUL JAIN
Joint Secretary

03 What procedure is to be followed in case of transfer of interest of a member in a company not having share capital?

[Issued by the Ministry of Corporate Affairs on dated 08.05.2026]

Ans. Section 56 of the Companies Act, 2013 provides that a proper instrument of transfer is required to be executed in case of transfer of the interest of a member in case of a company having no share capital. Such instrument is required to be executed by or on behalf of the transferor and the transferee and must be delivered to the company in terms of the said provision.

Rule 11 of the Companies (Share Capital and Debentures) Rules, 2014 provides that form SH-4 shall be the format for transfer of securities held in the physical form. Rule 11(2) of the said rules clarifies that the same form is also required

to be used in case of transfer of interest of a member in a company not having Share capital. The said provision clarifies that the reference to securities shall be read as reference to “interest of the member of the company”.

Accordingly, stakeholders are advised to use form SH-4 for transfer of interest of member in case of a company limited with guarantee in terms of rule 11(2).

04 Extension of Registration Deadline - MCA21 NextGen Industry Consultation Workshop

[Issued by the Ministry of Corporate Affairs on dated 08.05.2026]

Tentative Workshop date Between 12 May to 22 May 2026	Objective of the Workshop Ideation with potential industry participants of MCA21 NextGen application on: - Ease of doing business, better enforcement, with increased efficiency, through use of innovative solutions. - Application of new/ emerging technologies for better service delivery. - Robust procurement and engagement model for the next Implementation Agency. Target participants: Software development/ enablement agencies, technology OEMs, DC/cloud service providers, Consulting firms or Corporate law firms who may be potential participants in MCA21 NextGen RFP.
Location To be communicated upon registration	Guidelines for participants: - Only one registration per organisation shall be entertained. - Participants are requested to acquaint themselves with the MCA21 system and come up with objective recommendations. Registration for the Workshop - Interested participants should register their interest in participating in the workshop before 5 PM on 13 May 2026. The requests can be emailed to mca21-nextgen-communication@mca.gov.in. - While submitting the interest in participating in the workshop, the participants should fill the enclosed form and email to the above-mentioned email ID - Exact schedule, agenda and location of the workshop shall be communicated to the registered organizations.

Complete details are not published here for want of space. For complete notification readers may log on to www.mca.gov.in

Securities and Exchange Board of India

05 Revision of Monthly Cumulative Report (MCR) Format

[Issued by the Securities and Exchange Board of India vide Circular HO/24/11/24(62)2026-IMD-RAC4/1/11872/2026 dated 19.05.2026]

- Please refer to clause 6.20 of SEBI Master Circular for Mutual Funds dated March 20, 2026 (hereinafter referred as “Master Circular”) prescribing the format for reporting of Monthly Cumulative Report (MCR).
- Pursuant to introduction of a new scheme categories vide SEBI Circular dated February 26, 2026 on Categorisation and Rationalisation of Mutual Fund Scheme now consolidated as clause 3.7 of Master Circular, it has been decided to modify MCR format from June 2026 onwards. The revised format of MCR is enclosed as Annexure A along with MCR SIF format enclosed at Annexure B.
- All other conditions specified in the above mentioned clause of the Master Circular shall remain unchanged.
- This Circular is issued in exercise of the powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with provisions of the SEBI (Mutual Funds) Regulations 2026 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
- This Circular is available at www.sebi.gov.in under the link “Legal ->Circulars”.

JUBIN MEHTA

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

06 Status of SPVs post-conclusion or termination of Concession Agreement

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-PoD-2/I/11698/2026 dated 15.05.2026]

- Regulation 2(1)(zy)(ii) of SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”) was amended on April 17, 2026 to include the following proviso –
“Provided that, in respect of an SPV holding an infrastructure project, the conclusion or termination of the concession agreement or such other agreement of a similar nature shall not affect its status as an SPV and such an SPV shall continue to be classified as an SPV subject to the fulfillment of such conditions as may be specified by the Board”
- Accordingly, the conditions to be fulfilled by the Investment Manager in this regard are specified as follows –
 - The Investment Manager shall either exit investment in such SPV by way of sale / liquidation / winding-up / merger of such SPV, or acquire any new infrastructure project in such SPV, within one year from -

- 2.1.1. completion/termination of concession agreement or such other agreement of similar nature, or
- 2.1.2. conclusion of all pending claims/litigations/tax assessments and related appeals, or
- 2.1.3. completion of defect liability period, whichever is later.
- 2.2. The time taken to obtain relevant statutory or regulatory approvals for exiting investment in such SPV by way of sale / liquidation / winding-up / merger, shall be excluded from the above timeline of one year.
- 2.3. Further, till the time investment in such SPV is held by the InvIT, adequate disclosures shall be made in the annual report of the InvIT including the following –
 - 2.3.1. InvIT Level: The Investment Manager shall disclose a detailed breakup of the value of investments (gross and net basis) in the SPV(s) wherein the concession agreement or such other agreement of similar nature has ended/terminated.
 - 2.3.2. SPV Level: The Investment Manager shall provide additional disclosures pertaining to each SPV wherein the concession agreement or such other agreement of similar nature has ended/terminated, which shall include the following information:

RITESH NANDWANI
Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

07 Permitted use of fresh borrowings for InvITs where Net Borrowings exceeds forty-nine percent of the value of InvIT assets

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-PoD-2/ I/11700/2026 dated 15.05.2026]

1. Regulation 20(3)(b)(ii) of SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”) was amended on April 17, 2026 to expand the permissible use of borrowings above forty-nine percent in the manner as specified by the Board.
2. Accordingly, the following shall be considered as permissible use of borrowing above forty-nine percent under Regulation 20(3)(b)(ii) of InvIT Regulations–
 - 2.1. Capital expenditure made to enhance asset performance or for capacity augmentation;
 - 2.2. Major maintenance expense in respect of Road Project, wherein –
 - 2.2.1. Major maintenance expense shall mean expenditure incurred on maintenance of road project which is not routine maintenance and is in accordance with the obligations and requirements specified in the concession agreement;

- 2.2.2. Road Project shall mean a project in the 'Roads and bridges' infrastructure sub-sector as mentioned in the notification of the Ministry of Finance dated September 19, 2025 and shall include any amendments or additions made thereto.
- 2.3. Refinancing of debt, by the InvIT, SPV or Holdco, subject to the following conditions:
 - 2.3.1. the original debt which is being refinanced was utilized for the purposes permitted under Regulation 20(3)(b)(ii) of the InvIT Regulations;
 - 2.3.2. only the principal portion of debt is refinanced i.e. any accumulated interest or any charges or fees by whatever name called shall not be refinanced.
3. This circular shall come into force with immediate effect.
4. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, Regulation 20(3)(b)(ii) and Regulation 33 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014. This circular is issued with the approval of the competent authority.
5. The recognized Stock Exchanges are advised to disseminate the contents of this Circular on their website.
6. This circular is available on the website of Securities and Exchange Board of India at www.sebi.gov.in under the category “Legal → Circulars”.

RITESH NANDWANI
Deputy General Manager

08 Norms for sharing and usage of price data for educational purposes

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/47/17/12(11)2025-MRD-POD3/I/11107/2026 dated 08.05.2026]

1. SEBI vide Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/56 dated May 24, 2024, *inter alia*, prescribed Norms for sharing of real time price data to third parties by Stock Exchanges, Clearing Corporations, Depositories (collectively referred to as Market Infrastructure Institutions (MIIs)) and registered market intermediaries. The said norms restricted sharing of real time price data only for orderly functioning of the securities market or for fulfilling regulatory requirements, and prescribed a time lag of one day for sharing of price data for educational and awareness activities.
2. Subsequently, SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2025/11 dated January 29, 2025 further tightened the norms by stipulating that entities solely engaged in education may use the price data only with a lag of three months.
3. The purposes of these two circulars were different. The Circular dated May 24, 2024 allowed exchanges to share data for educational purposes with a time lag of one day,

while the Circular dated January 29, 2025 operates after that as to how much old data can be actually used for sole educational purposes and for that a time lag of three months had been prescribed.

4. Based on feedback received from various stakeholders that the lag of one day for sharing of price data is very short and there is possibility of misuse of the same, and lag of three months for usage of the price data being too long for educational purposes; and subsequent comments received through public consultation, it has been decided to prescribe a time lag of 30 days for both sharing and usage of price data for educational purposes.
5. National Institute of Securities Markets (NISM) is a capacity building initiative of SEBI and has an important role in imparting SEBI mandated training and certification programmes as well as training SEBI officers and market intermediaries. Therefore, it has been decided that NISM may have access to market price data, with a lag of one day, for the purpose of usage in its simulation lab.

HRUDA RANJAN SAHOO

General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

09 Discontinuation of Investor Risk Reduction Access (IRRA) platform

[Issued by the Securities and Exchange Board of India vide Circular HO/38/44/12(3)2025-MIRSD-TPD1/1/10705/2026 dated 07.05.2026]

1. SEBI vide circular dated December 30, 2022 introduced IRRA platform for the Stock brokers. The platform is designed to provide Stock brokers an alternative access point for trading in case of disruption of trading services offered by them. The platform was operationalized with effect from October 01, 2023.
2. In the meantime, SEBI has introduced various technology driven measures to strengthen the business continuity requirements for the Stock broker's operations. These measures include operationalization of BCP-DR requirements, enhanced Cybersecurity and Cyber Resilience framework, implementation of Security Operations Centre for the market (M-SoC) and strengthening the technical glitch framework etc.
3. Furthermore, the trading operations of Stock brokers have seen significant technological advancements over the years. These innovations have strengthened the operational resilience of Stock brokers by facilitating seamless transitions between primary and alternate sites during periods of disruption and emergence of independent cold sites for business continuity etc.
4. In addition, Stock Exchanges provide an alternative contingency trading framework for the Stock brokers (i.e. Contingency Pool Trading facility). The Contingency Pool Trading facility is a mechanism offered by Stock Exchanges that allows Stock brokers to square off outstanding open positions for their clients during business disruptions. This facility operates via

the exchange's internal network within its physical premises, where broker allocated dedicated terminals are seamlessly connected to the Stock Exchange trading platform.

5. These initiatives were designed to ensure operational continuity and provide investors with seamless trading services from the Stock brokers. Such enhancements have significantly improved the trading infrastructure of Stock brokers, bolstering their capacity to provide continuity in their trading services to the investors. Furthermore, the Contingency Pool Trading facility has been utilized by brokers on several occasions over the past few years in case of business disruptions.
6. Consequently, Stock Exchanges have informed SEBI that the IRRA platform has become structurally redundant. Since its inception, the platform has not been accessed by the stock brokers, largely due to the implementation of robust regulatory measures, significant technological innovations within trading operations and the availability of Contingent Pool Trading facility. Hence, Stock Exchanges unanimously recommended that there is a case to discontinue the IRRA platform.
7. Accordingly, based on stakeholder feedback and the aforementioned factors, it has been decided to discontinue the IRRA platform with immediate effect. Concurrently, Stock Exchanges may review the Contingency Pool Trading facility to strengthen its framework. Stock Exchanges are hereby advised to disseminate the circular to the Stock brokers.
8. This circular shall supersede earlier SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/177 dated December 30, 2022.
9. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Regulation 50 of SEBI (Stock Brokers) Regulations, 2026, to protect the interests of investor in securities and to promote the development of, and to regulate the securities market.
10. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Circulars".
11. This circular shall come into effect from May 07, 2026.

VISHAL M PADOLE

General Manager, MIRSD

10 'Significant Indices' under SEBI (Index Providers) Regulations, 2024

[Issued by the Securities and Exchange Board of India vide Circular HO/47/17/12(8)2025-MRD-POD2 dated 05.05.2026]

1. SEBI has notified the regulatory framework for Index Providers in the securities market through the SEBI (Index Provider) Regulations, 2024 (hereinafter

“IP Regulations”) with the objective of fostering transparency and accountability in governance and administration of Indices in the securities market.

2. Regulation 3(1) of IP Regulations states as follows:

“These regulations shall be applicable only to Index Providers that administer Significant Indices consisting of securities listed on a recognized stock exchange in India for use in the Indian securities market.”

3. Further, Regulation 2(1)(u) of IP Regulations defines ‘Significant Indices’ as follows:

“Indices administered by an Index Provider, which are tracked or benchmarked by domestic mutual fund schemes with the cumulative assets under management exceeding the limits as may be specified from time to time.”

Explanation: The list of ‘Significant Indices’ shall be specified by the Board from time to time”

4. In this context, taking into account feedback received from the various stakeholders, it is specified that a Benchmark or Index (including index of indices) based on listed securities shall be considered as ‘Significant Indices’, if the daily average cumulative Asset Under Management (AUM) tracking the Benchmark or Index across schemes of Mutual Fund(s) exceeds ₹20,000 Crore for each of the past six months, ending on 30th June and 31st December each year.
5. Further, an Index specified by the Board in the list of ‘Significant Indices’ shall continue to remain in the list of ‘Significant Indices’ unless the value of cumulative AUM tracking or benchmarking such Index does not meet the specified threshold for a continuous period of three years (i.e., six consecutive half-yearly reviews).
6. Accordingly, the list of ‘Significant Indices’ is specified in terms of Regulation 2(1)(u) of IP Regulations, based on cumulative AUM of schemes of Mutual Funds tracking the Benchmark or Index for the period from July 01, 2025 to December 31, 2025, is placed at **Annexure-A**.

SANJAY SINGH BHATI

General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

11 Advisory on Emerging Advanced Artificial Intelligence (AI) Tools for Vulnerability Detection (like Mythos)

[Issued by the Securities and Exchange Board of India vide Circular HO/13/19/12(1)2026-ITD-1_CIMGI/10873/2026 dated 05.05.2026]

- A. The rapid evolution of emerging technologies including AI-driven vulnerability identification tools (E.g. Claude Mythos) has introduced new dimensions of risks for Regulated Entities. Such tools may give rise to heightened risk exposure by enabling identification and potential exploitation of existing vulnerabilities using speed and scale. It may also introduce concerns

relating to data confidentiality, application integrity and reliability of outputs.

- B. Due to the interconnectedness and interdependency of market participants in the Securities Market Ecosystem, a periodic coordinated approach for vulnerability management, information sharing and monitoring/assessment is required to prevent a cascading impact.
- C. In view of the above, a task force, namely cyber-suraksha.ai, (email id: project-cyber-suraksha.ai@sebi.gov.in) has been constituted comprising representatives from MIIs, QRTAs, all QREs, and other related stakeholders with the following mandate to:
- Closely examine the cybersecurity risks posed by AI based models and devise a uniform mitigation strategy against the risks posed by such models.
 - Facilitate sharing of threat intelligence, best practices on vulnerability management, use cases and playbooks to respond to the threat vector etc.
 - Report on a priority basis, cyber incidents or malicious activities, significant attack vectors, information on vulnerabilities etc. that may be relevant to strengthen the cybersecurity posture of the securities markets.

MAMATA ROY

Deputy General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.sebi.gov.in

Reserve Bank of India

12 Reserve Bank of India (Rural Co-operative Banks - Governance) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/DOR/2026-27/95 DOR.GOV.REC.No.83/18.10.015/2026-27 dated 25.05.2026]

The Reserve Bank had issued Reserve Bank of India (Rural Co-operative Banks - Governance) Directions, 2025 on November 28, 2025. Chapter-II of these directions contain provisions regarding the Constitution of Board.

2. The Banking Regulation (Amendment) Act, 2020 had made Section 10A(2A)(i) of the Banking Regulation Act, 1949 (in short, “the Act”), which prescribed a ceiling on continuous tenure of directors, applicable to State Co-operative Banks (hereinafter collectively referred to as ‘StCBs’ and individually as ‘StCB’) and Central Co-operative Banks (hereinafter collectively referred to as ‘CCBs’ and individually as ‘CCB’). The provision had come into force for StCBs and CCBs with effect from April 1, 2021. This provision was further amended by the Banking Laws (Amendment) Act, 2025 to increase the maximum continuous tenure of directors of StCBs and CCBs from eight years to ten years and the amended provision has come into effect on August 1, 2025.

3. In a few cases, directors have been found to be resorting to certain methods to circumvent the provisions of the Act, such as resigning briefly from office and being re-elected / co-opted to the Board within a short period of time, thereby continuing to be on the Board of an StCB / CCB for an extended period beyond the legally permissible tenure, which defeats the intent and spirit of the statutory provision.

4. Accordingly, in exercise of the powers conferred by Section 35A read with Section 10A(2A)(i) and Section 56 of the Act, and all other provisions / laws enabling the Reserve Bank of India ('RBI') in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby issues these Directions hereinafter specified.

(1) These Directions shall be called the Reserve Bank of India (Rural Co-operative Banks - Governance) Amendment Directions, 2026.

(2) These Directions shall come into force with immediate effect.

(3) These Directions shall modify the Reserve Bank of India (Rural Co-operative Banks - Governance) Directions, 2025 in the manner as specified hereinafter.

(4) After paragraph 7 of the Reserve Bank of India (Rural Co-operative Banks - Governance) Directions, 2025, the following shall be inserted, namely:

"7A. A director on the Board of an RCB, after completing a continuous tenure of ten years in office, shall be eligible to be re-appointed, whether by election or co-option or in any other manner, as a director on the Board of the same RCB only after undergoing a minimum cooling-off period of three years. During the cooling-off period, the said director shall not be associated with the RCB in any capacity / manner other than as a member / customer. This, however, shall not preclude him / her from being appointed as a director on the Board of another bank, if otherwise eligible.

Explanation:

For calculating the period of continuous tenure, the total time served on the Board of the RCB including the period of directorship preceding an interruption of less than three years but excluding the period of directorship preceding at least a three-year interruption shall be reckoned."

SCENTA JOY
Chief General Manager

13 Reserve Bank of India (Urban Co-operative Banks - Governance) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/DOR/2026-27/94 DOR.GOV. REC.No.82/18.10.014/2026-27 dated 25.05.2026]

The Reserve Bank had issued Reserve Bank of India (Urban Co-operative Banks - Governance) Directions, 2025 on November 28, 2025. Chapter-II of these directions have provisions regarding the Constitution of Board and Appointment of Directors.

2. The Banking Regulation (Amendment) Act, 2020 had made Section 10A(2A)(i) of the Banking Regulation Act, 1949 (in short, "the Act"), which prescribed a ceiling on continuous tenure of directors, applicable to primary (urban) co-operative banks (hereinafter collectively referred to as 'UCBs' and individually as 'UCB'). The provision had come into force for UCBs with effect from June 29, 2020. This provision was further amended by the Banking Laws (Amendment) Act, 2025 to increase the maximum continuous tenure of directors of UCBs from eight years to ten years and the amended provision has come into effect on August 1, 2025.

3. In a few cases, directors have been found to be resorting to certain methods to circumvent the provisions of the Act, such as resigning briefly from office and being re-elected / co-opted to the Board within a short period of time, thereby continuing to be on the Board of a UCB for an extended period beyond the legally permissible tenure, which defeats the intent and spirit of the statutory provision.

4. Accordingly, in exercise of the powers conferred by Section 35A read with Section 10A(2A)(i) and Section 56 of the Act, and all other provisions / laws enabling the Reserve Bank of India ('RBI') in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby issues these Directions hereinafter specified.

(1) These Directions shall be called the Reserve Bank of India (Urban Co-operative Banks - Governance) Amendment Directions, 2026.

(2) These Directions shall come into force with immediate effect.

(3) These Directions shall modify the Reserve Bank of India (Urban Co-operative Banks - Governance) Directions, 2025 in the manner as specified hereinafter.

(4) After paragraph 7 of the Reserve Bank of India (Urban Co-operative Banks - Governance) Directions, 2025, the following shall be inserted, namely:

"7A. A director on the Board of a UCB, after completing a continuous tenure of ten years in office, shall be eligible to be re-appointed, whether by election or co-option or in any other manner, as a director on the Board of the same UCB only after undergoing a minimum cooling-off period of three years. During the cooling-off period, the said director shall not be associated with the UCB in any capacity / manner other than as a member / customer. This, however,

shall not preclude him / her from being appointed as a director on the Board of another bank, if otherwise eligible.

Explanation:

For calculating the period of continuous tenure, the total time served on the Board of the UCB including the period of directorship preceding an interruption of less than three years but excluding the period of directorship preceding at least a three-year interruption shall be reckoned."

SCENTA JOY

Chief General Manager

14 Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Removal of 7 Entries

[Issued by the Reserve Bank of India vide RBI/2026-27/93 DOR.AML.REC.81/14.06.001/2026-27 dated 22.05.2026]

Please refer to Chapter IX on "Requirements/obligations under International Agreements - Communications from International Agencies" of the Reserve Bank of India - Know Your Customer, Directions, 2025 dated November 28, 2025 (amended as on December 29, 2025) ("Directions"), as per which, regulated entity shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967 and amendments thereto, it does not have any account in the name of individuals / entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC).

- In this connection, Ministry of External Affairs (MEA), Government of India has informed about the UNSC press release SC/16365 dated May 21, 2026 wherein the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities removed the entries below from the ISIL (Da'esh) and Al-Qaida Sanctions List. Therefore, the assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2734 (2024) and adopted under Chapter VII of the Charter of the United Nations, no longer apply to the names set out below.

VEENA SRIVASTAVA

Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to www.rbi.org.in

15 Reserve Bank of India (Local Area Banks – Financial Statements: Presentation and Disclosures) Third Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/92 DOR.MRG.REC. No.80/21-04-018/2026-27 May 18, 2026 dated 18.05.2026]

Please refer to Reserve Bank of India (Local Area Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, dated November 28, 2025.

- On a review, consequent to the issuance of Reserve Bank of India (Local Area Banks - Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026, and in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

- (i) These Directions shall be called the Reserve Bank of India (Local Area Banks – Financial Statements: Presentation and Disclosures) Third Amendment Directions, 2026.

- (ii) These Amendment Directions shall come into effect from the date of issue.

- The Reserve Bank of India (Local Area Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, are amended as provided below.

- (i) In the table under paragraph 5(1), notes and instructions for compilation for 'Revenue and Other Reserves' under Schedule 2(IV) shall be substituted by the following, namely: -

"The expression 'Revenue Reserve' shall mean any reserve other than Capital Reserve. This item will include all reserves, other than those separately classified. The expression 'reserve' shall not include any amount retained by way of providing for depreciation, renewals, or diminution in value of assets or retained by way of providing for any known liability."

- (ii) Paragraph 10(3)(vi) shall be substituted by the following, namely: -

"Movement of provisions for non-performing investments (NPIs)".

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards NPIs		
a) Opening balance		
b) Add: Provisions made during the year		
c) Less: Write off / write back of excess provisions during the year		
d) Closing balance		

SUNIL T. S. NAIR

Chief General Manager

16 Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) Sixth Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/91 DOR.MRG.REC. No.79/21-04-018/2026-27 dated 18.05.2026]

Please refer to Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, dated November 28, 2025.

2. On a review, consequent to the issuance of Reserve Bank of India (Commercial Banks - Classification, Valuation, and Operation of Investment Portfolio) Second Amendment Directions, 2026, and in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. (i) These Directions shall be called the Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) Sixth Amendment Directions, 2026.
(ii) These Amendment Directions shall come into effect from the date of issue.
4. The Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, are amended as provided below.
(i) In the table under paragraph 5(1), notes and instructions for compilation for 'Revenue and Other Reserves' under Schedule 2(IV) shall be substituted by the following, namely: -

“The expression ‘Revenue Reserve’ shall mean any reserve other than Capital Reserve. This item will include all reserves, other than those separately classified. The expression ‘reserve’ shall not include any amount retained by way of providing for depreciation, renewals, or diminution in value of assets or retained by way of providing for any known liability.”

- (ii) Paragraph 10(3)(vi) shall be substituted by the following, namely: -

“Movement of provisions for non-performing investments (NPIs)”

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards NPIs		
a) Opening balance		
b) Add: Provisions made during the year		
c) Less: Write off / write back of excess provisions during the year		
d) Closing balance		

SUNIL T. S. NAIR
Chief General Manager

17 Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Sixth Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/90 DOR.MRG.REC. No.78/21-01-002/2026-27 dated 18.05.2026]

Please refer to Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025, dated November 28, 2025.

2. On a review, consequent to the issuance of Reserve Bank of India (Commercial Banks - Classification, Valuation, and Operation of Investment Portfolio) Second Amendment Directions, 2026, and in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. (i) These Directions shall be called the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Sixth Amendment Directions, 2026.
(ii) These Amendment Directions shall come into effect from the date of issue.
4. The Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025, are amended as provided below.
(i) Sub-paragraph 21(i)(b) shall be deleted.

SUNIL T. S. NAIR
Chief General Manager

18 Reserve Bank of India (Regional Rural Banks - Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/89 DOR.MRG.REC. No.77/00-00-001/2026-27 dated 18.5.2026]

Please refer to paragraph 104 of Reserve Bank of India (Regional Rural Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, dated November 28, 2025, on Investment Fluctuation Reserve (IFR). In view of certain operational constraints being faced by banks in the maintenance of IFR, there is a need to amend the extant instructions.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. (i) These Directions shall be called the Reserve Bank of India (Regional Rural Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026.

- (ii) These Amendment Directions shall come into effect from the date of issue.

4. The Reserve Bank of India (Regional Rural Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, are amended as provided below.

- (i) Paragraph 104 shall be substituted by the following, namely: -

"104. An RRB shall create Investment Fluctuation Reserve (IFR) out of the realised gains on sale of investments, subject to the availability of net profit, until the amount of IFR is at least 2 per cent of the HFT and AFS portfolio. This minimum requirement shall be assessed annually and shall be computed with reference to the book value of investments in AFS and HFT categories as of the balance sheet date."

SUNIL T. S. NAIR
Chief General Manager

19 Reserve Bank of India (Rural Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/88 DOR.MRG.REC.No.76/00-00-011/2026-27 dated 18.05.2026]

Please refer to paragraph 115 of Reserve Bank of India (Rural Co-operative Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, dated November 28, 2025, on Investment Fluctuation Reserve (IFR). In view of certain operational constraints being faced by banks in the maintenance of IFR, there is a need to amend the extant instructions.

2. Accordingly, in exercise of the powers conferred by Section 35A read with Section 56 of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. (i) These Directions shall be called the Reserve Bank of India (Rural Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026.
- (ii) These Amendment Directions shall come into effect from the date of issue.
4. The Reserve Bank of India (Rural Co-operative Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, are amended as provided below.
- (i) Paragraph 115.(1) shall be substituted by the following, namely: -

"115.(1) An RCB shall maintain IFR of not less than 5 per cent of its investment portfolio classified under the Current Category. This minimum requirement shall be assessed annually and shall be computed with reference to the book value of its investments in the Current Category as of the balance sheet date."

SUNIL T. S. NAIR
Chief General Manager

20 Reserve Bank of India (Urban Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide Notification No. RBI/2026-27/87 DOR.MRG.REC.No.75/00-00-011/2026-27 dated 18.5.2026]

Please refer to paragraph 153 of Reserve Bank of India (Urban Co-operative Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, dated November 28, 2025, on Investment Fluctuation Reserve (IFR). In view of certain operational constraints being faced by banks in the maintenance of IFR, there is a need to amend the extant instructions.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act), read with Section 56 thereof, and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
 3. (i) These Directions shall be called the Reserve Bank of India (Urban Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026.
 - (ii) These Amendment Directions shall come into effect from the date of issue.
 4. The Reserve Bank of India (Urban Co-operative Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, are amended as provided below.
 - (i) Paragraph 153.(4) shall be substituted by the following, namely: -
- "153.(4) A UCB shall maintain minimum IFR of 5 per cent of the investment portfolio. This minimum requirement shall be assessed annually and shall be computed with reference to the book value of investments in HFT and AFS categories as of the balance sheet date. A UCB may, at its discretion, build up a higher percentage of IFR depending on the size and composition of its portfolio, with the approval of its Board."
- (ii) Paragraph 154.(1) shall be substituted by the following, namely: -

“154.(1) A UCB may, at its discretion, draw down the balance available in IFR in excess of 5 per cent of its investment in AFS and HFT for credit to the balance of profit / loss as disclosed in the Profit and Loss Account at the end of any accounting year.”

SUNIL T. S. NAIR
Chief General Manager

21 Reserve Bank of India (Local Area Banks - Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/86 DOR.MRG.REC. No.74/00-00-001/2026-27 dated 18.05.2026]

Please refer to paragraph 104 of Reserve Bank of India (Local Area Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, dated November 28, 2025, on Investment Fluctuation Reserve (IFR). In view of the developments in the prudential frameworks governing market risk and investments for Local Area Banks, there is a need to amend the extant instructions.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. (i) These Directions shall be called the Reserve Bank of India (Local Area Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026.
(ii) These Amendment Directions shall come into effect from the date of issue.
4. The Reserve Bank of India (Local Area Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, are amended as provided below.
 - (i) Paragraph 104 shall be substituted by the following, namely: -

“104. The requirement of Investment Fluctuation Reserve (IFR) has been discontinued w.e.f. May 18, 2026. The balance in the IFR as on May 17, 2026, shall be transferred ‘below the line’ to Statutory Reserve, General Reserve, or Balance of Profit & Loss Account.”.
 - (ii) Paragraphs 105 to 107 shall be deleted.

SUNIL T. S. NAIR
Chief General Manager

22 Reserve Bank of India (Payments Banks - Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/85 DOR.MRG.REC. No.73/00-00-001/2026-27 dated 18.05.2026]

Please refer to paragraph 112 of Reserve Bank of India (Payments Banks - Classification, Valuation, and Operation

of Investment Portfolio) Directions, 2025, dated November 28, 2025, on Investment Fluctuation Reserve (IFR). In view of certain operational constraints being faced by banks in the maintenance of IFR, there is a need to amend the extant instructions.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. (i) These Directions shall be called the Reserve Bank of India (Payments Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026.
(ii) These Amendment Directions shall come into effect from the date of issue.
4. The Reserve Bank of India (Payments Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, are amended as provided below.
 - (i) Paragraph 112 shall be substituted by the following, namely: -

“112. A bank shall create an Investment Fluctuation Reserve (IFR) out of the realised gains on sale of investments, subject to the availability of net profit, until the balance in IFR is at least two per cent of the AFS and FVTPL (including HFT) portfolio. This minimum requirement shall be assessed annually based on the AFS and FVTPL (including HFT) portfolio values as of the balance sheet date. Transfer to IFR shall be made from net profit after mandatory appropriations.”

SUNIL T. S. NAIR
Chief General Manager

23 Operating framework for facilitating Outward Remittance services by non-bank entities through Authorized Dealer (Category I) banks in India

[Issued by the Reserve Bank of India vide RBI/2026-27/82 A.P. (DIR Series) Circular No.10 dated 13.05.2026]

Attention of Authorised Persons is invited to Master Direction - Miscellaneous (Master Direction No. 19/2015-16 dated January 1, 2016), as amended from time to time.

2. Paragraph 10 of the Master Direction provided a framework under which non-bank entities could obtain specific approval from the Reserve Bank for tie-up arrangements to facilitate outward remittance services through Authorised Dealer Category-I banks in India subject to certain conditions.
3. On a review, it has been decided to dispense with the process of granting of the approvals by RBI for such tie-ups and instead Authorised Dealers are advised to comply with instructions furnished in Annex while

facilitating cross-border outward remittance of funds for non-trade current account transactions using third party entity in online mode (website/ online platform/ software application/ mobile application/ any other interface). Therefore, the para 10 of the Master Direction - Miscellaneous dated January 1, 2016 (as amended from time to time) stands deleted with immediate effect.

4. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

N. SENTHIL KUMAR
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 Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/81 DOR.CAPREC. No.70/21.01.002/2026-27 dated 08.05.2026]

The Reserve Bank had issued the Reserve Bank of India (Payments Banks – Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred as the 'Master Direction'), on November 28, 2025, as amended from time to time. Based on a review, it is proposed to amend the provision relating to inclusion of quarterly profits in Common Equity Tier 1 (CET1) capital by a Payments Bank.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and all other provisions / laws enabling the Reserve Bank of India in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. These instructions shall be called the Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026.
4. These Directions shall come into force with immediate effect.
5. These Amendment Directions modify the Master Direction as under:

Paragraph 9(x) shall be replaced by:

"(x) A bank may reckon the profits in current financial year for CRAR calculation on a quarterly basis subject to the following conditions:

- (a) *The financial statements shall be audited or subjected to limited review on a quarterly basis; and*

- (b) *The amount which can be reckoned shall be arrived at by using the following formula:*

$$EP_t = NP_t - 0.25 * D * t$$

Where:

EP_t = Eligible profit up to quarter 't' of the current financial year, t varies from 1 to 4

NP_t = Net profit up to quarter 't'

D = average dividend paid during the last three financial years

The cumulative net loss up to the quarter end shall be fully deducted while calculating CET1 capital for the relevant quarter;"

SUNIL T. S. NAIR
Chief General Manager

25 Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Fourth Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/80 DOR.CAPREC. No.69/21.01.002/2026-27 dated 08.05.2026]

The Reserve Bank had issued the Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred as the 'Master Direction'), on November 28, 2025, as amended from time to time. Based on a review, it is proposed to amend the provision relating to inclusion of quarterly profits in Common Equity Tier 1 (CET1) capital by a Small Finance Bank.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and all other provisions / laws enabling the Reserve Bank of India in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. These instructions shall be called the Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Fourth Amendment Directions, 2026.
4. These Directions shall come into force with immediate effect.
5. These Amendment Directions modify the Master Direction as under:

Paragraph 11(x) shall be replaced by:

"(x) A bank may reckon the profits in current financial year for CRAR calculation on a quarterly basis subject to the following conditions:

- (a) *The financial statements shall be audited or subjected to limited review on a quarterly basis; and*

- (b) The amount which can be reckoned shall be arrived at by using the following formula:

$$EP_t = NP_t - 0.25 * D * t$$

Where:

EP_t = Eligible profit up to quarter 't' of the current financial year, t varies from 1 to 4

NP_t = Net profit up to quarter 't'

D = average dividend paid during the last three financial years

The cumulative net loss up to the quarter end shall be fully deducted while calculating CET1 capital for the relevant quarter;"

SUNIL T. S. NAIR
Chief General Manager

26 Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Fifth Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/79 DOR.CAPREC. No.68/21.01.002/2026-27 dated 08.05.2026]

The Reserve Bank had issued the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred as the 'Master Direction'), on November 28, 2025, as amended from time to time. Based on a review, it is proposed to amend the provision relating to inclusion of quarterly profits in Common Equity Tier 1 (CET1) capital by a Commercial Bank.

- Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and all other provisions / laws enabling the Reserve Bank of India in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
- These instructions shall be called the Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Fifth Amendment Directions, 2026.
- These Directions shall come into force with immediate effect.
- These Amendment Directions modify the Master Direction as under:

Paragraph 12(x) shall be replaced by:

"(x) A bank may reckon the profits in current financial year for CRAR calculation on a quarterly basis subject to the following conditions:

- (a) The financial statements shall be audited or subjected to limited review on a quarterly basis; and

- (b) The amount which can be reckoned shall be arrived at by using the following formula:

$$EP_t = NP_t - 0.25 * D * t$$

Where:

EP_t = Eligible profit up to quarter 't' of the current financial year, t varies from 1 to 4

NP_t = Net profit up to quarter 't'

D = average dividend paid during the last three financial years

The cumulative net loss up to the quarter end shall be fully deducted while calculating CET1 capital for the relevant quarter;"

SUNIL T. S. NAIR
Chief General Manager

27 Issuance of Foreign Exchange Management (Authorised Persons) Regulations, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/78 A.P. (DIR Series) Circular No. 09 dated 06.05.2026]

The Reserve Bank has reviewed the existing framework for authorisation of any person as an Authorised Person under the Foreign Exchange Management Act, 1999, with the objective to rationalise the framework to improve delivery of foreign exchange services as well as easing compliance requirements. Accordingly, the Foreign Exchange Management (Authorised Persons) Regulations, 2026 has been notified vide Notification No. FEMA 401/2026-RB dated April 30, 2026 (published in the Official Gazette on May 06, 2026). All authorised persons shall comply with aforementioned regulations as applicable to them.

- Upon issuance of the aforementioned regulations, instructions, as per Annex I, contained in Master Directions – Money Changing Activities and Master Direction – Other Remittance Facilities are being amended. Further, the A.P. (DIR Series) Circulars as per the Annex II are being superseded.
- These directions are being issued under Section 10(4) and Section 11 of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

N. SENTHIL KUMAR
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

28 Foreign Exchange Management (Authorised Persons) Regulations, 2026

[Issued by the Reserve Bank of India vide Notification No. FEMA 401/2026-RB dated 30.04.2026]

In exercise of the powers conferred under clause (h) of sub-section (2) of Section 47 read with Section 10 of the Foreign Exchange Management Act, 1999 (42 of 1999) and all other powers enabling it in this behalf, the Reserve Bank hereby, makes the following regulations, namely,

Chapter I – Preliminary

1. Short title and commencement - (1) These regulations may be called the ForeignExchange Management (Authorised Persons) Regulations, 2026.
 - (2) These regulations shall come into force from the date of their publication in the Official Gazette.
2. Definitions - (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions shall be construed accordingly, –
 - (a) “Act” means the Foreign Exchange Management Act, 1999 (42 of 1999);
 - (b) “Annual Forex Turnover” means the aggregate of foreign exchange purchased and sold by an authorised person or a Forex Correspondent from/to the public directly, and through its agents/franchisees/Forex Correspondents, during a financial year, excluding the value of inward remittances processed;
 - (c) “Authorised Dealer (AD)” means a person authorised as an authorised dealer under sub-section (1) of Section 10 of the Act;
 - (d) “Company” means a company incorporated under the Companies Act, 2013 (18 of 2013);
 - (e) “Control” shall have the same meaning as assigned to it under sub-section (27) of Section 2 of the Companies Act, 2013 (18 of 2013);
 - (f) “Director” shall have the same meaning as assigned to it under sub-section (34) of Section 2 of the Companies Act, 2013 (18 of 2013);
 - (g) “Forex Correspondent (FxC)” means an agent of an Authorised Dealer appointed in terms of the Forex Correspondent Scheme (FCS) issued by the Reserve Bank;
 - (h) “Full Fledged Money Changer (FFMC)” means a money changer authorised under sub-section (1) of Section 10 of the Act;
 - (i) “Key Managerial Personnel (KMP)” shall have the same meaning as assigned to it under sub-section (51) of Section 2 of the Companies Act, 2013;

- (j) “Net Worth” shall have the same meaning as assigned to it under sub-section (57) of Section 2 of the Companies Act, 2013 (18 of 2013);
- (k) “Promoter” shall have the meaning as assigned to it under sub-section (69) of Section 2 of the Companies Act, 2013 (18 of 2013);
- (l) “Significant Influence” shall have the same meaning as assigned to it under the Explanation (2) Words and expressions used but not defined in these regulations shall have the same meanings respectively assigned to them in the Act.

Chapter II – Grant of Authorisation

3. Authorisation - (1) No person shall act as an authorised person without obtaining an authorisation from the Reserve Bank.
 - (2) An authorised person as on the date of coming into force of these regulations may continue to act as such until the expiry of its existing authorisation, in accordance with the conditions of the authorisation issued, as well as these regulations and the directions issued by the Reserve Bank from time to time.
- (3) A person seeking authorisation as an authorised person may apply to the Reserve Bank through the PRAVAAH portal (<https://pravaah.rbi.org.in>) to the regional office concerned of the Reserve Bank under whose jurisdiction the registered office of the applicant is established.
- (4) The Reserve Bank shall consider application for fresh authorisation under three categories, namely, AD Category-I, AD Category-II and AD Category-III and such application shall be processed in accordance with these regulations. The eligibility conditions and activities permitted are specified in regulations 4 and 7 below, respectively.
- (5) Any additional information and/or documents as may be required by the Reserve Bank to process an application mentioned at sub-regulation (4) shall be submitted by the applicant within the time specified by the Reserve Bank.
- (6) Application for fresh authorisation as an FFMC shall not be considered by the Reserve Bank, except those under process as on the date of coming into force of these regulations. Wherever additional information and/or documents have been sought by the Reserve Bank for processing such applications, the same shall be provided within thirty days from the date of coming into force of these regulations; else the applications shall be deemed to have been rejected. Such applications shall be processed as per the eligibility conditions, documents and procedure listed at Annex.

N. SENTHIL KUMAR
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

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NEWS FROM THE INSTITUTE



- Members Restored during the month of April 2026
- Certificate of Practice surrendered during the month of April 2026
- New Admissions
- Uploading of Photograph (Passport Size only) and Signature
- Obituary
- Payment of Annual Membership Fee and Certificate of Practice Fee For FY 2026-2027
- Change / Updation of Address



Institute News

LIST OF MEMBERS RESTORED IN THE MONTH OF APRIL 2026

Sl. No	Membership No.	Member's Name	Region
1	ACS - 10870	CS SUSHMA ARORA	WIRC
2	ACS - 12604	CS NARENDRA V ARORA	WIRC
3	ACS - 13874	CS S SREENIVASARAO	SIRC
4	ACS - 16811	CS GAURAV JAIN	NIRC
5	ACS - 17065	CS SAMEER SHAM WAGH	SIRC
6	ACS - 18692	CS SRABANI SAHA	WIRC
7	ACS - 18856	CS RUCHI AGGARWAL	NIRC
8	ACS - 18935	CS V SESHADRI	SIRC
9	ACS - 19973	CS DEEPAK KUMAR JAIN B	SIRC
10	ACS - 21248	CS MANOJKUMAR MURLIDHAR KAMBLE	WIRC
11	ACS - 21776	CS ANANTA NARAYAN KHATUA	EIRC
12	ACS - 21851	CS KUPPUSAMY JANAKI RAMAN	SIRC
13	ACS - 22094	CS PRACHI PRABHAKAR VICHARE	WIRC
14	ACS - 22713	CS SHIRISH SATCHIDANAND SULE	WIRC
15	ACS - 23455	CS NISHAT RAB	NIRC
16	ACS - 24394	CS KAMAL KUMAR JAIN	EIRC
17	ACS - 25203	CS DEEPAK SINGH BHANDARI	NIRC
18	ACS - 27397	CS ANIL KUMAR K K	SIRC
19	ACS - 28175	CS KUMARA PANDIAN SHANMUGAVEL	SIRC
20	ACS - 28919	CS SHRUTI RAHUL TEKRIWAL	WIRC
21	ACS - 29969	CS GAURAV RAJORIYA	NIRC
22	ACS - 30175	CS HIMANI GUPTA	WIRC
23	ACS - 31101	CS NOOPUR MITTAL	NIRC

24	ACS - 31633	CS MEHAK BHASIN	NIRC
25	ACS - 32025	CS KALAVATHI S	SIRC
26	ACS - 32901	CS ANKUSH VERMA	NIRC
27	ACS - 34370	CS ANUP KUMAR GUPTA	EIRC
28	ACS - 37559	CS PRASHANT JAIN	NIRC
29	ACS - 37644	CS VISHAL SHARMA	NIRC
30	ACS - 38102	CS KIRTANA JAISHANKAR	WIRC
31	ACS - 40623	CS RITHIKA RAMESH SHETTY	WIRC
32	ACS - 41059	CS RUCHIKA SHARMA	NIRC
33	ACS - 42379	CS SALONI JAISWAL	SIRC
34	ACS - 42674	CS KARAN SINGH	SIRC
35	ACS - 43048	CS ABHINAV AGARWAL	WIRC
36	ACS - 43360	CS SHEFALI GOYAL	NIRC
37	ACS - 43611	CS SRISHTI BATHLA	NIRC
38	ACS - 43751	CS AJAY D RANAWAT	NIRC
39	ACS - 45655	CS PRIYA KSHTRIYA	NIRC
40	ACS - 4701	CS NIRMAL KUMAR GANGWAL	WIRC
41	ACS - 47452	CS ASLAM	NIRC
42	ACS - 47718	CS SANJAY YADAV	NIRC
43	ACS - 47904	CS ARPITHA A PATTAR	SIRC
44	ACS - 49130	CS ANKUR SHARMA	WIRC
45	ACS - 49559	CS ANWESH K RAO	NIRC
46	ACS - 49757	CS ASHIQ HUSSAIN SHEIKH	NIRC
47	ACS - 49880	CS NAMITA RATHORE	NIRC
48	ACS - 51794	CS NEHA GARG	NIRC
49	ACS - 52281	CS SHWETA KIRIT CHITALIA	WIRC
50	ACS - 54743	CS NISHA JHANWAR	NIRC
51	ACS - 57085	CS ARTIKUMARI WASHURAM BATRA	WIRC
52	ACS - 58679	CS YASHIKA PANJWANI	EIRC
53	ACS - 59462	CS MEGHNA PAREEK	NIRC
54	ACS - 59536	CS YASH HETAL MEHTA	WIRC
55	ACS - 59756	CS SAMIKSHA GUPTA	NIRC
56	ACS - 60448	CS JAY KISHORBHAI KULAR	WIRC
57	ACS - 61797	CS SHUBHAM THARD	EIRC
58	ACS - 63835	CS HARINI PEMMASANI	SIRC

59	ACS - 64487	CS HIRAL HIMMAT GOHIL	WIRC
60	ACS - 64851	CS AANCHAL RANI	NIRC
61	ACS - 65343	CS KAVITA JOSHI	NIRC
62	ACS - 66748	CS PANKAJ KUMAR	WIRC
63	ACS - 70036	CS PRATEEK SUNEJA	NIRC
64	ACS - 70249	CS MONIKA MAHESHWARI	NIRC
65	ACS - 71552	CS ADITI JAIN	WIRC
66	ACS - 71963	CS RUCHI DHANANJAYKUMAR YAGNIK	WIRC
67	ACS - 72120	CS PRAVEENA A R	SIRC
68	ACS - 73824	CS AKANKSHA PATHAK	NIRC

69	ACS - 73863	CS ANKITA AGARWAL	SIRC
70	ACS - 74550	CS DIVYA MANTRI	WIRC
71	ACS - 76031	CS NIKI SINGH	WIRC
72	FCS - 11010	CS ABHINEET SHUKLA	NIRC
73	FCS - 11106	CS AJAY NAGA CHOWDARY VEMURI	SIRC
74	FCS - 1572	CS A G MEHTA	WIRC
75	FCS - 4192	CS D C MATHUR	NIRC
76	FCS - 5142	CS RUPENDER KANSAL	NIRC
77	FCS - 6977	CS RAJESH KUMAR JAIN PALRECHA	SIRC
78	FCS - 9130	CS SRIKANTH GODAVARTHI	SIRC

CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF APRIL 2026

Sl. No.	Member's Name	Membership No.	CoP No.	Cancel Date	Region
1	CS PANKAJ KUMAR	A40833	15947	01/04/2026	EIRC
2	CS MANALI SHARMA	A70047	27236	02/04/2026	SIRC
3	CS TANAY KUMAR KASERA	F6678	25552	02/04/2026	WIRC
4	CS DIVYA BURAD S	A45992	26410	07/04/2026	SIRC
5	CS SHIVANI SEKHRI	F11755	9188	07/04/2026	NIRC
6	CS MONIKA GUPTA	A44597	16407	08/04/2026	WIRC
7	CS NUPUR AGGARWAL	A53846	21736	08/04/2026	NIRC
8	CS PRAKASHKUMAR RAMANLAL JETHVA	A49280	18862	08/04/2026	WIRC
9	CS V THILAGAVATHY	A66725	27234	10/04/2026	SIRC
10	CS RAVAL MEHUL JAYANT	A18300	24170	17/04/2026	WIRC
11	CS FATEMA KAGALWALA	A59914	27874	20/04/2026	WIRC
12	CS RAJESH KUMAR GUPTA	A43494	17120	20/04/2026	EIRC
13	CS KAUSTUBHA ARUN SAHASRABUDHE	A21165	22301	21/04/2026	WIRC
14	CS UPENDER REDDY SAMA	A17738	6877	21/04/2026	SIRC
15	CS SIDDHANT DHYANI	A74674	27591	22/04/2026	NIRC
16	CS MANSI LOHIYA	A70016	27113	23/04/2026	SIRC
17	CS SHILVI KIRTIKUMAR PATEL	A67894	25535	23/04/2026	WIRC

18	CS TARANG GUPTA	A31086	11766	23/04/2026	NIRC
19	CS JASWINDER KAUR MALHOTRA	F12429	19909	27/04/2026	WIRC
20	CS POOJA	A67463	26249	27/04/2026	NIRC
21	CS PRAJAPAT HIMALAY	A70076	26338	27/04/2026	WIRC
22	CS RAJU AGGARWAL	F9957	15609	27/04/2026	NIRC
23	CS NANDKUMAR DADASO PATIL	A34904	27889	28/04/2026	WIRC
24	CS SHIVANGI AGARWAL	F13216	20699	28/04/2026	NIRC
25	CS I HARISH JAYAMKONDAR	A75898	28663	29/04/2026	SIRC
26	CS NEHA SETIA	A75475	28202	29/04/2026	NIRC

NEW ADMISSIONS

For latest admission of Associate and Fellow Members, Life Members of Company Secretaries Benevolent Fund (CSBF), Licentiates and issuance of Certificate of Practice, kindly refer to the link <https://www.icsi.edu/member>



UPLOADING OF PHOTOGRAPH (PASSPORT SIZE ONLY) AND SIGNATURE

Members are requested to ensure that their latest scanned PASSPORT size front-facing colour photograph (in formal wear) and signature in .jpg format (each on light-colored background of not more than 200 KB file size) are uploaded on the online portal of the Institute.

Online Steps for Uploading of photo and signature.

- Use ONLINE SERVICES tab on www.icsi.edu
- Select Member Portal from dropdown
- Login using your membership number e.g. A1234/F1234
- Enter your password
- Under My Profile --- Click on View and Update
- Upload/update the photo and signature as required
- Press Save button

OBITUARY

Chartered Secretary deeply regrets to record the sad demise of the following member:

CS ANJU JAIN (08-02-1956– 29-03-2026) a Fellow Member of the Institute from AGRA (UP).

May the Almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the departed soul rest in peace.

**PAYMENT OF ANNUAL MEMBERSHIP FEE AND
CERTIFICATE OF PRACTICE FEE FOR FY 2026-2027**

Dear Esteemed Member,

The Annual Membership Fee and Certificate of Practice Fee for the Financial Year **2026-27** have become due for payment **w.e.f. 1st April, 2026**. The last date for payment of Annual Membership Fee and Certificate of Practice Fee is **30th June, 2026**.

Details of fee payable are as under:

Particulars	(Fee : in Rs.)*	
	ACS	FCS
Annual Membership Fee (To receive physical copy of Chartered Secretary Journal through normal post)	2950/- #	3540/- #
Annual Membership Fee (Opting out to receive physical copy of Chartered Secretary Journal)	2360/-	2950/-
Annual Fee for Certificate of Practice	2360/-	2360/-

(*) All Fee inclusive of 18% GST.

(#) Rs. 590/- will be charged additionally towards postal charges for sending Chartered Secretary by Registered Parcel.

Fee Concessions:

Category of Member	Percentage of Concession	Remarks
Age of Seventy Years and above	75%	--
Divyangjan	50%	Subject to submission of Medical Certificate issued by competent authority

Mode of Remittance of Fee: ONLINE Mode only

Steps to remit the Membership Fee are given below :

1. Use ONLINE SERVICES tab on www.icsi.edu
2. Select Member Portal from dropdown
3. Login using membership number e.g. A1234/F1234
4. Enter password
5. Click on renew link under "Announcements"
6. Fill the KYM Form and proceed to pay the fee

The online KYM (Know Your Member) Form is required to be filled before making online payment of Annual Membership Fee.

For more information, kindly refer **FAQs** available on home page of www.icsi.edu or write at <http://support.icsi.edu>

Team ICSI

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 along with Zipcode.

Members are required to verify and update their address and contact details as required under Regulation 3 of the CS Regulations, 1982 amended till date.

For any further assistance, we are available to help you at <http://support.icsi.edu>



भारतीय कम्पनी सचिव संस्थान
THE INSTITUTE OF
Company Secretaries of India
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:

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2. Go to Central Government and select Institute of Company Secretaries of India.
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7

MISCELLANEOUS CORNER



- GST Corner
- Ethics in Profession
- CG Corner
- Maritime Corner
- ESG Corner
- MSME Corner
- AI Corner
- Gist of ROC & RD Adjudication Orders

FILING OF ANNEXURE-B FOR REFUND APPLICATIONS INVOLVING ACCUMULATED ITC USING THE OFFLINE UTILITY IN GST PORTAL – REG (DATED MAY 18, 2026)

The GSTN Advisory, dated May 18, 2026, The GSTN has made it mandatory to file Annexure-B via a standardized Excel-based offline utility, generating a JSON file for upload. This replaces the previous PDF upload method, allowing the portal to automate refund processing and instantly validate invoices against auto-drafted GSTR-2B statements.

Key Highlights of the Guidelines

- **Mandatory Categories:** This applies to refunds of accumulated Input Tax Credit (ITC) for zero-rated exports (without payment of tax), supplies to SEZs, inverted duty structures, and export of electricity.
- **File Limits:** You can enter a maximum of 10,000-line items per offline utility file. The portal allows up to 25 uploaded files, accommodating a total of 2,50,000-line items per refund application.
- **Granular Reporting:** Invoices must be segregated HSN/SAC-wise and classified by input supply category (Inputs, Input Services, Capital Goods). You must also declare if ITC is blocked under Section 17(5).
- **Validation & Errors:** Generated JSON files are validated with GSTR-2B. Any mismatches trigger an invalid documents report.

Step-by-Step Filing Process

1. **Download the Utility:** Access and download the latest Excel-based Annexure-B offline utility from the GST portal.
2. **Fill Details:** Enter invoice-wise details of inward supplies carefully, ensuring no extra spaces or formatting deviations.
3. **Generate & Upload:** Convert the data into a JSON file and upload it directly on the RFD-01 screen using the “Click to upload the Statement of invoices (Unutilized ITC)” option.
4. **Handling High Volumes:** If your refund application exceeds 2,50,000-line items, you can upload the first 2,50,000 items through the JSON utility and submit the remaining invoices as supporting PDF documents.

Source: <https://www.gst.gov.in/newsandupdates/read/660>

ADVISORY TO TAXPAYERS AND STAKEHOLDERS – ENHANCEMENTS IN THE E-WAY BILL (EWB) PORTAL - REG (DATED MAY 21, 2026)

The GSTN Advisory, dated May 21, 2026 has introduced key enhancements to the e-Way Bill (EWB) system to

improve traceability and operational efficiency. Changes include mandatory capturing of the “Ship-To GSTIN” for Bill-To/Ship-To transactions and the launch of a voluntary EWB closure facility.

Key Enhancements

- **Mandatory Ship-To Details:** For Bill-To/Ship-To transactions, inputting the “Ship-To GSTIN” is now mandatory. If the consignee is unregistered, users must enter “URP” (Unregistered Person).
- **Voluntary EWB Closure Facility:** Suppliers, recipients, transporters, and authorized drivers can now voluntarily close e-Way Bills after the successful delivery of goods. This is available via portal.

Source: https://tutorial.gst.gov.in/downloads/news/gstn_advisory_ewb_approved.pdf



YOUR OPINION MATTERS

‘Chartered Secretary’ has been constantly striving to achieve Excellence in terms of Coverage, Contents, Articles, Legal Cases, Govt. Notification etc. for the purpose of knowledge sharing and constant updation of its readers. However, there is always a scope for new additions, improvement, etc.

The Institute seeks cooperation of all its readers in accomplishing this task for the benefit of all its stakeholders. We solicit your views, opinions and comments which may help us in further improving the varied segments of this journal. Suggestions on areas which may need greater emphasis, new Sections or areas that may be added are also welcome.

You may send in your suggestions to the Editor, Chartered Secretary, The ICSI at cs.journal@icsi.edu

Due Diligence in Certification of E-Forms

As per Section 22 of the Company Secretaries Act, 1980, “*professional and other misconduct*” shall be deemed to include any act or omission provided in any of the Schedules, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Director (Discipline) under sub-section (1) of Section 21 to inquire into the conduct of any member of the Institute under any other circumstances.

Company Secretaries in Practice are expected to exercise due diligence while certification of various E-Forms. Mentioning correct figures and amounts of shares and share capital in Form MGT-7 is very important. Cross checking various figures and amounts from records of the client company is the correct option.

A member of the Institute in practice shall be deemed to be guilty of professional misconduct under Clause (7) of Part I of the Second Schedule to the Company Secretaries Act, 1980, if he does not exercise due diligence, or is grossly negligent in the conduct of his professional duties.

CASE STUDY:

1. A Complaint has been filed against a Practising Company Secretary (hereinafter referred to as ‘the Respondent’) for professional misconduct under Section 21 of the Company Secretaries Act, 1980 (hereinafter referred to as ‘the Act’) read with Rule 3 of the Company Secretaries (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007 (hereinafter referred to as ‘the Rules’).
2. The Complainant has *inter alia* alleged that the Respondent has certified forms of a private limited company (hereinafter referred to as ‘company’) and these forms are factually and legally wrong. The Respondent has certified it without application of mind and professional diligence. The Complainant has further stated that the Respondent has certified form MGT-7 for the financial year 2022-23 of the Company. The Respondent has wrongly reported total amount of equity shares of Rs. 1,02,50,000/- under authorized capital in form MGT-7, while correct amount of authorized capital is Rs. 1,10,00,000/- as mentioned in Memorandum of Association and Master Data of the Company. It is further alleged that the Respondent has claimed to be authorized *vide* Board of Directors resolution for certifying form MGT-7 along with Director. Whereas the fact is that the resolution is silent about authorizing the Respondent for certifying form MGT-7 for FY 2022-23.
3. The Director (Discipline) has opined that the Respondent is *prima facie* ‘Guilty’ of Professional Misconduct under clause (7) of Part-I of the Second Schedule to the Act.
4. The Disciplinary Committee decided to adjudicate the matter against the Respondent in accordance with Rule 18 of the Rules read with the Act to finally conclude as to whether the Respondent is guilty or not in the matter.
5. The Respondent has submitted that the Complainant had to recover Rs. 1,59,65,038/- from the Company. The Complainant has sent legal notice to him and to all the directors of the Company. The Respondent has further submitted that there was an omission by his staff while certifying form MGT-7 for the financial year 2022-23 of the Company, but it was, unintentional and there is no loss to the stakeholders of the Company. The Respondent has further apologized and requested a lenient view.
6. The Respondent pleaded guilty to the charges before the Disciplinary Committee.
7. The Disciplinary Committee observed that the Respondent has pleaded guilty to the charges and he has admitted in his Written Statement that there was an omission in mentioning the authorized share capital of the company by his staff while certifying form MGT-7 for the financial year 2022-23 of the Company, but it was, unintentional and there is no loss to the stakeholders of the company.
8. The Disciplinary Committee after considering the materials on record, the nature of issues involved in the matter and in the totality of the facts and circumstances of the case, held the Respondent ‘Guilty’ of Professional Misconduct under Clause (7) of Part I of the Second Schedule to the Company Secretaries Act, 1980.
9. After giving an opportunity of being heard to the Respondent, the Disciplinary Committee passed an Order of ‘Reprimand’ under Section 21B (3) of the Company Secretaries Act, 1980.

State Ownership and Sustainability in Asia

OECD have issued a report on “*State Ownership and Sustainability in Asia*” in May 2026 that reviews the national approaches to integrating sustainability and governance across the selected Asian jurisdictions (the People’s Republic of China, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Thailand and Viet Nam) and highlights the main issues being faced in incorporating sustainability policies within the state-owned enterprises (SOEs). It also provides suggestions for policymakers to support further improvements in their SOE sectors.

The key findings and ongoing challenges include the following:

Role of the state-owner: While all reviewed countries have made national sustainability commitments which are gradually being integrated into SOEs sustainability practices, the implementation remains uneven and concentrated among large or listed enterprises since the Sustainability requirements (e.g. operational, strategic, disclosure) for SOEs are typically established through laws and regulations, governance codes or sectoral guidance but the level of coverage, formalisation and coherence varies, with a focus on large or listed SOEs. Further, the linkages to performance outcomes are still evolving. Strengthening consistent enforcement across portfolios, providing credible incentives and SOE engagement will be critical to turn commitments into measurable outcomes rather than remaining aspirational.

Roles and responsibilities of SOE boards: The national governance frameworks provide varied provisions in respect of sustainability-related board responsibilities, viz., explicit requirements for listed SOEs, expectations in corporate governance codes and reliance on existing risk management or due diligence practices. In cases of large or listed SOEs, the sharpened focus on board’s oversight of sustainability has resulted in changes in leadership structures (either by way of designated sustainability committees at board or executive level) and performance evaluation. However, inclusion of sustainability expertise as a criterion for board appointments remains at an early stage. Further, in most reviewed countries, the linking of sustainability to executive remuneration is limited and targeted capacity building initiatives for boards and senior management are uncommon.

Sustainability reporting and disclosure: Sustainability reporting frameworks are being aligned with international standards but compliance expectations remain limited to specific categories of SOEs. Most of the countries have SOEs that report under the Global Reporting Initiative (GRI) Standards and/or the Sustainability Accounting

Standards Board (SASB) standards, while many of them are developing national equivalents to International Financial Reporting Standards (IFRS) S1 and S2. Despite constant initiatives to align sustainability reporting with evolving internationally recognised disclosure frameworks, significant variations persist in reporting obligations across jurisdictions. Moreover, national frameworks are phased or distinguished by enterprise type (listed vs. non-listed), size or sector and therefore, non-listed and smaller SOEs are not expected to be subject to comprehensive sustainability disclosure requirements in the short- to medium-term. Further, the Independent third party verification processes to provide assurances on sustainability reporting are less advanced than disclosure mandates. While tailored disclosure requirements recognise differences in organisational capacities, they may also lead to fragmented reporting and uneven transparency and disclosure practices of SOEs.

Responsible business conduct and stakeholder engagement: In addition to disclosure and reporting, broader Responsible Business Conduct (RBC) principles and standards are increasingly being integrated into national framework. All reviewed countries have reflected commitments to international RBC standards including human rights and environmental due diligence, in their national legal frameworks, policies and action plans, however, limited resourcing and weak enforcement limit the uptake and impact on SOE strategy and operations. The effectiveness of these efforts remains constrained due to absence of co-ordination mechanisms among relevant authorities and inadequate resources and therefore, the practical implementation remains uneven across jurisdictions.

Key recommendations

Considering the above findings, the following measures could support policymakers in enabling SOEs and their owners to lead by example on sustainability across the reviewed jurisdictions:

- **State sustainability-related expectations should be clearly set out in ownership policies:** Clear long-term strategies reflected in ownership policies and enterprise rationales help SOEs to effectively incorporate sustainability-related risks and opportunities in corporate objectives, targets, disclosure and monitoring measures, while avoiding conflicting expectations arising from operational and strategic uncertainties.
- **SOE boards should actively incorporate sustainability into their oversight and strategic functions:** Adopting a long-term perspective will

allow SOE boards to embed sustainability-related considerations into business strategies supporting long-term value creation, incentive and performance monitoring frameworks for executives, and risk management and control systems. Comprehensive incorporation of sustainability considerations across board responsibilities, succession planning and remuneration frameworks, along with “top down” and “bottom up” communication of material information to state owners and stakeholders will play a key role.

- **Sustainability reporting and disclosure obligations should be expected of all SOEs with requirements phased in and tailored based on size, sector or stage of development:** Implementation of interoperable sustainability reporting frameworks will enhance long-term comparability of information, and the incremental or segmented phasing of obligations can recognise disparities in enterprise capacities in the short to medium term. Further, the phased external assurance obligations can improve credibility and accountability – starting with high-priority sectors where reasonable assurance could be phased in as a priority over limited assurance while systems and

capabilities mature. While disclosure practices remain inconsistent across portfolios, state owners should disclose assumptions, boundaries and data limitations used in aggregation.

- **Due diligence responsibilities should be clearly identified in SOEs to enhance RBC outcomes:** Coherent and well-enforced RBC policies should extend beyond large or high-risk SOEs to be systematically implemented across SOE portfolios, with due diligence responsibilities and operational plans identified at the company level, supported by clear lines of accountability, monitoring and access to remedy.
- **SOEs should view sustainability as broader than climate:** National and corporate approaches should prioritise climate-related risks and opportunities while giving due consideration to other aspects such as integrity and anti-corruption, human rights and human capital, environment and biodiversity, modern slavery.

Source: https://www.oecd.org/en/publications/state-ownership-and-sustainability-in-asia_7639805e-en.html

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MARITIME NEWS

GREAT NICOBAR PROJECT

The Great Nicobar Project is a strategic project which aims to strengthen India's presence in the Andaman Sea and Southeast Asia. The project seeks to balance port-led growth with calibrated environmental safeguards and protection of indigenous communities. By combining strategic, economic, and ecological priorities, the project seeks to ensure that **development in Great Nicobar is sustainable, inclusive, and aligned with national interests.**

The project includes:

1. International Container Transshipment Terminal (ICTT) with a capacity of 14.2 million TEU (Twenty-Foot Equivalent Unit)
2. Greenfield International Airport (4000 Peak Hour Passengers-PHP) A 450 MVA (Megavolt Ampere) gas and solar-based power plant,
3. A new township spanning 16,610 hectares.

The development follows a sensitive and holistic approach. It considers the needs of indigenous communities and aims to protect the island's ecological resources. The plan evaluates social, cultural, and environmental impacts carefully and prioritises options that balance environmental, social, and economic goals.

Core Infrastructure Components of the Great Nicobar Project

1. International Container Transshipment Terminal

India's ports lack deep water berths for large ships. Because of this, cargo is routed through Colombo and Singapore. India loses substantial revenue as a result. Countries like Myanmar, China and Sri Lanka are already building deep water facilities to capture this trade.

In this context, the International Container Transshipment Port (ICTP) at Galathea Bay is being developed as part of the Holistic Development of Great Nicobar Island under the Island Development programme. Along with the proposed airport, township, and power plant, the Galathea Bay transshipment port forms a major infrastructure component of the overall Great Nicobar Project. The port is strategically important because it is located close to the East-West international shipping route, about 40 nautical miles away, and has natural water depth of over 20 metres. This strategic location gives it an advantage to attract both gateway and transshipment cargo, reduce India's dependence on foreign ports like Colombo, Singapore and Klang. The project is designed to **enhance India's national security, strategic and defence presence, strengthen the islands' economic position, and accelerate holistic development** in the region.

2. Greenfield International Airport

The island has world class ecological resources that can attract international and Indian tourists. An international airport is necessary to improve connectivity and open up the island to tourism. The island is close to international tourist destinations like Senang City, Phuket Island and Langkawi Island. Port Blair airport currently handles approximately 1.8 million passengers annually. The new airport is expected to handle at least 1 million passengers when it opens and grow to approximately 10 million passengers per year thereafter.

3. Township and Area Development

The planned township is intended to support the residential, commercial and institutional requirements arising from the port-led development of the island. It will provide essential urban infrastructure for personnel, service providers and associated economic activities, in line with the overall integrated development framework.

4. Power Plant

Reliable power infrastructure is essential for the operation of the transshipment terminal, airport and associated urban infrastructure. Currently, diesel generating sets are the major source of energy in the Andaman & Nicobar Islands. The primary objective of Power Plant is to provide good quality, reliable electrical energy without interruptions. The system is designed to ensure continuity of power supply even if one primary component fails. Renewable energy sources will also be planned for additional generation. An uninterrupted energy supply is a key component in increasing the GDP of the island.

The Great Nicobar Project is an example of how holistic development can balance economic growth, ecological conservation, and social inclusion. **It leverages Great Nicobar's strategic location to strengthen India's national security, maritime and defence presence in the Indo-Pacific, while simultaneously embedding strong environmental safeguards and tribal welfare mechanisms.**

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2257174®=3&lang=1>

INDIA SIGNS MOUs WITH NETHERLANDS, DENMARK, GERMANY, SOUTH KOREA, UAE, PORTUGAL, VIETNAM, OMAN, ISRAEL, THAILAND FOR NMHC GLOBAL OUTREACH

The National Maritime Heritage Complex (NMHC) is a landmark initiative to showcase India's rich maritime legacy and civilisational connect with the seas. India has already signed 10 MoUs with Netherlands, Denmark, Germany, South Korea, UAE, Portugal, Vietnam, Oman,

Israel, and Thailand while 4 more countries — Italy, France, Myanmar & Cambodia — are likely to sign the MoUs for collaboration in developing NMHC as a global centre of Maritime history.

Phase 1A of the project, targeted for completion by July this year, includes six museum galleries, the Lothal township, aquatic theming, common area theming, a jetty walkway and the display of Indian Navy artefacts.

The next phase, Phase 1B, will see an investment of approximately ₹3,000 crore and will include eight additional museum galleries, a lighthouse museum, the Bageecha complex, Lothal-NI-VAV components, and a 50-dome theatre, among other attractions.

Once completed, the NMHC is expected to emerge as a global centre for maritime history, tourism and cultural engagement, significantly contributing to India's vision of preserving heritage while driving economic growth.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2258528®=3&lang=1>

WOMEN'S PARTICIPATION IN INDIA'S MARITIME SECTOR SURGES 340% SINCE 2020

Women's participation in India's maritime sector has increased by 340% since 2020, building a more inclusive, future ready maritime workforce. The 10th Indian Ocean Dialogue, hosted by India as Chair of the Indian Ocean Rim Association (IORA) for 2025–27, is themed "Indian Ocean Region in a Transforming World." The forum brings together ministers, policymakers, academics and industry leaders to deliberate on maritime security, blue economy, disaster risk management and women's empowerment.

The Indian Ocean Dialogue (IOD), IORA's flagship Track 1.5 platform launched in 2014 in Kochi, convenes ministers, policymakers, academics and industry leaders to deliberate on key regional issues. IORA comprises 23 member states and 12 dialogue partners, focusing on economic cooperation and sustainable development in the Indian Ocean Region, with women's economic empowerment identified as a key cross-cutting priority alongside the blue economy. The 10th edition of the Dialogue, held on May 7–8, 2026, featured dedicated sessions on maritime security, blue economy, disaster risk management, climate change and women's empowerment.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2258853®=3&lang=1>

INTERNATIONAL DAY FOR WOMEN IN MARITIME 2026: MAINSTREAMING GENDER EQUALITY IN SHIPPING

This year's International Day for Women in Maritime (18 May) focused on embedding gender equality at every level of the maritime industry, both on shore and at sea.

Under the theme "From Policy to Practice: Advancing Gender Equality for Maritime Excellence", the day highlighted actions to translate international ambitions and commitments into tangible actions that will make

a difference in the lives of women in the sector, from seafarers to shore side professionals.

Source: <https://www.imo.org/en/mediacentre/press-briefings/pages/international-day-for-women-in-maritime-2026-id4wim-mainstreaming-gender-equality.aspx>

IMO PROGRESSES WORK ON SHIP EMISSIONS, POLLUTION AND OCEAN PROTECTION

IMO Net Zero Framework

Nearly 100 delegations took the floor to voice their views on the adoption of "mid-term measures" to address greenhouse gas (GHG) emissions from ships - known as the IMO Net-Zero Framework - with multiple proposals tabled on how to take forward negotiations.

The Committee agreed to establish an intersessional Working Group to resolve various concerns and drive broader convergence on a global measure ahead of MEPC 85 in six months. Member States will be able to submit new amendments and adjustments to the draft amendments previously approved.

Two inter-sessional meetings will be scheduled (1 to 4 September and 23 to 27 November) ahead of MEPC 85 (30 November to 3 December), as well as a one-day expert workshop on "chain of custody" models, which track fuel origin and movement of fuels across the supply chain, ensuring emissions are properly traced and verified.

The second extraordinary session of MEPC (adjourned last October) is scheduled to resume on 4 December, subject to discussions at MEPC 85.

Strait of Hormuz and the marine environment

The Committee adopted a resolution condemning the attacks on commercial shipping in the Strait of Hormuz region and the related risks of marine pollution.

The Committee recognised the vulnerability of the Persian Gulf and adjacent waters, warning that these attacks could cause large-scale marine pollution such as oil, hazardous and noxious substances and hazardous residues arising from missiles, drones, fires and explosions.

The Committee requested Secretary-General to monitor environmental impacts and report to the next IMO Council session.

New Emissions Control Area for the North-East Atlantic

The Committee adopted a new Emission Control Area (ECA) in the North-East Atlantic, introducing stricter emission limits on nitrogen oxides (NOx), sulphur oxides (SOx) and particulate matter (PM). The entry into force date is set for 1 September 2027, with the ECA taking effect 12 months later in 2028.

The ECA covers the exclusive economic zones and territorial seas, extending up to 200 nautical miles from their baselines of Greenland, Iceland, the Faroes, Ireland, the mainlands of the United Kingdom, France, Spain and Portugal.

Within ECAs, ships must use fuel with a sulphur content of no more than 0.10%. Cutting SOx and NOx emissions reduces risks of lung cancer, cardiovascular disease, strokes and childhood asthma. It also improves visibility at sea and reduces acidification, helping protect crops and forests.

2026 Strategy and Action Plan on marine plastic litter

The Committee adopted the 2026 Strategy and the Action Plan to Address Marine Plastic Litter from Ships, reaffirming IMO's goal of zero plastic waste discharges to sea from ships by 2030.

The Strategy and Action Plan work to improve port reception facilities and waste processing, strengthen regulatory compliance, and expand public awareness, seafarer training and international cooperation, including targeted technical assistance and capacity-building. It updates and supersedes the 2021 Strategy and 2025 Action Plan for addressing marine litter.

Developing a Code for transporting plastic pellets

The Committee agreed to develop a mandatory code governing the maritime transport of plastic pellets in freight containers, under MARPOL Annex III and/or the SOLAS Convention. The Sub-Committee on Pollution Prevention and Response (PPR 14) was tasked with drafting the code and reporting back to MEPC.

Actions on fishing gear marking

The Committee approved a circular promoting the implementation of fishing gear marking systems, in line with the FAO Voluntary Guidelines on the Marking of Fishing Gear (VGMFG).

Combatting harmful aquatic organisms in ballast water

The Committee approved a package of amendments to the Ballast Water Management (BWM) Convention, following a review of the treaty and its associated instruments under an experience-building phase (EBP).

The review was conducted to refine implementation, close regulatory gaps and ensure the Convention remains an effective and practical tool for protecting marine ecosystems. The amendments cover various mandatory provisions of the Convention (regulations and appendices in the Annex to the Convention).

The Committee adopted revised Guidelines for ballast water management and development of Ballast Water Management Plans (G4).

Reduction of underwater radiated noise from shipping

The Committee advanced its work on underwater radiated noise (URN), agreeing in principle to extend the experience-building phase (EBP) by two years, to the end of 2028. The EBP aims to address barriers Member States face in applying IMO's Revised URN Guidelines.

The Committee agreed in principle to commission an IMO study on URN emissions, as an evidence base

for possible future measures. Member States were also invited to submit proposals for a URN policy roadmap to ME.

Source: <https://www.imo.org/en/mediacentre/pressbriefings/pages/imo-progresses-work-on-ship-emissions-pollution-and-ocean-protection.aspx>

REVISED RESCUE GUIDE LAUNCHED TO SAFEGUARD LIFE AT SEA

UNHCR, the UN Refugee Agency, the International Maritime Organization (IMO), and the International Chamber of Shipping (ICS) have released a revised Rescue Guide, a tool to help all partners uphold the humanitarian and legal duties to rescue refugees and migrants in distress at sea and bring them to safety.

In the year marking the 75th anniversary of the 1951 Refugee Convention, the revised Guide underlines the continued relevance and life-saving impact of practical protection action, covering rescuing people in distress at sea, including refugees and migrants, and ensuring safe disembarkation in line with international law. The seas must be treated as a humanitarian space, and the duty to rescue people in distress at sea must be upheld without discrimination, the partners agreed. Maritime routes continue to exact a devastating human toll. In 2025, according to data from UNHCR, authorities and partners, the Mediterranean remained one of the world's deadliest corridors, with 1,953 people reported dead or missing. The South and South-East Asia route saw 892 people recorded dead or missing, out of more than 6,500 Rohingya refugees who attempted perilous sea crossings that year, making this the route with the highest mortality rate worldwide for refugee and migrant sea journeys. Danger extends also around Africa, with the Western Africa Atlantic route claiming 424 lives last year.

Building on the 2015 edition, the newly revised Rescue Guide provides more detailed guidance on applicable legal standards and practical procedures to ensure the prompt rescue and disembarkation of people in distress at sea in locations where they would not be exposed to risks, including the risk of refoulement. Available in six languages (Arabic, Chinese, English, French, Russian and Spanish), the Rescue Guide serves as a global, practical resource for shipmasters, ship owners, State authorities, insurance companies, and all actors engaged in maritime rescue operations.

Source: <https://www.imo.org/en/mediacentre/pressbriefings/pages/revised-rescue-guide.aspx>

MARITIME TERMINOLOGY

CARRIAGE OF GOODS BY SEA ACT (COGSA)

United States Act which has incorporated the Hague Rules into US law and which delineates the obligations of the Carrier and Merchant for cargo shipments to or from the United States which may be governed by a bill of lading. US COGSA also provides the Carrier with defenses and a package limitation.

DEMURRAGE

Damages paid to the shipowner for the failure to complete loading and/ or discharge within the time allowed in the charter party. The rate of demurrage is typically agreed upon as a liquidated damage. A longstanding maxim applying to demurrage is that once a ship is on demurrage, it is always on demurrage. In other words, deductions are no longer made for any excepted periods stipulated in the charter party – all time falling on charterer's account.

GENERAL AVERAGE

Legal principle apportioning financial responsibility for a loss resulting from the Intentional or voluntary act during the voyage to preserve the whole venture from a peril. General Average has been codified in the York Antwerp rules. Necessarily, all parties to the marine adventure pay a proportion of the amount of the loss according to the value of their interest.

HAGUE RULES

Also known as the International Convention for the Unification of Certain Rules of Law relating to Bills of Lading, govern the carriage of goods by sea. They identify the minimum rights and responsibilities of carriers and owners of cargo. The rules were published in 1924 and given the force of law by many countries.

HAGUE-VISBY RULES

International rules governing the shipment of goods that amend and update the Hague Rules. These rules govern the rights and responsibilities of the carrier and shipper.

HAMBURG RULES

International rules governing the shipment of goods which may be incorporated into a contract for the carriage either by prior agreement of the parties or by operation of law. The rules were adopted by the United Nations Convention on the Carriage of goods by sea in 1978 as an attempt to equalize the rights of developing countries

HUSBANDRY AGENT

An agent for shipowners that is often tasked with general agency authority. The Husbandry Agent may attend matters concerning vessel crew, repairs, supplies, provisioning and classification society surveys

LAYTIME

Amount of time provided by the shipowner or carrier to the voyage charterer in which to load and/or discharge the cargo. This time is generally expressed in days, hours, or as a number of tons per day. The charter party typically contains a provision for the commencement of laytime. A provision may also be included for periods when laytime does not count, for instance during lousy weather, weekends or holidays.¹

1. <https://www.bbc-chartering.com/assets/downloads/guides/BBC-Shipping-Chartering-Guide.pdf>

ICSI BLOOD Bank Portal



The ICSI Blood Bank Portal has a huge database of blood donors with information on Blood Groups with their location

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THIRD INDIA-NORDIC SUMMIT: ADVANCING GREEN TECHNOLOGY AND INNOVATION STRATEGIC PARTNERSHIP

India's partnership with the Nordic countries, launched at the First India-Nordic Summit in 2018, has evolved into a multidimensional strategic collaboration centred on innovation, green technologies, clean energy, and sustainable development. The Third Summit in Oslo on 19 May 2026 further advanced cooperation in trade, investment, digital innovation, emerging technologies, maritime cooperation, STEM research, resilient supply chains, and defence. India is engaging Iceland in geothermal energy and fisheries, Norway in the blue economy and Arctic cooperation, and the wider Nordic region in sustainability and maritime sectors. This partnership leverages Nordic technological expertise and India's scale, talent, and manufacturing capabilities, making it a key pillar of India's green transition, digital expansion, Arctic engagement, and resilient economic growth.

[Press Release Page](#) | [Press Information Bureau](#)

DPIIT, GEAPP SIGN PACT TO SUPPORT CLEAN ENERGY STARTUPS IN INDIA

The Department for Promotion of Industry and Internal Trade (DPIIT) has entered into a two-year strategic partnership with the Global Energy Alliance for People and Planet (GEAPP) to drive climate-tech entrepreneurship in India. Formalized through a memorandum of understanding, the collaboration seeks to accelerate clean energy innovation by providing early-stage startups with funding, mentorship, pilot opportunities, and market access.

The initiative is designed to build a pipeline of scalable ventures that support India's commitment to achieving net-zero carbon emissions by 2070. As part of the agreement, GEAPP will introduce the *Energy Transitions Innovation Challenge*, a competitive platform offering up to \$500,000 in rewards for impactful climate-tech solutions.

This announcement comes amid India's broader push to strengthen its start-up ecosystem. Earlier this week, DPIIT approved tax relief for 187 start-ups under the revised Section 80-IAC of the Income Tax Act, further underscoring its commitment to fostering innovation-led growth.

<https://www.esgimes.in/energy/renewables/dpiit-geapp-sign-pact-to-support-clean-energy-startups-in-india/>

ASIC FLAGS EARLY SUSTAINABILITY REPORTING GAPS AS AUSTRALIA WEIGHS BURDEN RELIEF FOR SMALLER COMPANIES

The Australian Securities and Investments Commission corporate flagged that the country's first mandatory

sustainability reports demonstrate stronger climate-related financial disclosures compared with earlier voluntary reporting. The ASIC cautioned companies against using disclaimers that conflict with statutory reporting requirements, warning that such practices could mislead or confuse users. Meanwhile, the government is consulting on reforms that may exempt some smaller companies from annual financial and sustainability reporting obligations.

<https://esgnews.com/asic-flags-early-sustainability-reporting-gaps-as-australia-weighs-burden-relief-for-smaller-companies/>

TISFD DRAFT FRAMEWORK TARGETS INEQUALITY RISK IN GLOBAL FINANCE AND BUSINESS

The Taskforce on Inequality and Social-related Financial Disclosures (TISFD) has released the first beta draft of its disclosure framework for public consultation, open until 31 July. Designed to align with the ISSB, GRI, and ESRS standards, the framework adopts the structural approach of TCFD and TNFD. Following a period of piloting, technical collaboration, and further consultation, the final version of the framework is expected to be published in 2027.

<https://esgnews.com/tisfd-draft-framework-targets-inequality-risk-in-global-finance-and-business/>

INDONESIA TARGETS 12 MILLION HECTARES FOR REFORESTATION AS CARBON CREDIT STRATEGY TAKES SHAPE

Indonesia is preparing one of the world's largest land restoration programs, with plans to rehabilitate 12 million hectares of degraded land and link new tree-planting projects to international carbon offset markets.

At the United Nations Forum on Forests in New York, Forestry Minister Raja Juli Antoni announced the commitment, highlighting regulations already in place that could underpin carbon credit sales. The ministry emphasized that these credits will meet high-integrity standards and involve local community partnerships, aiming to address common concerns around land rights, benefit-sharing, and long-term monitoring.

The government has also updated its carbon trading rules, opening the door for international transactions. This provides Indonesia with a pathway to monetize verified emission reductions and removals.

<https://esgnews.com/indonesia-targets-12-million-hectares-for-reforestation-as-carbon-credit-strategy-takes-shape/>

MINISTRY OF MSME'S TEAM INITIATIVE EMPOWERING SMALL BUSINESSES ACROSS INDIA THROUGH DIGITAL COMMERCE ENABLEMENT

The Ministry of MSME's TEAM (Trade Enablement and Access to Market) Initiative is a three-year program launched under the RAMP framework with an outlay of ₹277.35 crore to digitally empower micro and small enterprises across India. Implemented by the National Small Industries Corporation in partnership with ONDC, the scheme aims to onboard five lakh MSEs—half of them women-owned—onto the ONDC digital commerce ecosystem. It provides end-to-end support including cataloguing, packaging, logistics, and account management, with subsidies for product listing, packaging design, and transportation. By focusing on digital onboarding and compliance facilitation, the initiative helps enterprises from remote regions such as Jammu & Kashmir and Manipur expand their market access, connect with national and global buyers, and formalize their operations. TEAM is designed to strengthen competitiveness, improve efficiency, and make MSMEs export-ready, while ensuring inclusivity for rural and women-led businesses. In essence, it positions small enterprises as digitally empowered growth engines, bridging regional divides and fostering a resilient, self-sustained economy.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2262948®=48&lang=1>

INTEGRATED COMMERCE HUB UNVEILED AT MUMBAI

Union Minister of Commerce and Industry, Shri Piyush Goyal, has announced plans for an Integrated Commerce Hub in Mumbai that will bring together 46 key organizations under one roof. The hub is envisioned as a central platform to streamline trade facilitation, policy coordination, and industry support services, thereby reducing fragmentation and enhancing efficiency in India's commercial ecosystem. By consolidating institutions related to exports, trade promotion, logistics, and industry development, the initiative aims to provide businesses—especially MSMEs and startups—with a single-window access to resources, guidance, and regulatory support. The Minister emphasized that the hub will not only strengthen India's ease of doing business but also position Mumbai as a global commerce gateway, fostering innovation, investment, and international competitiveness. This integrated approach is expected to accelerate capital growth, improve coordination among stakeholders, and contribute significantly to India's vision of becoming a leading global trade and investment destination.

Source: <https://ddnews.gov.in/en/piyush-goyal-unveils-plan-for-integrated-commerce-hub-in-mumbai-to-connect-46-organisations-under-one-roof/>

RAJASTHAN GETS ITS FIRST SEMICONDUCTOR PLANT

India's semiconductor journey reached a new milestone with the inauguration of the country's first SME-led semiconductor facility by Sahasra Semiconductors at Bhiwadi, Rajasthan. This marks Rajasthan's entry into the strategically important semiconductor industry, a sector critical for electronics manufacturing, digital infrastructure, and national technological self-reliance.

Union Minister for Electronics & IT, Shri Ashwini Vaishnaw, hailed the development as a landmark achievement, emphasizing that the facility will empower small and medium enterprises to participate in high-tech manufacturing and reduce dependence on imports. The plant is expected to catalyze local employment, foster innovation, and strengthen India's semiconductor supply chain.

Alongside this, the Electronics Manufacturing Cluster (EMC) developed by ELCINA at Salarpur was also inaugurated, providing shared infrastructure, testing facilities, and incubation support for electronics and semiconductor startups. Together, these initiatives signal a strong push toward building a robust semiconductor ecosystem in India, aligning with the government's vision of making the country a global hub for electronics and advanced manufacturing.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2261509®=3&lang=1>

INDIA ADVANCES BRICS MSME COOPERATION UNDER 2026 CHAIRSHIP

The Ministry of MSME successfully convened the 2nd SME Working Group Meeting under the BRICS PartNIR track, focusing on the theme "Enhancing Access to Technology for MSMEs." The discussions among BRICS member countries centered on harnessing innovations and technology commercialization to empower MSMEs, particularly in areas of digital inclusion, skill development, and global competitiveness.

This initiative reflects India's commitment, as BRICS Chair for 2026, to strengthen international cooperation and create a supportive ecosystem for MSMEs to integrate into global value chains. By prioritizing technology access and innovation exchange, the meeting underscored the importance of MSMEs as engines of growth, resilience, and sustainable development across BRICS nations. The collaborative framework is expected to open new opportunities for cross-border incubation, trade facilitation, and knowledge sharing, positioning MSMEs at the forefront of inclusive economic progress.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2266543®=3&lang=1>

GLOBAL MSME CONCLAVE 2026

The Global MSME Conclave 2026 hosted by Federation of Karnataka Chambers of Commerce and Industry (FKCCI) brought together policymakers, industry leaders, entrepreneurs, and professionals from across the world to deliberate on the future of micro, small and medium enterprises in a rapidly evolving global economy. The conclave emphasized the role of MSMEs as engines of inclusive growth, innovation, and sustainable development, while highlighting the need for stronger international cooperation and technology-driven transformation.

Key discussions focused on digital enablement, access to finance, global market integration, and skill development, with special attention to empowering women-led and rural enterprises. The event also showcased successful MSME models, cross-border incubation opportunities, and collaborative frameworks under platforms like BRICS and G20.

By convening diverse stakeholders under one roof, the conclave reinforced MSMEs as central to achieving resilient supply chains, equitable growth, and global competitiveness, positioning them as vital contributors to India's and the world's sustainable economic future.

Source: <https://globalmsmeconclave.fkcci.org/>

EMPOWERING THE GRASSROOTS ECONOMY: PUSH FOR RURAL AND SEMI-URBAN MSMEs

The Government of India has unveiled a comprehensive strategy to empower rural and semi-urban MSMEs, recognizing their critical role in job creation, local industrialization, and inclusive growth. The initiative focuses on expanding access to credit, digital platforms, skill development, and market linkages for enterprises operating at the grassroots level. Special emphasis is being placed on women-led businesses, artisan clusters, and micro enterprises in underserved regions to ensure equitable participation in the national growth story.

Key measures include strengthening digital credit frameworks, promoting common facility centers for shared infrastructure, and enhancing entrepreneurship training programs tailored to rural and semi-urban contexts. By integrating these enterprises into supply chains and e-commerce platforms, the government aims to reduce regional disparities and boost productivity. This push is expected to not only uplift local communities but also contribute significantly to India's vision of building a resilient, inclusive, and sustainable MSME ecosystem that supports long-term economic development.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2260904®=3&lang=1>



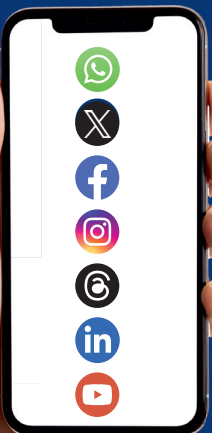
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NATIONAL CONSULTATIVE WORKSHOP ON “STRENGTHENING CYBERSECURITY FRAMEWORKS FOR STATE DATA”

The Ministry of Electronics and Information Technology (MeitY) convened the National Consultative Workshop on “Strengthening Cybersecurity Frameworks for State Data”. The workshop constituted stage II of a four-stage departmental summit on “Strengthening Cyber Security Frameworks for State Data,” initiated by MeitY pursuant to Prime Minister Narendra Modi’s directions at the 5th National Conference of Chief Secretaries. The Workshop, conducted in partnership with NeGD, aims to produce a comprehensive national cybersecurity policy framework for State governments through structured consultations with all 36 States and Union Territories of India.

The workshop deliberated upon six national thematic areas identified through the consultative process:

- i. Risk-based assessments and continuous security monitoring of State IT assets
- ii. Securing State Data Centres (SDCs) and State Wide Area Networks (SWAN) with modern perimeter, endpoint and cloud security controls
- iii. Strengthening incident detection, response and recovery through dedicated SOCs and State Computer Security Incident Response Teams (CSIRTs), under the technical umbrella of CERT-In
- iv. Legacy application modernisation, Secure-by-Design principles and Zero Trust Architecture
- v. Data classification, compliance with the Digital Personal Data Protection (DPDP) Act, 2023, and alignment with MHA’s National Information Security Policy and Guidelines (NISPG)
- vi. Appointment of CISOs across State departments, capacity building, skilling and citizen cyber awareness programmes

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2261823®=3&lang=1>

GOVERNMENT PUSHES INDIA POST TOWARD CORPORATE-STYLE EFFICIENCY

Minister of State for Communications and Rural Development Dr. Chandra Sekhar Pemmasani, conducted a detailed review of APT 2.0, India Post’s next-generation digital platform, underscoring its role in transforming India Post into a modern logistics and services hub.

The Minister of State highlighted how APT 2.0 is empowering branch offices with real-time intelligence, enabling them to analyse local demand, monitor performance, and take faster, data-driven decisions at the field level. The integration of AI is helping India Post process large volumes of operational data, predict outcomes, automate routine functions, and significantly

enhance service delivery across the postal network.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2260195®=3&lang=1>

FIVE STATES FELICITATED FOR EXCEPTIONAL DIGILOCKER INTEGRATION INITIATIVES

The National e-Governance Division (NeGD) has been consistently working towards integrating DigiLocker with citizen services across the country to enable seamless and efficient delivery of public services. As a part of its sustained efforts to strengthen digital governance, NeGD has focused on facilitating the integration of DigiLocker with various State digital service platforms. In recognition of exemplary initiatives in this domain, five States were felicitated for their outstanding contribution towards DigiLocker integration. The felicitation took place during the National Consultative Workshop on Strengthening Cybersecurity Frameworks for State Data, held on May 11, 2026.

During the event, officials and State e-Governance Mission Team (SeMT) teams from five States viz. Gujarat, Karnataka, Keralam, Nagaland and Rajasthan were felicitated for their exceptional contribution towards large-scale DigiLocker integration and adoption across State government services.

The recognised States demonstrated exemplary performance in integrating DigiLocker with multiple departmental services, thereby simplifying document access, reducing physical verification requirements and significantly improving ease of living for citizens through Digital Public Infrastructure (DPI) as mentioned below:-

1. **Gujarat** - The state has on-boarded 65% of the services and diversified the digital ecosystem to over 1.92 Crore citizens. Gujarat has been also awarded for their innovation for Bus transport, wherein they have enabled Digital Disability certificates which can be showcased for availing free transport.
2. **Karnataka** - The state has been instrumental in on-boarding 73% of the government e-services marking their way towards Digital Karnataka and registered with the highest number of DigiLocker accounts with over 2.7 Crore citizens using its services. Karnataka was able to on-board all the 5 Discoms in a quick time, thereby reaching digitization of 3 Crore electricity bill records.
3. **Keralam** - The state in coordination with various departments has completed on-boarding of more than 117 Services in less than 7 Days. Keralam caters to more than 1.15 Crore registered users.
4. **Nagaland** - Nominated for ‘Digital Rising State’, Nagaland has been able to integrate more than 32 services in a span of 1 month. Nagaland has done all integrations both in issuer and requestor models which showcases their excellence in digital transformation.

5. **Rajasthan** – The state rolled out the Family Register Jan Aadhaar with DigiLocker, catering to more than 7.5+ Crore citizens. The state has been instrumental in on-boarding Electricity Bill and many more services at a fast pace.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2260366®=3&lang=1>

INDIAAI AND ICMR SIGN MOU TO ACCELERATE RESPONSIBLE AI ADOPTION IN HEALTHCARE

IndiaAI, the Government of India's flagship initiative under the Ministry of Electronics and Information Technology (MeitY), implemented through the Digital India Corporation (DIC), signed a Memorandum of Understanding (MoU) with the Indian Council of Medical Research (ICMR), India's apex body for biomedical and health research. The partnership marks a significant step towards advancing healthcare outcomes through the responsible and scalable application of Artificial Intelligence (AI).

Key Pillars of the Collaboration

- **AIKosh Dataset Platform**

ICMR will contribute anonymised and ethics-approved health research datasets, AI models, and toolkits developed under the MIDAS framework to the AIKosh platform. This will enable broader access to high-quality biomedical datasets for researchers, startups, and innovators across India.

- **Compute Access**

IndiaAI will provide ICMR with access to GPU-based and high-performance computing infrastructure at subsidised rates, subject to defined service-level agreements. This is expected to address a critical infrastructure gap in scaling advanced AI research in healthcare.

- **Collaborative AI Use Case Development**

The partnership will support the co-development of AI-powered solutions addressing priority public health challenges in India. These solutions will be informed by ICMR's disease burden data and enabled by IndiaAI's technology stack.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2258786®=3&lang=1>

INDIAAI SIGNS MOU WITH KARYA TO STRENGTHEN INCLUSIVE AI ECOSYSTEM

The IndiaAI Mission, under the Ministry of Electronics and Information Technology (MeitY), has signed a Memorandum of Understanding (MoU) with Karya, a non-profit organisation that works to increase accessibility of the AI economy. The organizations together will work on strengthening India's inclusive artificial intelligence (AI) ecosystem through collaboration in data, technology, and capacity building.

The MoU is focused on the development, curation, and sharing of high-quality language and multimodal datasets to support inclusive and representative AI systems.

As part of the partnership, both entities will undertake technical cooperation to strengthen AIKosh data infrastructure, model evaluation frameworks, and standards for dataset quality, validation, and interoperability.

The partnership also aims to support capacity building and ecosystem development through training programmes, workshops, technical consultations, and knowledge-sharing initiatives across government and partner institutions.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2260790®=3&lang=1>

LAUNCH OF IP CATALYST AND DIGITAL PLATFORM DURING NATIONAL CONFERENCE ON "FROM PATENT TO PRODUCT: ACCELERATING IP COMMERCIALIZATION IN ELECTRONICS & IT"

The Ministry of Electronics and Information Technology (MeitY), Government of India, organized a one-day national conference on "From Patent to Product: Accelerating IP Commercialization in Electronics & IT" on 12th May 2026. The conference, brought together policymakers, innovators, industry leaders, startups, MSMEs, academia, researchers, and R&D institutions to deliberate on strengthening India's intellectual property and innovation ecosystem in the Electronics and IT domain.

The IP Catalyst

The IP Catalyst initiative is being implemented by CDAC Pune, supported by MeitY that aims to enable comprehensive digital ecosystem supporting the complete innovation lifecycle from research and IP creation to technology transfer, commercialization, and market deployment. It aims to bridge the gap between publicly funded R&D and industry adoption by enabling stronger collaboration among MeitY organizations, startups, MSMEs, academia, and industry.

Key features and support under IP Catalyst include:

- Financial support for IP filing for MeitY organizations and grantee institutions.
- International patent filing support for startups and MSMEs.
- Unified digital access to technology commercialization and IP support services.
- Prior-art search and IP advisory services.
- Technology readiness and maturity assessment.
- IP valuation and commercialization support.
- Technology transfer and licensing facilitation.
- Industry-academia-startup collaboration opportunities.
- Access to MeitY-supported technologies and indigenous solutions.
- Support for prototype-to-product development and market deployment.

The Platform (cipie.in)

The digital platform <https://cipie.in> will function as a unified online gateway for IP and commercialization support services. It will also serve as a national digital repository of

technologies developed through MeitY-supported R&D initiatives, enabling startups, MSMEs, and industry to identify deployable indigenous technologies and explore collaboration opportunities.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2260532®=3&lang=1>

INDIA ASSUMES CHAIR OF COMMON CRITERIA DEVELOPMENT BOARD (CCDB)

India has been nominated as the Chair of the Common Criteria Development Board (CCDB) from April 2026 to April 2028, a prestigious responsibility reflecting the nation's growing role in international IT security standards development. This leadership position was confirmed during the 1st Quarter Meeting of the Common Criteria Recognition Arrangement (CCRA), held from 14th to 16th April 2026 in Tokyo, Japan.

The Common Criteria Recognition Arrangement (CCRA) is the foundational international treaty that enables the mutual recognition of IT security certificates across borders. Beyond the high-level policy committees, the CCRA operates through specific working groups and administrative protocols designed to maintain the integrity of the Common Criteria Portal, which serves as the “single source of truth” for certified secure IT products worldwide.

The CCDB serves as the technical core of the CCRA, managing the international work program for the Common Criteria (CC) and the Common Methodology for Information Technology Security Evaluation (CEM). While other CCRA groups handle policy matters, the CCDB focuses on the technical standards and evaluation criteria that secure global IT products.

India has been an active member of the CCRA since September 16, 2013, as a Certificate Authorizing Nation. The country serves through the Ministry of Electronics and Information Technology (MEITY) and STQC Directorate, which acts as the official Certification Body for IT security evaluations in India.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2261117®=3&lang=1>

DEPARTMENT OF TELECOMMUNICATIONS ORGANIZED SECOND MEETING OF THE BRICS WORKING GROUP FOR COOPERATION IN ICTS UNDER INDIA'S BRICS PRESIDENCY 2026

Under India's BRICS Presidency 2026, Department of Telecommunications successfully organized and headed the Second Meeting of the BRICS Working Group for Cooperation in Information and Communication Technologies (ICTs) held in virtual mode on 21 May 2026. The meeting reflected the shared commitment of BRICS nations towards strengthening cooperation in digital technologies, future networks, innovation ecosystems, Digital Public Infrastructure (DPI), and capacity building for sustainable and inclusive socio-economic growth.

The meeting brought together representatives and senior officials from BRICS member countries to deliberate on strengthening cooperation in the ICT sector. Held under the overarching theme of India's BRICS Presidency — **“Building for Resilience, Innovation, Cooperation and Sustainability”** — and the ICT Track theme — **“Innovate, Cooperate and Transform (ICT) for a Resilient Future”** — the discussions focused on collaborative approaches for

bridging the digital divide, promoting innovation-led growth, enhancing digital resilience, and ensuring affordable and meaningful connectivity across emerging economies.

A key highlight of the meeting was India's presentation of the Concept Note on BRICS Capacity Building Centres under the BRICS ICT Track. The initiative aims to establish collaborative institutional mechanisms for skilling, knowledge exchange, technical training, research cooperation, and capacity development in emerging digital and telecom technologies among BRICS member countries.

The meeting also included detailed discussions on proposals relating to Child Online Protection and strengthening BRICS Digital Ecosystem Cooperation. Member countries emphasized the growing importance of secure and trusted connectivity, resilient digital infrastructure, safe digital environments, and enhanced cooperation in emerging digital domains.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2264308®=3&lang=1>

AI FACTS AND TERMINOLOGY

GUARDRAILS

Mechanisms to filter the inputs or outputs of generative AI to ensure the model is used ethically and safely. Because much of the training data for LLMs comes from publicly available web content that can be biased, harmful, or inappropriate, guardrails are essential to prevent unsafe or harmful outputs.

AI AGENT

Autonomous or semi-autonomous AI entities that can make decisions with some amount of independence. An example of an AI agent today is a virtual assistant that can book appointments.

TEMPERATURE

A parameter that controls the randomness of a model's responses where the higher the temperature value, the more random and unpredictable the outputs.

EMBEDDINGS

Representations of words or phrases as vectors in high-dimensional space where the location and distance between words indicates their semantic similarity. This allows AI models to recognize synonyms, analogies, and subtler aspects of language like sentiment or tone.¹

CONTEXT WINDOW

The amount of text or data an AI model can consider at one time when generating its output.

PROMPT

A prompt is the input given to an AI model to initiate or guide its generation process. This input acts as a directive or a set of instructions that the AI uses to produce its output. Prompts are crucial in defining the nature, scope, and specificity of the output generated by the AI system. For instance, in a text-based Generative AI model like GPT (Generative Pre-trained Transformer), a prompt could be a sentence or a question that the model then completes or answers in a coherent and contextually appropriate manner.²

¹ AI Glossary: From Basic to Technical Terms

² Glossary of GenAI Terms | AI In Teaching and Learning

GIST OF ROC & RD ADJUDICATION ORDERS

Gist of ROC Adjudication order

1. Adjudication Order for violation of Section 62 of the Companies Act, 2013 in the matter of BEEZAASAN EXPLOTECH LIMITED

ROC Ahmedabad issued an adjudication order dated 05th May 2026 in the matter of Beezaasan Explotech Limited for violation of Section 62(1)(a) of the Companies Act, 2013 for keeping its Rights Issue open for more than permissible statutory maximum of 30 days during the FY 2018-19. The Adjudicating Authority imposed a penalty of ₹44,000 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=l4GYTKq4uW1knV%252FaNQ3yLw%253D%253D&-type=open>

2. Adjudication Order for violation of Rule 14(6) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in the matter of SRI MUTHU MALAI BENEFIT FUND LIMITED

ROC Chennai issued an adjudication order dated 12th May 2026 in the matter of Sri Muthu Malai Benefit Fund Limited for violation Rule 14(6) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 for failing to file Form PAS-3 (Return of Allotment) with complete details of the allottees for the FY 2018-19. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=gKo000MVnKHHi%252FtfGfImZg%253D%253D&-type=open>

3. Adjudication Order for Rule 14(6) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. in the matter of THEYAGARAYA NAGAR NIDHI LIMITED

ROC Chennai issued an adjudication order dated 12th May 2026 in the matter of Theyagaraya Nagar Nidhi Limited for violation Rule 14(6) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, for failing to file Form PAS-3 (Return of Allotment) with complete details of the allottees for the FY 2023-24. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and five of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=fsSyW5C%252FVHT2dNS6Stmlzw%253D%253D&-type=open>

4. Adjudication Order for Rule 14(6) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in the matter of THEYAGARAYA NAGAR NIDHI LIMITED

ROC Chennai issued an adjudication order dated 12th May 2026 in the matter of Theyagaraya Nagar Nidhi Limited for violation Rule 14(6) of the Companies

(Prospectus and Allotment of Securities) Rules, 2014, for failing to file Form PAS-3 (Return of Allotment) with complete details of the allottees for the FY 2017-18. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=yPRXauAbHpOd256NuKJe%252Fg%253D%253D&-type=open>

5. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of ANANTHAM BENEFIT FUND LIMITED

ROC Chennai issued an adjudication order dated 12th May 2026 in the matter of Anantham Benefit Fund Limited for violation of Section 137(1) of the Companies Act, 2013 for failing to file its mandatory annual financial statements in Form AOC- 4 for the financial year ending 31.03.2023. The Adjudicating Authority imposed a penalty of ₹95,500 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=QQtkO7wcXSa4WNNyqSti4g%253D%253D&-type=open>

6. Adjudication Order for violation of Section 117(1) of the Companies Act, 2013 in the matter of PATTUKKOTTAI BENEFIT FUND NIDHI LIMITED

ROC Chennai issued an adjudication order dated 14th May 2026 in the matter of Pattukkottai Benefit Fund Nidhi Limited for violation of Section 117(1) of the Companies Act, 2013 for failing to file Form MGT-14 within stipulated time for the financial year ending 31.03.2023. The Adjudicating Authority imposed a penalty of ₹54,500 upon the company and ₹50,000 each on six of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=WInrpd3IGq%252BDwvIpyHBoA%253D%253D&-type=open>

7. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of PATTUKKOTTAI BENEFIT FUND NIDHI LIMITED

ROC Chennai issued an adjudication order dated 14th May 2026 in the matter of Pattukkottai Benefit Fund Nidhi Limited for violation of Section 92(4) of the Companies Act, 2013 for failing to file Form MGT-7 within the statutory 60-day window following its Annual General Meeting (AGM) for the FY 2022-23. The Adjudicating Authority imposed a penalty of ₹46,300 each upon the company and six of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=Zmup0NsQfgMNQXayqO3JPw%253D%253D&-type=open>

8. Adjudication Order for violation of Rule 12(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in the matter of PATTUKKOTTAI BENEFIT FUND NIDHI LIMITED

ROC Chennai issued an adjudication order dated 14th May 2026 in the matter of Pattukkottai Benefit Fund Nidhi Limited for violation Rule 12(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, for failing to file Form PAS-3 (Return of Allotment) with complete details of the allottees for the FY 2022-23. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and six of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=ExBv8fI49s7btzHwZ2yTQg%253D%253D&type=open>

9. Adjudication Order for violation of Section 137(1) of the Companies Act, 2013 in the matter of PATTUKKOTTAI BENEFIT FUND NIDHI LIMITED

ROC Chennai issued an adjudication order dated 14th May 2026 in the matter of Pattukkottai Benefit Fund Nidhi Limited for violation of Section 137(1) of the Companies Act, 2013 for failing to file Form AOC- 4. The Adjudicating Authority imposed a penalty of ₹47,200 each upon the company and six of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=3eq55AGSF8WqyA05X6UEyg%253D%253D&type=open>

10. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of ANANTHAM BENEFIT FUND LIMITED

ROC Chennai issued an adjudication order dated 14th May 2026 in the matter of Anantham Benefit Fund Limited for violation of Section 137(1) of the Companies Act, 2013 for failing to file its mandatory Annual Return in Form MGT-7 for the FY 2022-23. The Adjudicating Authority imposed a penalty of ₹92,500 upon the company and ₹50,000 on two of the directors

<https://www.mca.gov.in/bin/dms/getdocument?mds=NdX5ySZRjy0MSVxQEATKRQ%253D%253D&type=open>

11. Adjudication Order for violation of Section 149 of the Companies Act, 2013 in the matter of MASCON GLOBAL LIMITED

ROC Chennai issued an adjudication order dated 15th May 2026 in the matter of Mascon Global Limited for violation of Section 149(1) and (2) of the Companies Act, 2013 for failing to appoint Woman Director for the FY 2015-16. The Adjudicating Authority imposed a penalty of ₹1,00,000 each upon the company and on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=pS5ExkU%252FsgSrt2xifHUoMA%253D%253D&type=open>

12. Adjudication Order for violation of Section 179 of the Companies Act, 2013 in the matter of AMYRA FOODS PRIVATE LIMITED

ROC Chandigarh issued an adjudication order dated 18th May 2026 in the matter of Amyra Foods Private Limited for violation of Section 179(3) of the Companies Act, 2013 for failing to approve the company's financial statements and Board Reports by the Board of Directors of the company by means of passing a Board resolution. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=R%252BpvGU%252BvEOADA9bpIO%252FN-bQ%253D%253D&type=open>

13. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of AMYRA FOODS PRIVATE LIMITED

ROC Chandigarh issued an adjudication order dated 18th May 2026 in the matter of Amyra Foods Private Limited for violation of Section 137(1) of the Companies Act, 2013 for failing to file its financial statements with the RoC within the statutory timeline for the FY 2017-18 to 2022-23. The Adjudicating Authority imposed a penalty of ₹1,92,700 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=fltND6DNIL1WPv%252Baw7WmBQ%253D%253D&type=open>

14. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of MARUSHIKA TECHNOLOGY LIMITED

ROC Delhi issued an adjudication order dated 05th May 2026 in the matter of Marushika Technology Limited for violation of Section 137(3) of the Companies Act, 2013 for failing to file Form AOC-4 CFS within the mandatory 30-day time limit from the date of the AGM. The Adjudicating Authority imposed a penalty of ₹53,400 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=omblNQD4RhskiuBAmtvgw%253D%253D&type=open>

15. Adjudication Order for violation of Section 161 of the Companies Act, 2013 in the matter of ABSOLUTE PROJECTS (INDIA) LIMITED

ROC Delhi issued an adjudication order dated 07th May 2026 in the matter of Absolute Projects (India) Limited for violation of Section 161(1) of the Companies Act, 2013 for failing to regularise the additional director in the AGM and also to file the mandatory e-Form DIR-12 within the prescribed time limit. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹1,00,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=m8AoTammCWEUpnjQwzN1iA%253D%253D&type=open>

16. Adjudication Order for violation of Section 161 of the Companies Act, 2013 in the matter of ABSOLUTE PROJECTS (INDIA) LIMITED

ROC Delhi issued an adjudication order dated 07th May 2026 in the matter of Absolute Projects (India) Limited for violation of Section 161(1) of the Companies Act, 2013 for failing to regularise the additional director in the AGM and to file the mandatory e-Form DIR-12 within the prescribed time limit. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹1,00,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=7O7haTguUDikcSx99Xb0GQ%253D%253D&-type=open>

17. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of ABSOLUTE PROJECTS (INDIA) LIMITED

ROC Delhi issued an adjudication order dated 13th May 2026 in the matter of Absolute Projects (India) Limited for violation of Section 117(2) of the Companies Act, 2013 for failing to file e-Form MGT-14 within the mandatory 30-day time limit after passing Special Resolutions for the FY 2013-14 to 2016-17. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=Q683q1Ryom3UtKgVRSREIg%253D%253D&-type=open>

18. Adjudication Order for violation of Section 149(4) of the Companies Act, 2013 in the matter of ABSOLUTE PROJECTS (INDIA) LIMITED

ROC Delhi issued an adjudication order dated 13th May 2026 in the matter of Absolute Projects (India) Limited for violation of Section 149(4) of the Companies Act, 2013, for failing to appoint Independent Directors from April 1, 2018 to November 14, 2025. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹1,00,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=D4yb9DP38g7fELyVWYRkOg%253D%253D&-type=open>

19. Adjudication Order for violation of Section 177 & 178 of the Companies Act, 2013 in the matter of ABSOLUTE PROJECTS (INDIA) LIMITED

ROC Delhi issued an adjudication order dated 14th May 2026 in the matter of Absolute Projects (India) Limited for violation of Section 177 and 178 of the Companies Act, 2013 for failing to constitute a mandatory Audit Committee and Nomination and Remuneration Committee (NRC) within the timeline

The Adjudicating Authority imposed a penalty of ₹5,00,000 upon the company and ₹1,00,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=akT6WTd7996oK8RMaPe%252B5Q%253D%253D&-type=open>

20. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of SHREEPATI BUILD INFRA INVESTMENT LIMITED

ROC Goa issued an adjudication order dated 13th May 2026 in the matter of Shreepati Build Infra Investment Limited for violation of Section 134(5A) of the Companies Act, 2013 for failing to comply with Accounting Standard 9 (AS-09) and Accounting Standard 15 (AS-15) for its financial statements, for the FY 2021-22. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹50,000 on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=otKBEtF4O2wXcPMKems1Tg%253D%253D&-type=open>

21. Adjudication Order for violation of Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 in the matter of KISAN MOULDINGS LIMITED

ROC Mumbai issued an adjudication order dated 07th May 2026 in the matter of Kisan Mouldings Limited for violation of Rule 8 (3) of the Companies (Registration Offices and Fees) Rules, 2014 for failing to file correct e-Form DIR-12. The Adjudicating Authority imposed a penalty of ₹10,000 upon the one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=BmzzpbWiadyHfnIU%252FfJZJQ%253D%253D&-type=open>

22. Adjudication Order for violation of Section 155 of the Companies Act, 2013 in the matter of ERROL JAMES DESOUBA

ROC Mumbai issued an adjudication order dated 07th May 2026 in the matter of Errol James Desouza for violation of Section 155 of the Companies Act, 2013 for maintaining two Director Identification Numbers (DINs). The Adjudicating Authority imposed a penalty of ₹48,870 on the director.

<https://www.mca.gov.in/bin/dms/getdocument?mds=RBw1s8QxRbxuxmok3EKZkA%253D%253D&-type=open>

23. Adjudication Order for violation of Rule 8(1) and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 in the matter of ROBINSONS CARGO & LOGISTICS PRIVATE LIMITED

ROC Mumbai issued an adjudication order dated 11th May 2026 in the matter of Robinsons Cargo & Logistics Private Limited for violation of Rule 8(1)

and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 for filing incorrect details in E-form AOC-4 XBRL, while filing its annual financial on October 15, 2025. The Adjudicating Authority imposed a penalty of ₹10,000 on the director.

<https://www.mca.gov.in/bin/dms/getdocument?mds=pX-%252FXEKyXZAHV2Xp6m0qmSw%253D%253D&-type=open>

24. Adjudication Order for violation of Section 134 read with Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014 in the matter of HD FIRE PROTECT LIMITED

ROC Mumbai issued an adjudication order dated 13th May 2026 in the matter of HD Fire Protect Limited for violation of Section 134(3) read with Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014 for failing to include the correct web address of company's Annual Return. Also it failed to include the mandatory statement about the maintenance of cost records as prescribed. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹50,000 on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=0hmRiNpQ5LTnYKSzV%252FWHm-w%253D%253D&type=open>

25. Adjudication Order for violation of Rule 8(1) and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 in the matter of STATUS AIR VISION PVT. LTD.

ROC Mumbai issued an adjudication order dated 13th May 2026 in the matter of Status Air Vision Private Limited for violation of Rule 8(1) and Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 for filing incorrect annual financial statements via e-Form AOC. The Adjudicating Authority imposed a penalty of ₹5,000 upon the director of the company.

<https://www.mca.gov.in/bin/dms/getdocument?mds=Th48AvPqojp5hUzlRjBHgA%253D%253D&-type=open>

26. Adjudication Order for violation of Section 149(4) of the Companies Act, 2013, in the matter of FIRSTMERIDIAN BUSINESS SERVICES LIMITED

ROC Mumbai issued an adjudication order dated 13th May 2026 in the matter of Firstmeridian Business Services Limited for violation of Section 149(4) of the Companies Act, 2013, for failing to maintain the minimum required number of Independent Directors. The Adjudicating Authority imposed a penalty of ₹81,500 each upon the company and two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=5eTofpaFnd1HxMW7K0KDXg%253D%253D&-type=open>

27. Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of MERINO SHELTERS PRIVATE LIMITED

ROC Mumbai issued an adjudication order dated 15th May 2026 in the matter of Merino Shelters Private Limited for violation of Section 118 of the Companies Act, 2013 for failing to maintain company's Board Meeting minutes books properly. The Adjudicating Authority imposed a penalty of ₹25,000 upon the company and ₹5,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=b8AQr56HAy1ln8bX2Z8WhQ%253D%253D&-type=open>

28. Adjudication Order for violation of Section 203 of the Companies Act, 2013 in the matter of TECH SIS LIMITED

ROC Patna issued an adjudication order dated 14th May 2026 in the matter of Tech SIS Limited for violation of Section 203(1) of the Companies Act, 2013 for failing to appoint a whole-time Company Secretary. The Adjudicating Authority imposed a penalty of ₹5,00,000 each upon the company and seven of the directors and ₹3,68,000 upon one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=JO47MM66ZxFaegzJfFftzw%253D%253D&type=open>

29. Adjudication Order for violation of Section 92(4) of the Companies Act, 2013 in the matter of SHG MUTUAL BENEFITS NIDHI LIMITED

ROC Patna issued an adjudication order dated 19th May 2026 in the matter of SHG Mutual Benefits Nidhi Limited for violation of Section 92(4) of the Companies Act, 2013 for failing to file its annual return for the financial year ended 31.03.2019. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 upon one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=VqdtkXjwOZ3Eu2rsfFkM%252Fw%253D%253D&-type=open>

30. Adjudication Order for violation of Section 92(4) of the Companies Act, 2013 in the matter of SHG MUTUAL BENEFITS NIDHI LIMITED

ROC Patna issued an adjudication order dated 19th May 2026 in the matter of SHG Mutual Benefits Nidhi Limited for violation of Section 92(4) of the Companies Act, 2013 for failing to file its annual return for the financial year ended 31.03.2021. The Adjudicating Authority imposed a penalty of ₹1,73,100 upon the company and ₹50,000 upon one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=%252FkiiiA4IBwgjha4RbVdf1A%253D%253D&-type=open>

31. Adjudication Order for violation of Section 137(1) of the Companies Act, 2013 in the matter of SHG MUTUAL BENEFITS NIDHI LIMITED

ROC Patna issued an adjudication order dated 20th May 2026 in the matter of SHG Mutual Benefits Nidhi Limited for violation of Section 137(1) of the Companies Act, 2013 for failing to file its mandatory financial statements for the year ended 31.03.2020 within the prescribed time period. The Adjudicating Authority imposed a penalty of ₹2,50,000 upon the company and ₹50,000 upon one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=MRNFrdHSIsZY0FqVkdGBWg%253D%253D&-type=open>

32. Adjudication Order for violation of Section 173(1) of the Companies Act, 2013 in the matter of SHG MUTUAL BENEFITS NIDHI LIMITED

ROC Patna issued an adjudication order dated 21st May 2026 in the matter of SHG Mutual Benefits Nidhi Limited for violation of Section 173(1) of the Companies Act, 2013 for failing to conduct its first Board Meeting within 30 days of incorporation. Further, it failed to maintain board minutes properly for FY 2023-24. The Adjudicating Authority imposed a penalty of ₹10,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=5IGZW1AFuioDdYtkv%253D%253D&type=open>

33. Adjudication Order for violation of Section 173(1) of the Companies Act, 2013 in the matter of SHG MUTUAL BENEFITS NIDHI LIMITED

ROC Patna issued an adjudication order dated 21st May 2026 in the matter of SHG Mutual Benefits Nidhi Limited for violation of Section 12(1) of the Companies Act, 2013 for failing to maintain its registered office at the recorded address. The Adjudicating Authority imposed a penalty of ₹1,00,000 each upon the company and one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=9MzFTxVILPBXH9bqAIYBEw%253D%253D&-type=open>

34. Adjudication Order for violation of Section 203 of the Companies Act, 2013 in the matter of BMW Ventures Limited

ROC Patna issued an adjudication order dated 21st May 2026 in the matter of BMW Ventures Limited for violation of Section 203 of the Companies Act, 2013 for failing to appoint a mandatory, whole-time Company Secretary. The Adjudicating Authority imposed a penalty of ₹5,00,000 upon the company and ₹1,38,000 each on six of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=LTdwPSS%252BNJT%252B2WENZ8H%252B-zg%253D%253D&type=open>

35. Adjudication Order for violation of Section 42 of the Companies Act, 2013 in the matter of INNOCTIVE TECHNOLOGIES PRIVATE LIMITED

ROC Pune issued an adjudication order dated 8th May 2026 in the matter of Innoctive Technologies Private Limited for violation of Section 42(9) of the Companies Act, 2013 for failing to file its return of allotment in e-Form PAS-3 within the mandatory 15-day statutory time frame. The Adjudicating Authority imposed a penalty of ₹23,500 each upon the company and three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=XHGF8eTwFD5TZQOUjkWrdw%253D%253D&-type=open>

36. Adjudication Order for violation of Section 42 of the Companies Act, 2013 in the matter of INNOCTIVE TECHNOLOGIES PRIVATE LIMITED

ROC Pune issued an adjudication order dated 8th May 2026 in the matter of Innoctive Technologies Private Limited for violation of Section 42(10) of the Companies Act, 2013 for prematurely utilising the private placement funds prior to filing the mandatory return of allotment (e-Form PAS-3) with ROC for the FY 2021-22. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹1,00,000 on one of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=qCrQr7QwsJfmunK0j8zx8A%253D%253D&-type=open>

37. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of KANCHAL FARM LAND PRIVATE LIMITED

ROC Kanpur issued an adjudication order dated 14th May 2026 in the matter of Kanchal Farm Land Private Limited for violation of Section 134(8) of the Companies Act, 2013 as the Board of Directors failed to comment on the qualifications made by the Statutory Auditor for financial year 2020 and 2021. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹50,000 each on five of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=Q1z1HAb6KvjRVu0a5O8ltw%253D%253D&-type=open>

38. Adjudication Order for violation of Section 134 of the Companies Act, 2013 in the matter of KANCHAL FARM LAND PRIVATE LIMITED

ROC Kanpur issued an adjudication order dated 14th May 2026 in the matter of Kanchal Farm Land Private Limited for violation of Section 134(8) of the Companies Act, 2013 as Board of Directors failed to comment on the qualifications, made by the Statutory

Auditor for FY 2019-20. The Adjudicating Authority imposed a penalty of ₹1,50,000 upon the company and ₹25,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=87xLQbHclCZD5d5eMoGN%252BA%253D%253D&-type=open>

39. Adjudication Order for violation of Section 137(3) of the Companies Act, 2013 in the matter of LOKVIKAS BENEFIT NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 21st May 2026 in the matter of Lokvikas Benefit Nidhi Limited for violation of Section 134(3) of the Companies Act, 2013 for failing to file proper financial statements for FY 2019-20. The Adjudicating Authority imposed a penalty of ₹1,79,200 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=YloZ61idWxnCtMaF2Udwnw%253D%253D&-type=open>

40. Adjudication Order for violation of Section 137(3) of the Companies Act, 2013 in the matter of LOKVIKAS BENEFIT NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 21st May 2026 in the matter of Lokvikas Benefit Nidhi Limited for violation of Section 134(3) of the Companies Act, 2013 for failing to file proper financial statements for the FY 2020-21. The Adjudicating Authority imposed a penalty of ₹1,42,700 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=lMq%252F3lQlqEPu%252ByobEkfwh-g%253D%253D&-type=open>

41. Adjudication Order for violation of Section 92 (5) of the Companies Act, 2013 in the matter of LOKVIKAS BENEFIT NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 21st May 2026 in the matter of Lokvikas Benefit Nidhi Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2019-20. The Adjudicating Authority imposed a penalty of ₹1,76,200 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=i16vkCzenuN0r8O%252Fe5eUPg%253D%253D&-type=open>

42. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of CSC Kant Shahjahanpur Farmer Producer Company Limited

ROC Kanpur issued an adjudication order dated 25th May 2026 in the matter of CSC Kant Shahjahanpur Farmer Producer Company Limited for violation of Section 137 of the Companies Act, 2013 for failing to

file its financial statements in Form AOC-4 within the statutory time frame for the FY 2022-23. The Adjudicating Authority imposed a penalty of ₹33,000 upon the company and ₹25,000 each on five of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=SndREtqTOEJOUIkn1PL6Aw%253D%253D&-type=open>

43. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of CSC Kant Shahjahanpur Farmer Producer Company Limited

ROC Kanpur issued an adjudication order dated 25th May 2026 in the matter of CSC Kant Shahjahanpur Farmer Producer Company Limited for violation of Section 92 of the Companies Act, 2013 for failing to file Annual Return in Form MGT-7 for the year ending 31.03.2022. The Adjudicating Authority imposed a penalty of ₹49,750 upon the company and ₹25,000 each on five of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=hPQEFpg%252BILh1KnIpVfLfQ%253D%253D&-type=open>

44. Adjudication Order for violation of Section 117 of the Companies Act, 2013 in the matter of SHUBHMANGAL INDIA NIDHI LIMITED

ROC Kanpur issued an adjudication order dated 25th May 2026 in the matter of Shubhmangal India Nidhi Limited for violation of Section 117(2) of the Companies Act, 2013 for failing to file form MGT-14 for the financial year 31.03.2018. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on four of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=fHwZtnLyQqPrbScDIaIs0Q%253D%253D&-type=open>

45. Adjudication Order for violation of Section 149(1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 in the matter of JUPITER INTERNATIONAL LIMITED

ROC Kolkata issued an adjudication order dated 14th May 2026 in the matter of Jupiter International Limited for violation of Section 149(1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 for failing to appoint a woman director within a statutory time frame. The Adjudicating Authority imposed a penalty of ₹3,00,000 upon the company and ₹1,00,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=pkH9CshGs8NeASmfiCgUw%253D%253D&-type=open>

46. Adjudication Order for violation of Section 92(5) of the Companies Act, 2013 in the matter of PINGAL SALES PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Pingal Sales Private Limited

for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2020-21. The Adjudicating Authority imposed a penalty of ₹83,150 upon the company and ₹25,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=z2HDEF9FctQRZBjt1WxzFA%253D%253D&-type=open>

47. Adjudication Order for violation of Section 92(5) of the Companies Act, 2013 in the matter of PINGAL SALES PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Pingal Sales Private Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2019-20. The Adjudicating Authority imposed a penalty of ₹1,00,000 upon the company and ₹25,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=fohobjrZ0UCrHmj0RqMsLg%253D%253D&-type=open>

48. Adjudication Order for violation of Section 92(5) of the Companies Act, 2013 in the matter of MULTI PURPOSE BIOS INDIA LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Multi Purpose Bios India Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2022-23. The Adjudicating Authority imposed a penalty of ₹85,400 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=O7yKUH5s6x3yCp%252Bukj5ug%253D%253D&-type=open>

49. Adjudication Order for violation of Section 92(5) of the Companies Act, 2013 in the matter of MULTI PURPOSE BIOS INDIA LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Multi Purpose Bios India Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for FY 2020-21. The Adjudicating Authority imposed a penalty of ₹1,58,400 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=dDiZ0%252BqYpyLXy5oDzA%252FE3Q%253D%253D&-type=open>

50. Adjudication Order for violation of Section 92(5) of the Companies Act, 2013 in the matter of MULTI PURPOSE BIOS INDIA LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Multi Purpose Bios India Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for FY 2021-22. The Adjudicating Authority imposed a penalty of ₹1,21,900 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=stUwR7yNEiult6Z2nPFQmw%253D%253D&-type=open>

51. Adjudication Order for violation of Section 92(5) of the Companies Act, 2013 in the matter of GAJBADAN ADVISORY SERVICES PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Gajbadan Advisory Services Private Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2016-17. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=rwCxG%252Bt6j2RwF7TV%252Fmm5ew%253D%253D&-type=open>

52. Adjudication Order for violation of Section 92(5) of the Companies Act, 2013 in the matter of DIA SALES LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Dia Sales Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2022-23. The Adjudicating Authority imposed a penalty of ₹85,400 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=OxZ9MZiOo0iSpKpgN89%252Biw%253D%253D&-type=open>

53. Adjudication Order for violation of Section 92(5) of the Companies Act, 2013 in the matter of DIA SALES LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Dia Sales Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2020-21. The Adjudicating Authority imposed a penalty of ₹1,58,400 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=%252F08k%252FGwRVM3rrWioia%252Fz6A%253D%253D&-type=open>

54. Adjudication Order for violation of Section 143 of the Companies Act, 2013 in the matter of VISHAKA ENCLAVE PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Vishaka Enclave Private Limited for violation of Section 143 of the Companies Act, 2013 for failing to charge depreciation on a tangible asset in compliance with Accounting Standard-6, and the statutory auditor failed to comment on same in the its Report for the FY 2020-21. The Adjudicating Authority imposed a penalty of ₹10,000 upon the auditor of the company.

<https://www.mca.gov.in/bin/dms/getdocument?mds=bsXVOFXvlse8KTIQoKyJlw%253D%253D&type=open>

55. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of BELIVE COMMERCIAL PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Belive Commercial Private Limited for violation of Section 92(5) of the Companies Act, 2013. The company failed to file its mandatory annual return in Form MGT-7 within the prescribed statutory period for the FY 2020-21. The Adjudicating Authority imposed a penalty of ₹77,850 each upon the company and ₹25,000 on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=wx6JtZZGVARRuxajNX9iBQ%253D%253D&type=open>

56. Adjudication Order for violation of Section 135 of the Companies Act, 2013 in the matter of RESURGENT INDIA LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Resurgent India Limited for violation of Section 135(7) of the Companies Act, 2013 for failing to transfer its unspent CSR funds to a fund specified in Schedule VII within the legally mandated statutory timeline. The Adjudicating Authority imposed a penalty of ₹1,60,098 upon the company and ₹8,005 each on four of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=ops2kpk6DiVPYkVbaWDA%253D%253D&type=open>

57. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of SHREE MAHALAXMI CORPORATION PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter Shree Mahalaxmi Corporation Private Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2019-20. The Adjudicating Authority imposed a penalty of ₹1,80,300 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=V10tzmMApKjQs6Qh6NURVA%253D%253D&type=open>

58. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of SHREE MAHALAXMI CORPORATION PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter Shree Mahalaxmi Corporation Private Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory period for the FY 2021-22. The Adjudicating Authority imposed a penalty of ₹1,03,600 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=NQ5TYoRLxtxultig7TDOGQ%253D%253D&type=open>

59. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of CSC TRADING PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter CSC Trading Private Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2021-22. The Adjudicating Authority imposed a penalty of ₹52,200 upon the company and ₹25,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=d3wRveVmb4fPGAEtvVsWzA%253D%253D&type=open>

60. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of SAMTAL FINANCIAL SYSTEM LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter Samtal Financial System Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2016-17. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=axv0d6VsY7J47TlSmys8VQ%253D%253D&type=open>

61. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of RAJAT DEALERS PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter Rajat Dealers Private Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2020-21. The Adjudicating Authority imposed a penalty of ₹70,750 upon the company and ₹25,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=yLjk3Re2dnNFDIObE7qlvQ%253D%253D&type=open>

62. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of TABLER CLOTH MERCHANTS PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter Tabler Cloth Merchants Private Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2021-22. The Adjudicating Authority imposed a penalty of ₹59,250 upon the company and ₹25,000 each on five of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=rEkr%252FvnkM0QTpWDG9unN%252B-w%253D%253D&type=open>

63. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of RAJAT DEALERS PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter of Rajat Dealers Private Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2019-20. The Adjudicating Authority imposed a penalty of ₹89,000 upon the company and ₹25,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=t2WQwnM5NVrsg94uA0FfJA%253D%253D&type=open>

64. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of RAJAT DEALERS PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter Rajat Dealers Private Limited for violation of Section 137(3) of the Companies Act, 2013 for failing to file its mandatory financial statements for the specified financial year within the prescribed statutory timeline for the FY 2019-20. The Adjudicating Authority imposed a penalty of ₹90,500 upon the company and ₹25,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=9ngjrbG8OYuBdjt%252F%252BSQ4GQ%253D%253D&-type=open>

65. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of SAMTAL FINANCIAL SYSTEM LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter Samtal Financial System Limited for violation of Section 137(3) of the Companies Act, 2013 for failing to file its mandatory financial statements for the specified financial year within the prescribed statutory timeline for the FY 2021-22. The Adjudicating Authority imposed a penalty of ₹1,06,000 upon the company and ₹50,000 each on three of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=jlK7f603YHiA6PUJpcuNWQ%253D%253D&type=open>

66. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of VASUDHA FILTER SUPPLIERS PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the Vasudha Filter Suppliers Private Limited for violation of Section 137(3) of the Companies Act, 2013 for failing to file its mandatory financial statements within the prescribed statutory timeline for the FY 2020-21. The Adjudicating Authority imposed a penalty of ₹1,44,000 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=DHeOE3a5Nghy%252FdII2T9lQ%253D%253D&type=open>

67. Adjudication Order for violation of Section 137 of the Companies Act, 2013 in the matter of RAJAT DEALERS PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter Rajat Dealers Private Limited for violation of Section 137 of the Companies Act, 2013 for failing to file its mandatory financial statements within the prescribed statutory timeline for the FY 2018-19. The Adjudicating Authority imposed a penalty of ₹2,00,000 upon the company and ₹50,000 each on two of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=VUkNIO72UyoU%252BtzmNtrJCA%253D%253D&-type=open>

68. Adjudication Order for violation of Section 92 of the Companies Act, 2013 in the matter of JWALAJI COMMERCE PRIVATE LIMITED

ROC Kolkata issued an adjudication order dated 16th May 2026 in the matter Jwalaji Commerce Private Limited for violation of Section 92(5) of the Companies Act, 2013 for failing to file its mandatory annual return in Form MGT-7 within the prescribed statutory time frame for the FY 2020-21. The Adjudicating Authority imposed a penalty of ₹83,150 upon the company and ₹25,000 each on four of the directors.

<https://www.mca.gov.in/bin/dms/getdocument?mds=B%252Fa96G1629E4goeOL1awMA%253D%253D&-type=open>

GIST of RD Adjudication Orders**69. Adjudication order for violation of Section 42(10) of the Companies Act, 2013 in the matter of DIGILOGIC SYSTEMS LIMITED**

In the matter of Digilogic Systems Limited the RD (Hyderabad) vide order dated 04th May, 2026 after considering the facts of the case, revised the penalty imposed to *null* as there is no violation, in reply to the appeal against the order of RoC Hyderabad upon the Company and directors in default for violation of Section 42(10) of the Companies Act, 2013

<https://www.mca.gov.in/bin/dms/getdocument?mds=wm5TLcbwCz5NI3%252BqQPmJYw%253D%253D&-type=open>

8

BEYOND GOVERNANCE

Case Study

The Case Study section is inserted to make Chartered Secretary Journal (CSJ) more interactive for the members and students. The Case Study is followed by question(s) which are to be solved by member(s)/student/s. The answer(s) are to be sent to cs.journal@icsi.edu latest by the 25th of each month.

The answer(s) will be reviewed by a Panel of reviewer(s). The winner will be given:

- (i) Certificate of Appreciation.
- (ii) His/Her name will be published in the next issue of the Journal.
- (iii) He/She will be awarded cash award of ₹ 2,500.

Crossword

'Crossword' contains terminologies/concepts from Companies Act, IBC, NCLT and such related areas of profession. Members/students are to send the answers to the Crossword to cs.journal@icsi.edu latest by 25th of each month.

- The answer(s) will be published in the next issue of CSJ.
- The winners will be selected randomly.
- The name of three winners will be published in the next issue of CSJ.

CASE STUDY

Background:

Default by the borrower (borrower and guarantor-hereinafter referred as “the respondent”)..... Recovery proceedings initiated by bank..... Auction Sale conducted by the Debts Recovery Tribunal (DRT) in recovery proceedings..... Dispute relates to concluded auction sale subject to revaluation years after its confirmation and right of buyer in auction sale (hereinafter referred as “the appellant”).

Facts

1. Indian Bank extended an “At Par Facility” in respect of the cheques issued by them to a company (hereinafter referred as “the borrower”) on the guarantee that “the borrower” would maintain a cushion fund at all times during the subsistence of the agreement with the bank.
2. However, “the borrower” was irregular in maintaining the cushion funds without following the conditions of the agreement. In many instances there was a shortfall of funds in the account of “the borrower” to honour the cheques. Even so, the bank continued to honour the cheques presented.
3. Due to persistent defaults and shortfall in funds, “the borrower” became liable to the bank for substantial outstanding dues.
4. To secure the facility, the guarantors created equitable mortgages over several immovable properties for the shortfall of ‘at par facility’ enjoyed by “the borrower”.
5. The bank insisted “the borrower” to make payment of the shortfall arising from the presentation of the cheques issued by them and accordingly sent a legal notice.
6. Upon failure of repayment, the bank-initiated recovery proceedings before the DRT seeking recovery of outstanding dues along with interest.
7. The DRT passed a final order *inter alia* holding that the bank was entitled to a Recovery Certificate against “the borrower and the guarantors”, jointly and severally along with simple interest from the date of default till realisation, along with costs.
8. Thereafter, the DRT, passed an order of attachment on and issued “the Proclamation of Sale”. A valuation report was obtained and a public auction was conducted after issuance of a proclamation of sale. Subsequently, the auction was held and the appellant was the successful bidder among the sixteen bidders. Advance was received towards the total sale consideration from the appellant for the purchase of the mortgaged properties.
9. Pursuant thereto, the DRT confirmed the sale of the attached properties, and a Sale Certificate was duly executed in favour of the appellant and the certificate was duly registered.
10. The Debt Recovery Appellate Tribunal (DRAT) affirmed the order of the DRT that the defaulters cannot take advantage of their internal disputes and that the banks are custodians of public money. The interest of the third-party bidder purchaser should also be protected, who had spent considerable sum as a bona fide purchaser.
11. The High Court disposed of the appeal while holding that there was an equitable mortgage and since the amounts were not repaid, the bank was entitled to recover the dues from “the borrower” and the guarantor jointly and severally, and liquidate the assets to satisfy the outstanding amounts.
12. The High Court upheld the conclusion arrived at by the DRT and DRAT, while remitting the case to the DRT for the limited purpose of valuation of the properties which were the subject matter in the recovery

proceedings and observed that if the properties were found to have been sold at a lower value, appropriate directions could be issued.

13. Aggrieved by the remand on the issue of valuation, the appellant approached the Supreme Court.

It is in these circumstances that the appellant has come up with the present appeal before the Apex Court.

Arguments on behalf of the Appellant (Auction Buyer)

- The appellant's grievance is confined to a limited part of the High Court's judgment. Although the High Court upheld the validity of the auction sale, recognized the appellant's rights as the successful auction purchaser, and affirmed the Bank's right to recover its dues by selling the mortgaged properties, it nevertheless directed the Debt Recovery Tribunal (DRT) to undertake a fresh valuation of the properties almost ten years after the auction had been completed without providing reasons for ordering such revaluation.
- Revaluation after more than a decade would be speculative and cause serious prejudice. The sale was confirmed based on the valuation report which was never challenged by the respondents. Once a sale has been confirmed, it should not ordinarily be disturbed except in cases involving fraud or material irregularity.
- Without prejudice to the above submissions, it was submitted that if this Court were inclined to unsettle the auction, the appellant no longer has any commercial interest in retaining the property, having suffered prolonged financial loss. It was therefore prayed that the appellant be permitted to return the property to the DRT, and that the entire sale consideration paid by him be refunded together with interest and the expenses incurred thereon.

Arguments on behalf of the Respondents (Borrowers / Guarantors)

1. The auction sale conducted pursuant to Recovery Certificate is itself illegal and non est in the eye of law.
2. The appellant failed to comply with the mandatory requirements governing auction sales, inasmuch as he neither paid 25% of the bid amount on the date of auction nor remitted the balance 75% within 15 days. Consequently, no valid sale ever came into existence and the appellant acquired no right, title, or interest in the subject properties.
3. The recovery certificate was subsequently withdrawn, affecting the validity of consequential proceedings.
4. The purchaser allegedly abandoned his interest in the property and had previously sought refund of the sale consideration.

5. The auction sale was claimed to be void and incapable of conferring valid title.
6. The valuation and reserve price fixation required closer scrutiny to determine whether the properties had been sold below their actual value.

Arguments by the Bank

1. The auction sale in the present case was not conducted under the provisions of the SARFAESI Act, 2002, but was carried out by the Debts Recovery Tribunal in accordance with the provisions of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 and the procedure prescribed under Rules 38 and 52(2) of the Second Schedule to the Income Tax Act, 1961, which govern recovery proceedings before the Recovery Officer.
2. It was further submitted that the sale process was conducted in a transparent and lawful manner, strictly in accordance with the statutory procedure.
3. The valuation report was considered before fixing the reserve price.
4. Although there was some delay on the part of the appellant in depositing the balance sale consideration, such delay was duly condoned by the DRT. Thereafter, upon payment of the entire bid amount, the sale was confirmed by the DRT and the sale certificate was subsequently issued in favour of the appellant in accordance with law. The said sale has thus attained finality.

Core Legal Issues

1. Whether an auction sale once concluded by DRT can be subjected to reconsideration of valuation and reserve price many years after confirmation of the sale?
2. Whether the rights of a bona fide auction purchaser override concerns regarding adequacy of valuation of secured assets?

Now decide the above legal issues in light of the facts and submissions made.

Disclaimer

The case study has been framed based on publicly available legal principles with necessary modifications and fictionalisation of names to enable professionals to apply their analytical skills. Any resemblance to actual cases is purely coincidental.

Winner of Case Study – May 2026

CS Aditi Maheswari - ACS 78698

BEST ANSWER - CASE STUDY - MAY, 2026

OVERVIEW OF THE DISPUTE

NTL, a public limited unlisted company, resolved through its Board to raise funds via preferential allotment of **16,766 equity shares of ₹10 each**. A Registered Valuer determined the fair value at **₹334.59 per share**. The Company, however, allotted shares at **₹334 per share**, reasoning that rounding off was permissible. Upon discovery of the deviation, the Company recovered the differential of ₹0.59 per share along with 12% interest and filed a suo motu adjudication application before the Registrar of Companies (ROC).

Despite this rectification, the ROC held that the allotment violated **Section 62(1)(c) of the Companies Act, 2013** read with Rule 13(3) of the Companies (Share Capital and Debentures) Rules, 2014, and imposed penalty under **Section 450 of the Act**. Two core legal issues arise for determination.

I. ISSUE 1: WHETHER ISSUING SHARES AT A PRICE LOWER THAN THE VALUATION REPORT, EVEN marginally, VIOLATES SECTION 62(1)(C)?

A. Section 62(1)(c) — Further Issue of Shares

Section 62(1)(c) of the Companies Act, 2013 governs the further issuance of shares by a company. It permits a company to issue shares to any persons, whether or not those persons include its existing members, subject to the condition that such issuance is *“approved by a special resolution and at such price, as determined by a registered valuer.”*

Rule 13(3) of the Companies (Share Capital and Debentures) Rules, 2014, reinforces the mandate of Section 62(1)(c). It explicitly states that *“the price of the shares or other securities to be issued on a preferential basis shall not be less than the price determined by the registered valuer.”* This rule closes any ambiguity and leaves no room for discretion, rounding, or approximation.

The provision creates a statutory floor for the issue price in a preferential allotment. The legislature has used the phrase ‘not less than the price determined by a registered valuer’ — this is a condition precedent, not a directory guideline. Any price below the valuation report constitutes a per se violation of this provision.

B. The Statutory Language is Unambiguous and Absolute

The expression **“not less than”** in Section 62(1)(c) and Rule 13(3) is a binary threshold — either the issue price equals or exceeds the valuation, or it does not. The statute does not recognize any de minimis exception, rounding-off allowance, or materiality threshold. In statutory interpretation, where language is plain and unambiguous, the courts are not at liberty to depart from the ordinary meaning of the words used.

Govind Das v. ITO
[AIR 1976 SC 1813]

The Supreme Court held that when a statute speaks in clear and unambiguous terms, there is no need to look to other aids of construction. The plain words of the statute must be given effect.

C. The Doctrine of De Minimis Non Curat Lex Does Not Apply

The Company may attempt to invoke the maxim **de minimis non curat lex** (the law does not concern itself with trifles) to argue that ₹0.59 per share is too trivial to attract regulatory sanction. This argument must fail for the following reasons:

- The de minimis doctrine applies where the breach is so insignificant that no harm results and no statutory purpose is frustrated. Here, the statutory purpose — ensuring allotment at fair value — is frustrated by any sub-valuation price.
- The aggregate differential ($₹0.59 \times 16,766 \text{ shares} = ₹9,891.94$) is not negligible in statutory terms; it represents an actual quantifiable shortfall in consideration.

Dilip Kumar & Co. v. CC
[2018 (9) SCC 1] (SC Full Bench)

The Supreme Court held that exemption/benefit provisions in fiscal statutes must be strictly construed, and de minimis cannot be invoked to bypass clear statutory mandates. Compliance provisions must be read strictly.

D. Judicial and Regulatory Precedents Supporting Strict Compliance

SEBI v. Cabot International Capital Corp. [2004] 51 SCL 307 (SAT)	<i>The Securities Appellate Tribunal upheld that pricing regulations in capital issuance are mandatory compliances; any deviation, however minor, attracts regulatory consequences.</i>
Similar RoC Order PO/ADJ/04-2026/BL/01948, dated 16/04/2026	<i>The ROC, in the analogous fact situation, expressly held that even a marginal deviation in issue price below the registered valuer's determined price constitutes a violation of Section 62(1)(c) r/w Rule 13(3), and cannot be excused on grounds of rounding or bona fide intent.</i>

ISSUE 1: YES — Issuing shares at ₹334 per share when the valuation report determined the fair value at ₹334.59 per share is a clear, unequivocal violation of Section 62(1)(c) of the Companies Act, 2013 read with Rule 13(3) of the Companies (Share Capital and Debentures) Rules, 2014. The statutory mandate is absolute; the deviation, however marginal, is legally impermissible. The rounding-off rationale is unsupported by any provision of law.

II. ISSUE 2: WHETHER SUBSEQUENT RECTIFICATION, SUO MOTU APPLICATION, AND ABSENCE OF MALA FIDE INTENT ABSOLVE LIABILITY UNDER SECTION 450?

A. Section 450 — Residual Penalty Provision

Section 450 of the Companies Act, 2013 provides for punishment where no specific penalty is prescribed elsewhere. It states: where a company or any officer thereof or any other person contravenes any provision of the Act or rules thereunder, for which no penalty or punishment is provided elsewhere in the Act, the company, every officer thereof and the other person shall be liable to a penalty of ₹10,000, and in case of continuing contravention, a further penalty of ₹1,000 per day, subject to a maximum of ₹2,00,000 for the company and ₹50,000 for its officers.

It is a residual penal provision that imposes penalty for contravention of any provision of the Act or Rules for which no specific penalty is prescribed elsewhere. Its language is absolute and unqualified — it prescribes **no exception for subsequent rectification, voluntary disclosure, or absence of fraudulent intent**. Once a violation is established, the liability to penalty under Section 450 is automatic; the adjudicating officer has no power to waive it entirely.

The violation of Section 62(1)(c) was complete at the moment of allotment. What followed — recovery of the differential, 12% interest, and suo motu admission — does not retroactively cure that act. These factors are, at best, relevant to the **quantum of penalty**: they may justify the adjudicating officer imposing the minimum of ₹10,000 per person rather than the maximum of ₹2,00,000 (company) / ₹50,000 (officer), and limiting the continuing default penalty to the period prior to rectification. They do not, however, constitute a legal defence to liability.

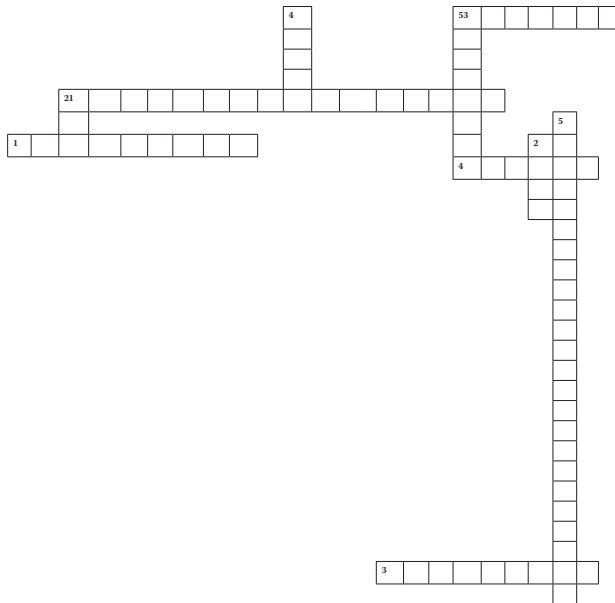
Where the legislature intends to shield a defaulter through compliance, it provides an express mechanism — such as **Section 441 (Compounding of Offences)**, which involves a separate application and approval process. No such protection flows automatically from rectification alone under Section 450.

Issue 2 — Held	Section 450 contains no savings clause for rectification. The violation having been committed and admitted, penalty is mandatorily attracted. Suo motu disclosure and recovery of differential with interest are mitigating factors going to quantum only — not defences to liability. The ROC's order is legally correct.
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B. Conclusion on Issue 2

ISSUE 2: NO — Subsequent rectification (recovery of differential with interest), suo motu disclosure, and absence of mala fide intent do not absolve NTL or its officers from liability under Section 450 of the Companies Act, 2013. The violation was complete upon allotment at below-valuation price. Rectification is a mitigating factor relevant to penalty quantum, not an exonerating defence. Penalty is properly attracted and maintainable.

CROSSWORD PUZZLE – COMPANY LAW - JUNE 2026



ACROSS

- Under the Insolvency and Bankruptcy Code, 2016, The resolution professional shall submit the repayment plan under section 105 along with his report on such plan to the Adjudicating Authority within a period of _____ days from the last date of submission of claims under section 102.
- Under the Companies Act, 2013, a declaration is filed by a director within a period of _____ days of the date of incorporation of the company in Form INC-20A and verified in such manner as may be prescribed, with the Registrar that every subscriber to the memorandum has paid the value of the shares agreed to be taken by him on the date of making of such declaration.
- Under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, The company shall obtain the approval of the shareholders through a special resolution, not later than _____ days from the date of obtaining the approval of Board of Directors in respect of the proposal of the acquirer to delist the equity shares of the company.
- Under the Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, The bankruptcy trustee shall submit a preliminary report to the Adjudicating Authority and the committee within _____ days of the bankruptcy commencement date.
- Under the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, Details of the meetings of contributories with the reasons for delay in the process, details of replacement of liquidator (if any), etc. shall be filed in _____ on or before the 10th day of the subsequent month, after the meeting of contributories or replacement of liquidator.

DOWNWARDS

- Under the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, in respect of Corporate Debtor classified as a micro, small or medium enterprise under MSME Act, the liquidator shall appoint _____ registered valuer for each asset class of the Corporate Debtor, unless the liquidator after the consultation with the consultation committee decides, for the reasons to be recorded in writing, to appoint two registered valuers.]
- Under the Companies Act, 2013, Every company shall file a return in Form _____ 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.
- Under the Insolvency and Bankruptcy Board of India (Prepackaged Insolvency Resolution Process) Regulations, 2021, The resolution professional shall finalise the information memorandum and submit to members of the committee within _____ days of the prepackaged insolvency commencement.
- Under the Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, The bankruptcy trustee shall report the establishment of the committee to the Adjudicating Authority within _____ days from the meeting of the creditors.
- Under the Insolvency and Bankruptcy Board of India (Prepackaged Insolvency Resolution Process) Regulations, 2021, Where the corporate debtor has only creditors in a class and no other financial creditor who are not related parties of the corporate debtor, the committee shall consist of only the _____.

Winners - Crossword May 2026

1ST CS Somi Khemsara, ACS - 71129

2ND CS Aditi Maheshwari, ACS - 78698

3RD CS Sapna Kochar, ACS - 56298

Crossword Puzzle – May 2026 Answers

ACROSS

- VL4
- ONE MONTH
- THREE
- SIXTY
- ONE HUNDRED

DOWNWARDS

- FIVE
- TWENTY-FIVE
- TWO
- THIRTY
- THREE

THAT'S THE CS WAY!

1

AI has changed modern compliance. How was it back in your day ?

Well my friend ! Not to sound too ancient - but we used to deal with physical documents.

CS QUALIFIED 2026

CS QUALIFIED 1990

Companies Act

Economic Laws

SEBI Act, Regulations

ESG & SUSTAINABILITY

2

Well then how did you ensure governance ?

Oh! So that's how we have been known as Chief Governance officers.

We did not have to ensure governance. We just made sure there was no room for misgovernance.

Companies Act

Economic Laws

SEBI Act, Regulations

ESG & SUSTAINABILITY

3

How do you see professional life changing in this Digital Era?

Well... the recurring processes are eased out. But Governance definitely goes beyond Compliance.

Companies Act

Economic Laws

SEBI Act, Regulations

ESG & SUSTAINABILITY

4

And what keeps you going even today ?

Personal successes aside. When stakeholders recognize our value - it boosts us all the way up !!!

Companies Act

Economic Laws

SEBI Act, Regulations

ESG & SUSTAINABILITY

5

Indeed some recognitions are worth celebrating - Happy PCS Day !!!

Well to you as well ! Generations may change but Governance is embedded into the Profession right from inception.

Companies Act

Economic Laws

SEBI Act, Regulations

ESG & SUSTAINABILITY

कायदे के फायदे



Motto

सत्यं वद । धर्मं चर ।

इष्टार्थं तेन लब्धं, परार्थं न विद्वेष्टुमर्हति

Vision

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

Mission

"To develop high calibre professionals
facilitating good corporate governance"



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**THE INSTITUTE OF
Company Secretaries of India**

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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(Under the jurisdiction of Ministry of Corporate Affairs)

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